

Order of the Kittitas County

Board of Equalization

Property Owner: Chiawana Orchards LLC

Parcel Number(s): 960729

Assessment Year: 2017

Petition Number: BE-180144

Date(s) of Hearing: 3-14-19

Having considered the evidence presented by the parties in this appeal, the Board hereby:

sustains overrules the determination of the assessor.

Assessor's True and Fair Value

<input type="checkbox"/> Land	\$	<u> </u>
<input type="checkbox"/> Improvements	\$	<u> </u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input checked="" type="checkbox"/> Personal Property	\$	<u> 1,537,080 </u>
Total Value	\$	<u> \$1,537,080 </u>

BOE True and Fair Value Determination

<input type="checkbox"/> Land	\$	<u> </u>
<input type="checkbox"/> Improvements	\$	<u> </u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u> </u>

This decision is based on our finding that:

The issue before the Board is the assessed value of personal property.

A hearing was held on March 14, 2019. Those present: Chair Jessica Hutchinson, Vice-Chair Ann Shaw, and Reta Hutchinson, Clerk Debbie Myers, and Assessor Mike Hougardy. Appellants Bruce Allen and Jessie Fabish called in for a phone hearing.

Appellant Jessie Fabish said they were contacted by staff in the Assessor's office who asked for a list of real and personal property in Kittitas County; she said the outcome of that was the Assessors considered all irrigation system as personal property. She said we are responding that we don't feel the irrigation system meets the classification of personal property. Appellant Bruce Allen said the Assessor's provided WAC 458.12.10 and skipping down to 3.a1 it says securely attached to real property, and in 3.a2 it says not securely attach to real property. He said the personal property attachment they received lists sprinkler supply, permanent pvc supply lines, which are buried; and that they are permanently installed in the ground, underneath the ground. He said they had included the cost of total assets; all cost of materials and cost of labor included in the installation, as real property. Mr. Allen said when farm property is sold, such as an orchard, the irrigation system always goes with the land, and that permanent irrigation should be classified a real property, and that portable pipe should be classified as personal property.

Assessor Mike Hougardy said currently we assess below ground as real property, and above ground as personal property. Mr. Allen said he didn't think that was accurate. Assessor Hougardy said they don't have all the information needed regarding the below and above ground irrigation system, and referred to the Department of Revenue's (DOR) direction for the Assessor's to determine market value, whether personal or real; that all property must be taxed; and that DOR audits their personal property values. He said DOR suggested they use a cost evaluation to appraise the irrigation systems.

Appellant Fabish said they had explained to the Assessor's representative that they weren't keeping track of above ground vs below ground equipment, they just hadn't separated it out like that. She asked if there is a difference in taxes for real property vs personal property. Assessor Hougardy said no, but that the personal property depreciates faster. There was discussion on depreciation, crops, irrigation systems, and valuation systems. Chairman Hutchinson asked if this would be an issue in the future, Assessor Hougardy said no because they know the irrigation is listed as personal property and its valued separately. Appellant Allen said he doesn't concede how an Appraiser can value an orchard disassociating the water system delivering water to it.

The Board determined that the Assessor's Office has the authority to classify and value property as either real or personal, according to the relevant Washington State RCW and recommendation of the Department of Revenue. The classification of the property in question shall continue to be valued as personal property as long as the Assessor's Office deems that to be appropriate. The Board of Equalization voted 3-0 to sustain the Assessor's determination.

Dated this 4 day of April, (year) 2019



Chairperson's Signature



Clerk's Signature

NOTICE

This order can be appealed to the State Board of Tax Appeals by filing a formal or informal appeal with them at PO Box 40915, Olympia, WA 98504-0915 or at their website at bta.state.wa.us/appeal/forms.htm within thirty days of the date of mailing of this order. The appeal forms are available from either your county assessor or the State Board of Tax Appeals.

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