

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>DARLENE L. CONRAN,</p> <p>v.</p> <p>Respondent:</p> <p>TELLER COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Darlene L. Conran Address: 60 Shawnee Place Florissant, Colorado 80816 Phone Number: (719)689-2573 E-mail: Attorney Registration No.:</p>	<p>Docket Number: 39197</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on January 8, 2002, Karen E. Hart, Steffen A. Brown, and Mark R. Linné presiding. Petitioner appeared pro se. Respondent was represented by Paul W. Hurcomb, Esq..

PROPERTY DESCRIPTION:

Subject property is described as follows:

**LOC:L5 NAVAJO MT MESA TOWN & COUNTRY 1966 10X55 & 7656
(Teller County Schedule No. M0027416**

Petitioner is protesting the 2001 actual value of the subject property, a single-wide 1966 Town & Country mobile home, measuring 10 feet wide by 46 feet long. The property is of low quality construction and is in worn-out condition. The exterior walls are severely dented, and the interior is damaged due to a leak in the roof. The property includes a 446 square foot deck of low quality attached to the structure.

ISSUES:

Petitioner:

Petitioner contends that the subject property mobile home is situated on land not owned by Petitioner. The subject consists of a mobile home that cannot be moved anywhere within Teller County due to its age. Respondent used improper sales to value the subject, did not consider the physical condition of the property, and also should not have included utility services in the mobile home value.

Respondent:

Respondent contends that the subject property was properly valued using the market approach to value. The sales used to value the subject were from the same area and are the best indicators of value.

FINDINGS OF FACT:

1. Petitioner, Darlene L. Conran, presented the appeal on her own behalf.
2. Based on the market approach, with specific consideration for the physical condition of the property, Petitioner presented an indicated value of \$1,000.00 for the subject property.
3. The Petitioner testified that the subject property is not on a permanent foundation. She indicated that she received two assessments: one for the subject mobile home; one for the land it sits upon.
4. The witness testified that the greatest problem with pre-1976 mobile homes is that it is virtually impossible to sell an older mobile home due to the fact that it cannot be placed on any other site in the State of Colorado. Most banks will not loan on old mobile home property. Banks require that the title be purged, thus making them into real property.
5. Ms. Conran testified that the Respondent has provided 126 mobile home sales during the 18-month study period. Most of these are newer mobile homes or modular homes. Only 11 pre-1976 sales occurred during the study period. Only 7 are noted as being purged. The witness noted that these mobile homes are of inferior condition and completely worn out.
6. The witness testified that mobile homes older than 1976 should not be in the same class as newer properties.

7. The witness testified with respect to the comparable sales utilized by the Respondent. Comparable Sale #1 was closer to urban areas and was in average condition. Comparable Sale #2 sold with 20 acres, and it was this component that drove the high sales price. Comparable Sale #3 had more living area, and other features that rendered it less than comparable. Comparable Sales #4 and #5 were both larger. Comparable Sale #6 was described as a purged property (real property), is closer to Woodland Park and Divide properties, and is larger than the subject.

8. The witness testified that she had found a comparable property, and though it did not sell, it had been assessed differently from her property.

9. The witness testified that this similarly situated property, though somewhat older than the subject by four years, was originally valued by the Respondent at \$61,000.00, and subsequently reduced to \$8,504.00. This property is hooked up to well and septic, similar to the subject.

10. This property (presented as a uniformity comparable) had a distraint notice placed on it. A distraint notice is placed only on personal property.

11. Ms. Conran testified that the valuation accorded to the subject property violated the provisions of the Colorado Manufactured Housing Act.

12. The witness testified that the subject's valuation is many times higher than comparable properties in the county. She feels that the Respondent has not uniformly valued her property in accordance with Colorado Revised Statutes.

13. In response to cross-examination, the Petitioner testified that she owns the property on which the mobile home is situated.

14. The witness admitted that the comparable she cited was not actually a sale, but that the information on this property represented an appraisal of that property.

15. In response to questions from the Board, the witness testified that she received two notices from the county, one for the mobile home and one for the land.

16. In redirect testimony, the witness testified that she is only protesting the value of the mobile home.

17. The witness further testified that she experienced a 1,800% increase in valuation on a mobile home that she cannot sell. She purchased the property in February of 1982. She moved her mobile home onto the property after she acquired the land. The property is not on a permanent foundation.

18. The witness testified that the subject property has a wood deck. It comprises more than 400 square feet. She finished the deck in 1996. She described her mobile home as essentially "worn-out." She explained that dynamite from an explosion destroyed a portion of the mobile home. The blast blew a wall off a portion of the bedroom and bathroom.

19. She checked in many neighboring counties, and found out that she could not locate a mobile home of the subject's age in their jurisdiction. She put a septic system in the property.

20. The witness testified that most of the sales that the assessor used are newer, double wide, and well insulated.

21. Petitioner is requesting a 2001 actual value of \$1,000.00 for the subject property.

22. Respondent's witness, Al Jordan, Colorado Certified General Appraiser, Teller County Assessor, presented an indicated value of \$29,362.00 for the subject property based on the market approach.

23. Respondent's witness presented six comparable sales ranging in sales price from \$36,914.00 to \$53,288.00 (extracted improvement value only) and in size from 430 to 784 square feet. After adjustments were made, the sales ranged from \$29,707.00 to \$45,195.00.

24. The witness testified that the valuation for the property was originally set at \$46,268.00 based on data from the 18-month base year period. Prior to this time period, Teller County had not had sufficient sales to warrant a revaluation. An unusually large number of sales occurred during this time period, requiring a revaluation of this class of property.

25. The witness noted that a large number of appeals were filed by mobile home owners. He requested that the Division of Property Taxation (DPT) examine the valuations for his office. The DPT determined that mobile home values were 5.9% high. On the basis of this finding, all mobile homes were re-inspected and revalued by 5.9%. After physically inspecting all of the mobile homes, newer mobile homes were increased in value, and older properties received a lower value as a result.

26. The witness testified that historically mobile homes had never been revalued due to the limited number of sales and the requirements of Colorado Revised Statutes.

27. Properties such as the subject were valued in the range of \$3,000.00-\$4,000.00-\$5,000.00 as a result.

28. The witness testified that there was a large jump in the number of sales that occurred in Teller County. There have been no apartments built in the county in the last five years. There are less than 500 rental units in the county. All of the witnesses' data came from Colorado Housing Finance Authority and census data.

29. The witness described a purged title as a title to the mobile home that has been surrendered to the state. It is done to secure a mobile home to the land. Once this is done, the mobile home cannot be sold separate from the underlying of the land. Purging is primarily to secure the lender's interest.

30. The witness testified that mobile homes for ad valorem purposes are taxed the same as real property, and it does not matter if the title is purged or not. For ad valorem property tax purposes, the subject property is a taxable parcel.

31. The witness described the process of valuing the subject property. They used the building residual method. Only the market approach was used to determine the property value. The factors that are taken into account include size, condition, attached issues, and quality. Additionally, on properties in which the land is owned by the owner of the mobile home, they have included the value of the well, septic and electric service with the value of the mobile home.

32. The witness testified that he used six comparables in the valuation of the subject. He felt that the comparable sales were good.

33. The witness testified that all physical differences need to be accounted for, and each was taken into account when comparing sales to the subject property. Based on the differences in physical conditions, the data from each of the sales was adjusted accordingly.

34. The assessor has considered the value of the contributory items generally attached to the land. If the owner of the mobile home also owns the land, the following addition to total value is indicated: \$5,200.00 well, \$4,500.00 septic, \$1,500.00 for electric service.

35. The witness for the Respondent testified that nothing provided by the Petitioner has caused him to change his mind on the issue.

36. The witness testified that only single-wide mobile home comparables were used.

37. In response to cross-examination, the witness testified that prior to the assessor's written objection period, not every mobile home had been visited. Every mobile home was visited subsequent to the written objection period (June through late August).

38. The witness testified that many sales were thrown out for a variety of reasons, but he could not state the actual amount.

39. The witness testified under cross-examination that some mobile home property values increased in value after the reappraisal and some decreased.

40. The witness testified that Marshall Valuation Service guidelines are used in describing the conditional aspects of the comparables.

41. The witness further explained that mobile homes are valued in situ, where it is, not with respect to value in exchange. The witness noted that if you account for the well, septic and electric, there is not much difference between a mobile home in a park versus a mobile home on an owned piece of land. There is greater uncertainty with respect to a mobile home park, and this could account for the price differential.

42. Respondent assigned an actual value of \$29,362.00 to the subject property for tax year 2001.

CONCLUSIONS:

1. Petitioner presented sufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2001.

2. The Board was convinced that attaching the value of utilities to the subject property was improper. The subject property can be characterized as improvements on separately owned land. Utility services such as electrical, well, and septic systems should be considered site improvements and as such should be included in the land value. For mobile home parks, Teller County recognizes these services as site improvements and they are valued with the land. Yet Respondent values these same utilities to the mobile home, not the land, when located outside a mobile home park. The Board does not see a substantial difference between the subject property mobile homes and mobile homes located in a mobile home park. Similar to a mobile home park situation, the subject mobile home is owned separately and distinctly from the land, and the utility services would remain if the mobile home were removed. The Board concludes that the \$11,200.00 indicated value of the utilities must be removed from the value of the mobile home.

3. The Board also considered that the testimony on the conditional aspects of the subject property as presented by the Petitioner was unrefuted by the Respondent. The subject was described as “worn out,” and had been severely damaged by dynamite explosions from adjacent utility line placement. The Board concludes that the consideration by the Respondent of the conditional aspects of the subject vis-à-vis the comparable sales are insufficient, and the resultant value as determined by the Respondent is therefore unsupported.

4. After careful consideration of all the presented evidence and testimony, and the deduction of the utility costs in the amount of \$11,200.00, and additional conditional adjustments, the Board concluded that the 2001 actual value of the subject property should be reduced to \$7,500.00.

ORDER:

Respondent is ordered to reduce the 2001 actual value of the subject property to \$7,500.00.

The Teller County Assessor is directed to change his records accordingly.

APPEAL:

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 20th day of February, 2002.

BOARD OF ASSESSMENT APPEALS

Karen E Hart
Karen E. Hart

Steffen A. Brown
Steffen A. Brown

Mark R. Linné
Mark R. Linné

This decision was put on the record

FEB 20 2002

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

Diane Von Dollen
Diane Von Dollen



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