

Order of the Kittitas County
Board of Equalization

Property Owner: Bentley Kern III
Parcel Number(s): 350433
Assessment Year: 2020 Petition Number: BE-200097
Date(s) of Hearing: 2-2-21

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 checked="" type="checkbox"/> Land	\$	<u>186,500</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>36,270</u>
<input checked="" type="checkbox"/> Minerals	\$	<u>44,400</u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u>267,170</u>

BOE True and Fair Value Determination

<input checked="" type="checkbox"/> Land	\$	<u>186,500</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>35,320</u>
<input type="checkbox"/> Minerals	\$	<u>43,360</u>
<input type="checkbox"/> Personal Property	\$	<u> </u>
Total Value	\$	<u>265,180</u>

This decision is based on our finding that:

The issue before the Board is the assessed value of land/improvements.

A virtual hearing was held February 2, 2021. Those present: Chair Ann Shaw, Vice Chair-Jessica Hutchinson, Jeniffer Hoyt, Clerk, Taylor Crouch, Appraiser Joel Ihrke, and Appellant Ben Kern, and Mary Jo Kern.

The Appellant has been growing fruit since 1964, he bought property in 1973. 83% of the operation is pears, he also grows apples, red delicious and honey crisp. What the industry has experienced in the last 5 year is a decline in pear value. Stemmed from China exporting a lot of canned bartlett pears, which has affected the pear value. Millennials are not eating fruit in the same fashion as previous generations. Pandemic has provided the worst fruit prices in recent years. They dumped 200 bins of red delicious apples. Chain stores have switched their varieties of apples and he grows older varieties, same for pears. Fruit sales are struggling, so the market value of the fruit has decreased. He grows some pears that can only be sold as fresh, not canned, which affects the market. Concerned that permanent crop value has increased in a time where market sales have decreased. Permanent crop value comes from 2014 Yakima sales. Yakima Assessor assured the values because of their open space committee, The Appellant called, and the committee is inactive currently. The numbers provided by Kittitas Assessor's Office are ambiguous. He agreed to settle on 2 parcels, not agreeing to settle for the other two.

Jenninifer Hoyt asked if both pear and apple were 2014 Yakima. No, just pear values.

Joel Ihrke explained the Yakima county value table, he had contacted Yakima county. Values were made in 2014 from older tables and sales they had, an open space board was involved in 2014. They stuck with the values because there was not a lot of data on permanent crops. Yakima still believes it is close to the market. Fruit industry is volatile, so they believe that this value is equitable. Joel has asked the Appellant for financial information to make accurate adjustments to the tables. Value increase, the tables did not change, the increase came from making a correction to the record for acreage and varieties in the orchard currently. Went from 77 acres to 90 something acres, appellant said that was not accurate, so they both agreed on 87.5 acres. For quite a few years there was a 50% reduction for a blight problem, now there is a 10% on blight and a 65% reduction on some varieties for an issue that comes from a weed killer used in a hay field nearby. Adjustments were made with the Appellant's input.

Jennifer Hoyt asked if Kitittas has ever compared Yakima to Chelan? Joel Ihrke had no answer, mainly an open door relationship with Yakima. Mr. Ihrke would like to improve the relationship between farmers in Kittitas.

Appraiser explained Exhibit 5, which compares all the pears in the county to Mr. Kerns pears. Exhibit 5-3 uses the corrected numbers. 65% of total pears in the county but has 45% of the value of pears in the county because of the current adjustments. Pears are not variety specific, they are all just lumped into the pear category. 096 had 3 prospective buyers on this parcel, they looked at the property and were not willing to value the trees. The buyers asked Mr. Kern to pull out the trees, he refused so no offer was made. Asks the Appellant for financial information to help update the tables.

Ann Shaw asked if there was a going rate for pears and the varieties. Market analysis of 2020, gives a state wide view. Joel Ihrke said they could use the income approach if the Appellant was willing to provide financial information.

The Board of Equalization has determined that the value of the improvements be reduced to \$33,220 and the minerals to \$43,360 for a total of 265,180. The Board recognizes that the appellant's crop value has declined in recent years but specific value for the crop was not provided. Without the specific values, the Board assumes that the assessor has accurately adjusted for the current market of the crop. The Board suggests providing this information to the county assessor and if warranted, bring it to the state board of tax appeals.

Dated this 26th day of February, (year) 2021


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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