

September 23, 2012

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

RE: Recommended Decision of Hearing Officer in Appeal on Parcel No.
123-09-011 (Appellant: Kathy Glidewell)

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

FCV: \$73,259.00

LPV: To Be Calculated by the Assessor pursuant to the statutory formula.

The basis for my decision is as follows: : The evidence at the hearing established that the Appellant received a Notice of Value which reduced the land value from \$72,500 for the prior year to \$35,000 for tax year 2013. The Appellant did not object to the reduction in land value, but did object to the recommended increase in value for improvements, from \$38,259 the prior year to \$67,933 for tax year 2013.

In responding to the Appellant's Petition, the Assessor reviewed the records and was granted access to the property. It was discovered that the records of this parcel showed improvements that had been coded "UNKNOWN-ZZAA." No specifics were found which supported this designation. The Assessor deleted this vague code and reassessed the improvements. Essentially the improvement records were wiped clean and all improvements were revalued. The Appellant has urged a lower value than originally noticed based on disapproved appraisal methods. For example, the Department of Revenue has expressly disapproved the Uniform Standards of Professional Appraisal Practice (USPAP) relied upon by the Appellant. The reappraisal of the improvements conducted by the Assessor appears to have correctly valued those improvements. However, there appears to be a legal prohibition that prevents this recommended increase in improvement value.

In the Assessor's written answer and testimony the Assessor acknowledged that, "The research which indicated the need for updating the Subject's appraisal resulted from the Notice of Value Petition." Recent legislation has amended A.R.S. §42-16162 (A). The original language of this statute stated:

A. "Based on the evidence presented at the hearing on an appeal. the state board may increase or decrease a valuation or change a classification in any proceeding in order to properly reflect the full cash value of the property."

The amended version of this statute now reads:

A. Based on the evidence presented at a hearing on an appeal,
The state board SHALL EITHER GRANT OR REFUSE THE REQUEST
OF THE PETITION, IN WHOLE OR IN PART, AS THE STATE BOARD
CONSIDERS JUST AND PROPER. THE DECISION OF THE STATE
BOARD SHALL NOT EXCEED THE ASSESSOR'S NOTICED VALUATION
AND RECOMMENDED CLASSIFICATION. (See attached copy of House Bill
2092, effective August 2, 2012.)

While this amended statute clearly is in conflict with other statutes in Title 42, it is very clear that the Assessor is prohibited from increasing recommended values above the originally noticed values. Until the statute has been considered by the Tax Court and the appellate courts, it must be given effect.

For the foregoing reasons, the recommended reduction in land values should be approved, and the originally noticed improvement values should be restored.

Thank you,

James Riley, Hearing Officer