

**KITTITAS COUNTY
BOARD OF EQUALIZATION**

411 N Ruby St, Ste 2, Ellensburg, WA 98926
(509) 962-7506

ORDER OF THE KITTITAS COUNTY BOARD OF EQUALIZATION

Property Owner(s): Graf Investments

Mailing Address: 410 S 1st St
 Selah, WA 98942

Tax Parcel No(s): 171233

Assessment Year: 2024 (Taxes Payable in 2025)

Petition Number: BE-240030

Having considered the evidence presented by the parties in this appeal, the Board hereby: <u>Sustained</u> the determination of the Assessor.
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Assessor's Determination

Assessor's Land:	\$127,660
Assessor's Improvement:	\$336,180
TOTAL:	\$463,840

Board of Equalization (BOE) Determination

BOE Land:	\$127,660
BOE Improvement:	\$336,180
TOTAL:	\$463,840

Those in attendance at the hearing and findings:

See attached Recommendation and Proposed Decision of the Hearing Examiner

Hearing Held On : September 26, 2024
Decision Entered On: October 18, 2024
Hearing Examiner: Jessica Hutchinson Date Mailed: 11/5/24



Chairperson (of Authorized Designee)



Clerk of the Board of Equalization

NOTICE OF APPEAL

This order can be appealed to the State Board of Tax Appeals by filing a Notice of Appeal with them at PO Box 40915, Olympia, WA 98504-0915, within THIRTY days of the date of mailing on this Order (RCW 84.08.130). The Notice of Appeal form is available from the Washington State Board of Tax Appeals or the Kittitas County Board of Equalization Clerk.

KITTITAS COUNTY BOARD OF EQUALIZATION- PROPOSED RECOMMENDATION

Appellants: Graf Investments
Petition: BE-240030
Parcel: 171233
Address: 107 & 109 E 18Th Ave

Hearing: September 26, 2024 9:03 A.M.

Present at hearing:
Jacquie Matson, Petitioner
Dana Glenn, Appraiser
Jessica Miller, Clerk

Documents in evidence:
Taxpayer Petition, Filed June 25, 2024
Assessor's Answer, Filed August 22, 2024
Taxpayer Supplemental, Filed August 23, 2024

Testimony given:
Jacquie Matson
Dana Glenn

Assessor's determination:
Land: \$127,660
Improvements: \$336,180
Total: \$463,840

Taxpayer's estimate:
Land: \$96,000
Improvements: \$311,000
Total: \$407,000

SUMMATION OF EVIDENCE PRESENTED AND FINDING OF FACT:

The subject properties consist of four separate residential duplexes, all used as residential rentals. The hearing was held to encompass all four properties covering Board cases BE 240030, 31, 32, and 33.

Ms. Matson provided statements for actual rents received from the properties that differ from the assigned market rents used by the Assessor. She noted that the actual rents received are lower due to the fact that during COVID they were not allowed to raise their rents and they are still trying to gradually increase rents to catch up and not impose large jumps in rent to their tenants. She noted that there are limited sales for duplexes in Ellensburg, and that the two properties that are most comparable to the subject properties are substantially newer and require less maintenance. Ms. Matson also noted that the

Assessed Values of 5 similar properties (age, builder, neighborhood) are \$90,000 less than the subject and have a lower assigned rent.

Mr. Glen stated that a rent study was conducted for commercial residential rentals in Kittitas County. The subject area has two different levels of assessment for properties that have different maintenance needs. Exhibit 4 of the Assessor's Answer shows 10 sales with an average rent multiplier of 13.8, while a rent multiplier of 12.5 was used to value the subjects. He stated that the level of assessment is conservative considering what the sales show. He stated that it would be impossible to know actual rents for each property to use in each individual valuation and that the Assessor's Office must use uniformity in valuing all properties in the area. It is not unusual to see different market rent vs. actual market rent, as evidenced by the subject properties all having different rents.

CONCLUSIONS OF LAW:

"Upon review by any court, or appellate body, of a determination of the valuation of property for purposes of taxation, it shall be presumed that the determination of the public official charged with the duty of establishing such value is correct, but this presumption shall not be a defense against any correction indicated by clear, cogent and convincing evidence." RCW 81.40.0301

In other words, the assessor's determination of property value shall be presumed correct. The petitioner can overcome this presumption that the assessor's value is correct only by presenting clear, cogent and convincing evidence otherwise.

"All real property in this state subject to taxation shall be listed and assessed every year, with reference to its value on the first day of January of the year in which it is assessed..."

RCW 84.40.020

"The true and fair value of real property for taxation purposes...must be based upon the following criteria:

- (a) Any sales of the property being appraised or similar properties with respect to sales made within the past five years...
- (b) In addition to sales as defined in subsection (3)(a) of this section, consideration may be given to cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income that would be derived from prudent use of the property, as limited by law or ordinance..."

RCW 84.40.030(3)

"(1) In making its decision with respect to the value of property, the board shall use the criteria set forth in RCW 84.40.030.

(2) Parties may submit and boards may consider any sales of the subject property or similar properties which occurred prior to the hearing date so long as the requirements of RCW 84.40.030, 84.48.150, and WAC 458-14-066 are complied with. Only sales made within five years of the date of the petition shall be considered.

(3) Any sale of property prior to or after January 1st of the year of revaluation shall be adjusted to its value as of January 1 of the year of evaluation, reflecting market activity and using generally accepted appraisal methods...

(4) More weight shall be given to similar sales occurring closest to the assessment date which require the fewest adjustments for characteristics.”

WAC 458-14-087

RECOMMENDATION:

The Hearing Examiner has determined that the appellant has not met the burden of proof to overturn the Assessed Value of the property with clear, cogent, and convincing evidence.

The Assessor is tasked with valuing all properties in the county in a uniform and fair manner. While the actual rents may be slightly different than the market rents, it would be unrealistic for the Assessor to catalog actual for all properties and use those. The Assessed Value reflects a uniform, typical market value of residential duplex properties in Kittitas County.

Every finding of fact this is a conclusion of law shall be deemed as such. Every conclusion of law that contains a finding of fact shall be deemed as a finding of fact.

PROPOSED DECISION:

The Examiner proposes that the Kittitas County Board of Equalization uphold the assessed value.

DATED 10/18/24



Jessica Hutchinson, Hearing Examiner