

**BOARD OF ASSESSMENT APPEALS,  
STATE OF COLORADO**  
1313 Sherman Street, Room 315  
Denver, Colorado 80203

Petitioner:

**WESTERN BOWL,**

v.

Respondent:

**JEFFERSON COUNTY BOARD OF  
COMMISSIONERS.**

Attorney or Party Without Attorney for the Petitioner:

**Docket Number: 40981**

Name: Ronald C. Sandstrom  
F & S Tax Consultants  
Address: 11540 W. 69<sup>th</sup> Way  
Arvada, Colorado 80004  
Phone Number: (303) 424-0683

**ORDER**

**THIS MATTER** was heard by the Board of Assessment Appeals on September 10, 2003, Steffen A. Brown and Karen E. Hart presiding. Petitioner was represented by Ronald Sandstrom, Agent. Respondent was represented by Lily W. Oeffler, Esq.

**PROPERTY DESCRIPTION:**

Subject property is described as follows:

**10000 Ralston Road, Arvada, Colorado  
(Jefferson County Schedule No. 913710)**

Petitioner is requesting an abatement/refund of taxes on the subject property for tax years 1999 and 2000. The subject property consists of personal property located at the Western Bowl bowling alley at 10000 Ralston Road, Lakewood, Colorado.

## **ISSUES:**

### **Petitioner:**

Petitioner contends that there were reporting errors made by Petitioner and that some equipment needs to be removed from its personal property listing.

### **Respondent:**

Respondent contends that some of Petitioner's requested removal of equipment should be granted. The remaining equipment has been valued as reported by Petitioner on its declaration forms.

## **FINDINGS OF FACT:**

1. Petitioner's witness, Mr. Ronald Sandstrom, of F&S Tax Consultants, testified that some personal property items were not reported as retired. Page 4 of Petitioner's Exhibit A is a summary of corrections requested to be made to Respondent's listing, including the designated line item for each tax year. The coin counter was never purchased or delivered, although a down payment was made.

2. Mr. Sandstrom testified that bowling pins have short lives, from 12 to 18 months; they are expensed and not depreciated. The owner recollects that one-third of the AMF Computer purchase price was for software. The receipt for the AMF Computer Scoring system and its associated software no longer exists.

3. Upon questioning by the Board, Mr. Sandstrom testified that the bowling pins cost less than \$10.00 per pin. New pins are acquired every year. The original pins were reported as a part of line item 48 (1999 listing) in the 1980 purchase of the property. The remaining pins have been replacements.

4. Petitioner is requesting a 1999 actual value of \$64,826.00 and a 2000 actual value of \$64,392.00 for the subject property.

5. Respondent's witness, Mr. Stephen C. DeBell, a Registered Appraiser with the Jefferson County Assessor's Office, testified that Petitioner's personal property listing was compiled from asset listings reported by either Petitioner or its accountant on its declaration form.

6. Petitioner's 1998 declaration showed a used coin counter, acquired in 1997, with an original cost of \$690.00. They received no information from Petitioner indicating that the machine was not purchased; it was shown as being a depreciated asset. Bowling pins with an 18-month life are taxable. Only items held for inventory with a shelf life of less than 12 months are exempt.

7. Regarding the AMF Computer Scoring system, it was reported as acquired for \$130,245.00 in 1990. He agrees that computer software is exempt, but they need to determine how much of the purchase price was for software versus hardware and installation costs. It is currently classified as electronic equipment. A portion of the equipment could be classified as computer equipment rather than electronic equipment if a specific breakdown of hardware, software, and installation costs were furnished by Petitioner, such as a copy of the original invoice.

8. For tax year 1999, he agreed that items 25 through 47 should be removed. Regarding the tax year 2000 items, he agreed that items 17, 18, and 25 through 43 should be removed.

9. Upon questioning by the Board, Mr. DeBell testified that they had not conducted an audit or physical inspection of the subject property.

10. Respondent assigned an actual value of \$81,298.00 to the subject property for tax year 1999 and \$76,213.00 for tax year 2000.

## **CONCLUSIONS:**

1. Petitioner presented sufficient probative evidence and testimony to prove that the valuations of the subject property for tax years 1999 and 2000 were incorrect.

2. Respondent agreed to the removal of the disputed items, with the exception of the coin counter, bowling pins, and AMF Computer Scoring requests.

3. The Board was convinced that the coin counter should be removed from the tax rolls, as possession was never taken of the property, although a down payment was made and the purchase was reported. Respondent has not audited or physically inspected the subject and cannot dispute that the coin counter was never located at the bowling alley.

4. Regarding the bowling pins, the Board was convinced that the original set of pins was included as a part of the listed equipment when the business was purchased. The subsequent purchases of pins are replacements that should not be taxable.

5. Regarding the AMF Computer Scoring requests, Petitioner did not provide sufficient evidence as to a breakdown of the specific original cost for hardware, software, and installation costs, or comparable market data. The only information regarding a breakdown of the costs was Mr. Sandstrom's testimony that the owner estimated one-third of the purchase price was for software. This item should remain on the property listing until such time as Petitioner furnishes a breakdown of the original cost or furnishes market comparison data that would indicate a need to reduce the value or to reclassify a portion of the property.

6. The Board notes some minor discrepancies between the equipment value listings of Petitioner and Respondent. Petitioner testified that his values were taken from Respondent's records. Therefore, the Board used Respondent's appraisal data to make the ordered value adjustments.

7. The Board concluded that the 1999 actual value of the subject property should be reduced to \$74,567.00, and that the 2000 actual value of the subject property should be reduced to \$73,588.00.

## **ORDER:**

Respondent is ordered to cause an abatement/refund to Petitioner, based on a 1999 subject property actual value of \$74,567.00, and a 2000 subject property actual value of \$73,588.00.

The Jefferson 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.

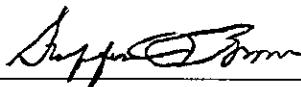
In addition, if the decision of the Board is against the Respondent, the Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law when the Respondent alleges procedural errors or errors of law by the Board of Assessment Appeals.

If the Board recommends that this decision is a matter of statewide concern, or if it results in a significant decrease in the total valuation of the county, Respondent may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation for assessment of the county in which the property is located, the Respondent may petition the Court of Appeals for judicial review of such questions with 45 days from the date of this decision.

**DATED and MAILED** this 17<sup>th</sup> day of September, 2003.

**BOARD OF ASSESSMENT APPEALS**

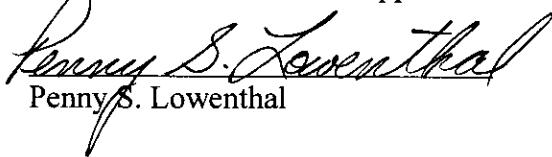
  
\_\_\_\_\_  
Steffen A. Brown

  
\_\_\_\_\_  
Karen E. Hart

This decision was put on the record

SEP 16 2003

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

  
\_\_\_\_\_  
Penny S. Lowenthal

