

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>JOHN RAYMOND JR. & LYNDA MARIE WATT,</p> <p>v.</p> <p>Respondent:</p> <p>MOFFAT COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: John R. Watt, Jr. Address: P.O. Box 160 Maybell, Colorado 81640 Phone Number: (970) 269-3025</p>	<p>Docket Number: 42283</p>
<p style="text-align: center;">ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on April 5, 2004, Rebecca Hawkins and Karen E. Hart presiding. Petitioners appeared pro se. Respondent was represented by Kathleen H. Taylor, Esq.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**County Road 119, Greystone, CO 81640
(Moffat County Schedule No. 01063714200011)**

Petitioners are protesting the 2003 actual value of the subject property, a 1,062.77-acre ranch with a small log cabin and Quonset hut, located 85 miles west of Craig, Colorado.

ISSUES:

Petitioner:

Petitioners contend that the subject land and building improvements have been overvalued.

Respondent:

Respondent contends that the subject property has been properly valued, using the market approach for the cabin, the cost approach for the Quonset hut, and the income approach for the agricultural land.

FINDINGS OF FACT:

1. The subject property consists of a 1,062.77-acre, agriculturally classified ranch property located approximately 85 miles west of Craig, Colorado, 18 miles from the nearest paved road. The county access roads are graveled and are not winter maintained. Access to the property is extremely limited for six months of the year.

2. There are no public utility services provided to the subject property. Water is provided to the cabin via a pipe from a spring. Electricity is provided by a generator; according to Petitioner, it will cost \$400,000.00 to install public electrical service. The only telephone available is cellular or tellular. Other services that are limited due to the remote location are Internet access, police protection, postal delivery and UPS delivery.

3. The land was once meadowland, but now much of the property is covered with old-growth sagebrush that reaches 8-9 feet tall. The property has two springs and there is a reservoir used for livestock. There is a grazing lease on the property.

4. There is a small log cabin located on the subject property, built in approximately 1919 by the homesteader. There was no year-round occupancy from 1970 until Petitioners' purchase of the property on July 25, 1994. The cabin was previously used as a hunter's lodge. All of the windows, except for two, are original and the window screens are homemade. The logs are rough-hewn and the cabin is not airtight. The cabin is not insulated and there are no interior doors. There is no septic system. Heating is provided by wood stove. Hot water must be heated on the wood stove. All lighting is provided by kerosene lanterns and table lamps.

5. Petitioner, Mr. John Raymond Watt, Jr., presented the appeal on behalf of Petitioners.

6. Petitioner testified that his cabin is in poor condition, he must annually replace rotted boards and tar-patch the roof, the logs are in poor condition, the concrete is badly cracked, the cabin is not plumb, and there are no concrete footers. He cannot obtain affordable insurance for the cabin and he believes the cabin is not saleable.

7. The Moffat County Assessor originally assigned a value of \$6,219.00 to the subject property for tax year 2003.

8. Petitioners appealed the Assessor's valuation to the Moffat County Board of Equalization (CBOE). The CBOE increased the property value to \$47,594.00, for tax year 2003.

9. Respondent's witness, Ms. Deborah Canfield, a Certified Residential Appraiser and Chief Appraiser with the Moffat County Assessor's Office, testified that she had been unaware of the Quonset hut located on the subject property. She recommended that the CBOE increase the value to \$47,594.00, based on information and photographs received from a neighbor of the Watts, which indicated the Assessor's records were not correct. She updated the cabin's physical characteristics based on the photos and added value for the omitted metal Quonset building, estimating its size. She used the best information available, as she was not allowed access to the property.

10. Based on the market approach, Ms. Canfield presented an indicated value of \$34,869.00 for the subject cabin, using a square footage of 476, as shown on the Assessor's original records. She used 170 square feet each for the rear cabin room and the covered porch.

11. Respondent's witness presented three comparable sales ranging in sales price from \$48,900.00 to \$110,900.00 and in size from 846 to 1,468 square feet. After adjustments were made, the sales ranged from \$54,900.00 to \$92,930.00, or \$64.01 to \$64.89 per square foot. All three comparable sales are classified as residential sites.

12. Comparable Sale 1 is located approximately 40 miles east of the subject and 45 miles west of Craig; it is the nearest of the comparable sales in location. It is located on the Yampa River and on a paved road. It has all utility services and the dwelling appears to be of multi-level design. The site size is 5 acres.

13. Comparable Sales 2 and 3 are located 45 and 48 miles, respectively, northeast of Craig and have little utility services and only summer access. Sales 2 and 3 are part of the Wilderness Ranch subdivision and are located about 10 miles south of the Wyoming state line. The lots are 5 acres and 5.54 acres in size respectively. The houses constructed on Comparable Sales 2 and 3 were built in the late 1970s or early 1980s.

14. Ms. Canfield did not remove the land value from the comparable sales price per square foot conclusion; she did not consider the land value to be a significant contributor to the sales price. The Moffat County Assessor's assigned land value for Comparable Sale 1 is \$10,800.00, Comparable Sale 2 is \$9,141.00 and Comparable Sale 3 is \$8,000.00 or \$9,000.00. Ms. Canfield is now aware that the subject property does not have solar heat and would differently adjust her sales grid for heat type, adjusting Comparable Sale 1 by a negative \$3,000.00 and making no adjustment for type of heat to Comparable Sales 2 and 3. She believes the market value of the subject property's land would be approximately \$300.00 per acre.

15. Petitioner testified that Respondent's Comparable Sales 2 and 3 are recreational playground properties located much nearer to Craig than the subject property and are used for weekend recreational activities versus his year around residence. They have nice gravel roads, though he admits they are not winter maintained, similar to the subject. Comparable Sale 1 is a split-level house as compared to his one story cabin. He believes the land value for Comparable Sale 1 should be \$25,000.00, based on its location on the river and on a paved road. He does not believe the land value should be a part of the square foot price applied to his cabin, pointing out that his house and land are valued separately due to his agricultural classification. He believes Ms. Canfield's estimated land value for the subject property is too high, testifying that he had purchased the subject property and other tracts between 1996 and 1998 for a price ranging from \$18.33 per acre to \$194.99 per acre, including improvements.

16. Respondent's witness used a state-approved cost estimating service, Marshall & Swift, to derive a market-adjusted cost value for the subject property's Quonset hut of \$6,642.00, based on an estimated size of 1,200 square feet and an effective year built of 1999. Based on Petitioner's testimony in the hearing that the subject property was smaller in size at 1,120 square feet, Ms. Canfield recommended a reduction in value for the Quonset hut to \$6,200.00.

17. Respondent's witness used the income approach to derive a land value of \$6,048.00 for the subject property, based on 562.77 acres of Class 5 grazing land and 500 acres classified as wasteland. The value was established using the land's carrying capacity (AUM), Division of Property Taxation's established rental rates, fencing costs, and water costs. The value per acre is \$5.69 for both land classes, for a total land value of \$6,048.00.

18. Petitioner is requesting a 2003 actual value of \$2,250.00 for the cabin, \$5,002.00 for the land value (based on the previously assigned Assessor's value) and \$1,500.00 to \$2,000.00 for the Quonset hut, for a combined total value range of \$8,752.00 to \$9,252.00 for the subject property.

19. Respondent assigned a value of \$47,594.00, but is recommending a reduction in value to \$47,152.00.

CONCLUSIONS:

1. Petitioners presented sufficient probative evidence and testimony to prove that the tax year 2003 valuation of the subject property was incorrect. At issue are the assigned values for both improvements and land. The Board will address each item in turn.

2. Petitioners argued that their cabin was overvalued based on its poor condition and the inadequate sales comparison approach presented by Respondent. The Board reviewed Respondent's comparable sales grid and adjustments and disagrees with some of the adjustments made by Ms. Canfield. Respondent's Comparable Sale 1 is clearly superior to the subject in location on the

Yampa River and on a paved road, in design as a multi-level dwelling, the availability of all utilities, and virtually all other physical characteristics. For these reasons, the Board gave this sale little weight. The remaining sales were considered more similar to the subject.

3. The Board determined that an additional adjustment of \$5,000.00 and \$10,000.00, respectively, should be made to Comparable Sales 2 and 3 for age, considering the comparable dwellings were constructed in approximately 1978/1980 and 1993, compared to the subject property's 1919 year of construction and poorer condition/construction quality. The Board increased the location adjustment to a negative \$10,000.00. The Board also removed the land value from the calculation, allocating \$10,000.00 for each site, noting that the comparable site sizes were 5.0 acres and 5.54 acres each compared to the subject property's 1062.77 acres, and that the subject land was separately valued as agricultural property versus the comparables lots valued as residential land. The Board recalculated Comparable Sales 2 and 3 using the aforementioned adjustments, resulting in adjusted values of \$37,940.00 and \$34,900.00 or \$39.85 and \$41.25 per square foot. The Board concluded that the subject property cabin should be valued at \$40.00 per square foot, or \$25,840.00.

4. Petitioners also argued that their land was of a lesser production capacity than surrounding property due to the inordinate amount of old-growth sagebrush located on the property. Respondent argued that the poor land capacity was considered through the classification of 500 acres as wasteland. However, the Board notes that no value difference was made between the wasteland classification and the Class 5 grazing classification. This would indicate that no distinction was in fact made between the two classifications and the lesser capacity was not considered. Therefore, the Board determined that the 500 acres of wasteland should be reduced. Petitioners' requested value reduction to \$5,002.00 equates to an approximate 25% reduction in the wasteland valuation to \$2,156. This requested reduction appears reasonable and adequate to account for the value difference that should exist between the two land classes. Petitioners' requested land value is granted.

5. Finally, Petitioners argued that a new Quonset hut may be purchased for \$6,200.00 and would be of much better quality than their building, which is of light-weight metal construction and is old; it was purportedly located on the property when purchased in 1994. However, Petitioner did not present any documentation to support his estimates of the building's age, replacement cost, or depreciation. Therefore, the Board upholds the Respondent's recommended value of \$6,200.00, which was based on best information available, lacking the opportunity to conduct an onsite inspection.

6. The Board concluded that the 2003 actual value of the subject property should be reduced to \$37,042.00, with \$5,002.00 allocated to land and \$32,040.00 allocated to improvements.

ORDER:

Respondent is ordered to reduce the 2003 actual value of the subject property to \$37,042.00, with \$5,002.00 allocated to land and \$32,040.00 allocated to improvements.

The Moffat County Assessor is directed to change her 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 22nd day of April, 2004.

BOARD OF ASSESSMENT APPEALS

Rebecca Hawkins
Rebecca A. Hawkins

Karen E Hart
Karen E. Hart

This decision was put on the record

APR 21 2004

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

Penny S. Lowenthal
Penny S. Lowenthal

