

Board of Equalization
October 9, 2012, 1:30 P.M.
MINUTES

A meeting of the Cochise County Board of Equalization was held in the Board of Supervisors' Hearing Room on October 9, 2012 at 1:30 p.m. to hear petitions in the Notice of Value Hearings. In attendance were Richard Searle, Chairman; Pat Call, Vice Chairman; Ann English, Supervisor; Dave Fifer, Deputy Civil Attorney; and Gussie Motter, Deputy Clerk of the Board.

Roll Call: All three Board of Equalization Members were present

CONSENT

1. UPHOLD ALL OF THE UNCONTESTED HEARING OFFICER DECISIONS IN THE NOTICE OF VALUE HEARINGS HELD ON SEPTEMBER 20 AND 27, 2012.

Supervisor Call made a motion, seconded by Supervisor English, to uphold all of the Hearing Officer's uncontested decisions from in the Notice of Value hearings from September 20 and 27, 2012. The motion carried unanimously.

ACTION

2. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCELS 123-47-661, 662, 663, 664 AND 665, COCHISE VISTA LLC.

Alain Hartman, Property Tax Evaluations, represented the appellant, Dr. Kartchner. The properties represent 52 acres of commercial property that had been revalued to 90 cents a foot. Mr. Hartman argued that there was no justification for the increase especially because ADOT requirements for exel and decel lanes on Route 90 would cost a million dollars to bring up to standards. An interested buyer would be unable to get a permit until the ADOT entitlements were resolved. Dr. Kartchner, the managing partner for Cochise Vista, added that there had been a billboard on the property for two years and there had not been one inquiry.

Appraiser Terry Anderson spoke for the Assessor's Office. He explained how properties in the area were valued and assured the Board that all parcels were valued using the same methodology. All of the parcels to the north were revalued in 2011 except these. The Assessor used only equity comps as there have been no sales in the area for the past five years.

Mr. Hartman reiterated that the increase from 36 cents per square foot to 90 cents was not warranted especially as there is no market to study.

Chairman Searle expressed concern about such a jump in valuation with no supporting sales.

Supervisor English wanted to make sure that all of the properties were valued in the same manner, guessing that they all may be overvalued.

Supervisor English made a motion, seconded by Supervisor Call, to uphold the recommended Hearing Officer's decision. The motion failed 1 – 2, Supervisors Call and Searle opposed. Supervisor Searle then made a motion, seconded by Supervisor Call, to amend the hearing Officer's decision to last year's values. The motion carried 2-1, Supervisor English opposed.

3. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 105-18-010 P, ARTHUR R. TANNER REVOCABLE TRUST.

Mr. Tanner did not attend the meeting. Mr. Anderson, speaking for the Assessor's Office, met with Mr. Tanner, whose property is in Antelope Run, an RU-4 area. Mr. Tanner has only 1.69 buildable acres on his property and was given a 50% deduction in value for that. Other property owners in Antelope Run have gotten an adjustment to build on less than two acres. Mr. Tanner did not submit any Cost to Cure figures for his property except to say that he feels his property is useless and only worth \$500.

Supervisor Call made a motion, seconded by Supervisor English, to uphold the Hearing Officer's recommended decision. The motion carried unanimously.

4. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 107-78-094 B DELTA PROPERTIES, LLP.

Mr. Anderson indicated that the Assessor's Office had settled with the Appellant before this meeting.

5. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR M120000065, BILL DANIEL.

Mr. Daniel had requested in an email that Supervisor Searle recuse himself from this hearing, but at the meeting stated that he did not think it was necessary. Mr. Daniel purchased a mobile home from a credit union for \$15,000. The Assessor valued the mobile home at \$37,550. Mr. Daniel submitted definitions for Fair Market Sale, Distressed Sale and Arm's Length Transaction, arguing that the property should be valued at no more than he paid for it. The Assessor and the Hearing Officer explained to him that there are mandated guidelines for the valuation of mobile homes. Because the property was vacant for many years before Mr. Daniel bought it, Supervisor Searle speculated that perhaps a physical inspection would result in a reduction in value.

Mr. Anderson said that the Assessor's Office would be glad to do a physical inspection but Mr. Daniel did not think that would help because of the repairs that have already been made to the property.

Supervisor English made a motion, seconded by Supervisor Call, to uphold the Hearing Officer's recommended value. The motion carried 2-1, Supervisor Searle opposed.

6. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 123-09-011, GLIDEWELL

Felix Dagnino, Deputy Assessor, asked to address Items 6 and 7 together, as they dealt with the same arguments. The Assessor's Office appealed these decisions, believing that the Hearing Officer's recommended decisions were based on incorrect statutes. Statutes involving State Boards of Equalization are found in Article 4. The Statute regulating County Boards of Equalization are found in Article 3. The Hearing Officer based his decision on Statute 42-6102, for State Boards of Equalization found in Article 4. In these two cases, the Assessor adjusted the land values downward and added improvements which brought the entire Full Cash Value up. The Hearing Officer's recommended decision was to keep the land adjustment and disallow the improvements.

Ms. Glidewell, the property owner, argued that her new steel roof has an energy star rating and according to state statute, should not add any value to the property. There is no gas to the property and she gets her water from a well. A value of \$2,762 was added for an evaporative cooling system that can be purchased for \$700 at Lowes. All of the improvements to the property were done before 1965, which should have depreciated value to 60%. There is also a 65 foot utility right of way on the back of the property that is not usable.

Supervisor English made a motion, seconded by Supervisor Call, to amend the Hearing Officer's recommended decision to the Assessor's decision. The motion failed 1 to 2, Supervisors Searle and Call opposed. Supervisor Searle made a motion, seconded by Supervisor Call to uphold the Hearing Officer's recommended decision. The motion passed 2 to 1, Supervisor English opposed.

7. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 123-24-093, BOTTS FAMILY TRUST

Mr. Dagnino explained that Item 7 dealt with the same argument as Item 6. The Assessor sent the appeal back with an increased value due to improvements. The owner, Mrs. Theona Botts, presented photographs of the improvements and stated her belief in the Hearing Officer's recommended decision.

Supervisor Call made a motion, seconded by Supervisor Searle, to uphold the Hearing Officer's recommended decision. The motion passed 2 to 1, Supervisor English opposed.

8. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 403-04-002, GAKIN.

Item 8 also deals with the same argument presented in Item 6 by Mr. Dagnino. Mr. Gakin, the owner, was not present at the hearing.

Supervisor Call made a motion, seconded by Supervisor Searle, to uphold the Hearing Officer's recommended decision. The motion passed 2 to 1 with Supervisor English opposed.

9. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 104-55-016 B, PALENDENIC

Mr. Dagnino presented for the Assessor's Office, indicating that the same argument would be used for this property and the next three. The issue is about agricultural status for leased properties used for horse rescue by Hors'n Around Rescue Ranch and Foundation, Inc. The Assessor feels that the properties do not meet the statutory requirements for equine rescue properties as they are not registered with the Department of Agriculture. Hors'n Around is a non-profit organization and registered with the State. These properties are leased by Hors'n Around and not registered.

Steve Boice, Co-Founder of Hors'n Around Rescue Ranch, read from the Hearing Officer's decision regarding the difference between an entity and a facility. The Hearing Officer concluded that "the clear legislative intent for the statutes cited by the assessor was to provide a tax incentive for entities who choose to use property, owned or leased, for the charitable purpose of equine rescue. In order to give effect to these statutes, rather than invalidate them, the statutory reference to 'facility' must be read as 'entity' where appropriate. If the term 'facility' is determined to include 'entity' then the Appellants have satisfied all statutory requirements for agricultural status for the subject properties and the appeals should be granted."

Supervisor asked for Mr. Fifer's opinion. The Attorney's Office had been asked by the Assessor's office to form an opinion. Mr. Fifer concluded that all of the properties had to be registered. By registering, a vet comes to the property to assess the conditions for horse rescue. If you do not register, you cannot have agricultural status.

Mr. Boice declared that this information was not given to him when he registered Hors'n Around with the Department of Agriculture. He did register 9 pastures with 700 plus acres and included a list of all the leased properties and a vet did visit and pronounced the properties adequate for equine rescue. He feels that the rules keep changing.

During discussion, Supervisor Call commented that the appellants have tried in good faith and that some humanity should be brought to the process. Supervisor English ventured that allowing this would change the whole tax structure for the County. Supervisor Searle chose to agree with the hearing officer.

Supervisor Call made a motion, seconded by Supervisor Searle, to uphold the Hearing Officer's recommended decision for the parcels listed in Items 9,10, 11, and 12. The motion passed 2 to 1, Supervisor English opposed.

10. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCELS
104-48-007 A, 031, 014,017 E, 017 F, McARTHUR

11. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 104-
55-022 D, TEMPLE

12. UPHOLD OR AMEND THE HEARING OFFICER'S RECOMMENDED DECISION FOR PARCEL 105-
20-009 U, LUSIGNAN REVOCABLE TRUST.

The meeting was adjourned at 4:40 p.m.

APPROVE

ATTEST

Richard Searle, Chairman

Gussie Motter, Deputy Clerk of the Board.