

September 17, 2017

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

RE: Recommended Decision of Hearing Officer in Appeal on Parcel No:
208-40-001-E

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: \$201,582.00

LPV: \$191,103.00

The basis for my decision is as follows: This hearing was conducted telephonically at the request of the Appellant, with no objection from the Assessor. The Appellant's primary objection to the recommended values is "conversion." Appellant feels that the Assessor has used an inappropriate computer program known as conversion to increase his property value approximately 10%. The Assessor submitted both a written explanation as well as verbal sworn testimony indicating that the Appellant does not understand what conversion is and how it is used. The evidence presented by the Assessor clearly indicates that conversion is not a valuation method. In summary, the Assessor explained that in the past the Dept. of Revenue provided an assessment database and cost estimator service to the smaller counties in Arizona. That support service ended between 2000 and 2002. Most of the small counties, including Cochise County, chose to contract with a company called CCI/Realware to provide the services no longer available from DOR. In order to begin using the new software, the data from the old system had to be uploaded to the new system and electronically converted to the new format required by the new system. Problems arose with the transfer which caused DOR to allow the counties using the new software to override the newly calculated values and freeze those values at the level prior to the electronic conversion. Due to bankruptcy proceedings, the new owner of the software became Harris Govern and a series of new software versions resulted in more stability of the system and the generation of reliable values. The current values generated by the system have been manually checked and confirmed by reference to supporting market sales. Reduced to absolute simplicity, conversion is not a new method for valuing property, but is simply a new software program for collecting, organizing and verifying value data. The Appellant stated that he will not accept the Assessor's explanation of conversion until a competent legal opinion convinces him that he is incorrect in his understanding of this process. Appellant is aware that he has the right to appeal this decision to the County Board of Equalization and the Arizona Tax Court.

In addition to his arguments about conversion, the Appellant cited a sale on July 28, 2017. This property is located at 570 Tumbleweed Lane. The Assessor argued that

this sale is not an appropriate comparable due to the sale being after the statutory valuation date. The Assessor also noted that this property is a custom home and not comparable to the subject. The Assessor cited four comparable sales which appear to be more similar to the subject in age, location, views, access to pavement and neighborhood characteristics. Using these four comparable and allowing a 40% reduction to be consistent to the Benson market, The Assessor's recommended values appear to be reasonably supported by the evidence and should be approved.

Thank you,

James Riley, Hearing Officer