

September 28, 2012

Cochise County Board of Equalization
1415 Melody Lane, Building G
Bisbee AZ 85635

RE: Recommended Decision of Hearing Officer in Personal Property Appeal,
Account No: M120000065 (Appellant: Bill or Kate Daniel)

After conducting a Hearing on the appeal of the Notice of Value for the above Personal Property Appeal, it is my recommended decision that the following values be established:

FCV: \$37,550.00

LPV: \$37,550.00

The basis for my decision is as follows:

The Appellant objected to the Assessor's recommended value for his mobile home. The Appellant argued that the value should be no more than the purchase price of \$15,000. The evidence showed that the mobile home was purchased from Hughes Credit Union after it was repossessed. The Appellant relied on the definition of "distressed sale." However this transaction is characterized, it was not a true arms-length sale between unrelated parties, a seller who is trying to get the highest price possible and a buyer who is trying to pay as little as possible. A repossession sale by a financing entity, such as a credit union, is motivated not by the fair market value, but by a business decision to recoup the financed amount or balance owed on the property. This purchase price is some evidence of value, but it is not the best indicator of value. The Assessor has correctly applied the method approved by the Dept. of Revenue in their Personal Property Manual, Chapter 3, Valuation of Manufactured Housing and Mobile Homes. The DOR requires that value be set based on the manufacturer's list price less depreciation. The Appellant has not presented any evidence which would establish a more accurate indication of value than the DOR guidelines. Therefore the Assessor's recommended values should be approved.

Thank you,

James Riley, Hearing Officer