

**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): Vantage Wind Energy LLC

Mailing Address: PO BOX 30152
Charlotte, NC 28230

Tax Parcel No(s): 957439

Assessment Year: 2023 (Taxes Payable in 2024)

Petition Number: BE-23-0303

Having considered the evidence presented by the parties in this appeal, the Board hereby:
Sustained
the determination of the Assessor.

Assessor's Determination

Assessor's Personal Property: \$16,392,939
Assessor's Total: \$16,392,939

Board of Equalization (BOE) Determination

BOE Personal Property: \$16,392,939
BOE Total: \$16,392,939

Those in attendance at the hearing and findings:


See attached Recommendation and Proposed Decision of the Hearing Examiner.

Hearing Held On : January 17, 2024

Decision Entered On: March 7, 2024

Hearing Examiner: Ann Shaw

Date Mailed: 3/19/24


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: Vantage Wind Energy LLC
Petition: BE-23-0303
Parcel: 957439
Address: Turbines located in TCA 27

Hearing: January 17, 2024 9:44 A.M.

Present at hearing: Chris Cummings, Appellant; Mike Hougardy, Appraiser; Jessica Miller, BOE Clerk; Ann Shaw, Hearing Examiner

Testimony given: Chris Cummings, Appellant; Mike Hougardy, Appraiser

Assessor's determination:
Personal Property: \$16,392,939
Total: \$16,392,939

Taxpayer's estimate:
Personal Property: \$6,000,000
Total: \$6,000,000

SUMMATION OF EVIDENCE PRESENTED AND FINDING OF FACT:

The subject is personal property, it consists of 43 windmills that were installed in 2009/2010. Appellant stated that the issue is important to him as the property tax consultant and the taxpayer. The appellant provided a large sum of information on the property. The petitioner's main point is that the state allows for and mandates that there is consideration given when excess obsolescence is incurred.

The petitioner states that the assessment for windmills should not be the same as other personal property such as tractors, medical equipment and the like. Windmills are very expensive to develop but as the technology develops in the industry, their value diminishes as higher efficiency models are produced.

The petitioner acknowledged that the supply chain constraints from covid, cost of goods, and inflation have also impacted the value of these windmills. But the declining trend factors have to be considered and the useful life of the machine. The functional obsolescence which results from poor design and style or from changes in technology must be considered.

The assessor's representative began by clarifying where the disagreement in value is coming from. There are 4 years of useful life left on the windmills.

The assessor doesn't want to make an indictment to the DOR guidelines. The assessor's office has the right to deviate from the DOR's tables if the petitioner has evidence and presents reason for the

deviation. The assessor explains the adjustment to county tax dollars that takes place if large adjustments are made in cases like this.

There is another wind farm that is getting functional obsolescence in our county and the appellant believed it is the Sagebrush project.

Senate Bill 59.10 was enacted in 2023 to adjust the personal property valuation trend tables to be more consistent with actual useful life of the wind mills.

The assessor stated that the DOR has done the research and adjusted the model in the new trend tables and therefore disagrees with the petitioner that additional deductions should be made. If this had not been considered then he would be inclined to look at an adjustment.

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 petitioner did not present a reason for deviation from the DOR’s guidelines used by the assessor’s office to determine value.

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 sustain the assessor’s value.

DATED 11/7/24


Ann Shaw, Hearing Examiner