

Board of Civil Authority Meeting
Wednesday July 18, 2018 at 5:00pm
Steele Community Room

The meeting was recorded in its entirety

BCA Members Present: Liz Schlegel, Judy Barker, Polly Sabin, Jack Carter, David Myette, Kathi Grace, Carla Lawrence and Nat Fish.

Also Present: Dan Sweet, Assessor; Bill Woodruff, Phil Baker and Alec Tuscany, Listers.

Appellant: Jonathan Griffin of 1491 Blush Hill Road (Parcel 200-1491)

The hearing was opened at 5:00pm.

Liz Schlegel, Chair, ask the Board and all those present to introduce themselves and reviewed how the meeting would be conducted.

The Listers introduced the property. D. Sweet stated that the property was previously assessed by Tom Vickery at \$452,500. The property was purchased by J. Griffin on December 6, 2017 for \$342,000. J. Griffin met with the Board of Listers to grieve the assessed value. The Listers performed a site visit and reviewed the quality and condition of the home. They determined that the home is set up in a way that is not cohesive, and that it does not flow well as a single family dwelling. The Listers agreed that the quality should be reduced from 4.5 to 4.0. In addition, they increased the physical depreciation from 14% to 15%, and increased the functional depreciation from 10% to 20%. The end result was a reduction in assessed value from \$452,500 to \$392,300, or a difference of \$60,200.

J. Griffin presented his appeal. He stated that the home was under contract prior to his purchase. He presented photos of the home showing safety issues and other hazards. The sale was an arms-length real estate transaction. The home was on the market for a considerable amount of time. It was listed for sale for 18 months, and was at \$350,000 for six weeks.

J. Griffin directed the Board to the 'Handbook on Property Tax Assessment Appeals' and brought their attention to the definition of fair market value as established by a purchase. He stated that the handbook summarizes that the best evidence of the market value of a property is the price paid for it in a bona fide sale. The Handbook also describes approaches to determining the fair market value of a property, including the cost approach and fair market approach. J. Griffin argued that the fair market approach was most appropriate. He reiterated that his entire argument is that the best evidence of the market value of the a property is the price paid for it in a bona fide sale, as upheld in an Vermont Supreme Court summary judgement issue in favor of a taxpayer. J. Griffin provided the Board with a copy of the purchase and sales agreement.

J. Griffin stated that the purpose of the Common Level of Appraisal (CLA) is so that no one property owner is unduly burdened by another. The Town CLA is currently slightly over 98%, and he feels that he is taking on an undue burden of the grand list. J. Griffin expressed the desire to be taxed fairly. He asked that if the cost approach is used for valuing the property, that the functional and physical depreciation be considered further.

J. Griffin presented four exhibits as follows:

- Exhibit I: Purchase and Sale Contract
- Exhibit II: Price History on the Property While on the Market
- Exhibit III: Appraisal of 1491 Blush Hill Road
- Exhibit IV: Photos of Damage and Structural Concerns

D. Sweet explained that the bank appraisal includes 2 valuations. The first is a \$359,000 valuation done on a comparative sales approach. The second is a value done on a cost approach at \$377,400. Both values are higher than the \$342,000 paid for the property. The Listers stated that they addressed quality, functionality and physical depreciation, and looked at similar properties. They made adjustments to these factors and were satisfied with the change in value to \$392,300.

K. Grace stated the reason the house has poor functionality is because it is set up as a two unit dwelling. She asked other questions as to the situation of the former owners. L. Stevens asked if the Listers had visited the home. D. Sweet responded that they did on the day of the grievance hearing.

C. Lawrence stated that the Appellant has asked that the value be the purchase price multiplied by the common level of appraisal (98.67%). She stated that the CLA is a moving target and not applied to specified properties, and asked D. Sweet to explain the CLA. D. Sweet explained that the CLA is a town-wide ratio between current sales and the current grand list. The current CLA indicates that sale values are increasing over time. As the CLA decreases, the grand list is undervalued relative to the market. It is a town-wide number that is difficult to apply to an individual property.

K. Grace asked if the Board should take into consideration the factors that influenced the sale. A brief discussion was held as to how long the house was on the market and why the purchase price was so low. L. Stevens cautioned the Board about speculating and advised that they consider only the price the Griffin's paid for the property as compared to the assessed value. The seller's position at the time of sale is not relevant.

J. Griffin reiterated that the main functionality issue is that the home only has one bedroom. Zoning only allows the addition of one bedroom due to the septic permit. The functionality played into the purchase price when the offer was made and played into the market value of the home.

Inspection Committee: Polly Sabin, Kathi Grace, and Nat Fish

The meeting was recessed until August 8th at 5:00pm in the Steele Community Room

Respectfully submitted,

Carla Lawrence
Town Clerk