



Board of Equalization

Special Meeting Agenda

Board of Equalization Members

Joe Neves, District 1, Chairman
Doug Verboon, District 3, Vice Chairman
Richard Valle, District 2
Craig Pedersen, District 4
Richard Fagundes, District 5

Date: Tuesday, December 8, 2020
Time: 1:30 p.m.
Place: Board of Supervisors Chambers, Kings County Government Center
1400 W. Lacey Boulevard, Hanford, California 93230

☎ (559) 852-2362 ❖ FAX (559) 585-8047 ❖ website: <https://www.countyofkings.com>

COUNTY OF KINGS PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

California Governor Gavin Newsom issued Executive Orders N-25-20 and N-29-20 on March 12, 2020 and March 17, 2020, respectively, relating to the convening of public agency meetings in light of the COVID-19 pandemic. The County of Kings hereby provides notice that it will convene its regularly scheduled public meetings of the Board of Supervisors by video and teleconference going forward, and will close its Board Chambers to the public generally, except as described below, until further notice.

Pursuant to the Executive Orders, and to maintain the orderly conduct of the meeting, Kings County will allow the Board Supervisors, County staff and interested members of the public to attend the meeting telephonically or by the Internet, and to participate in the meeting to the same extent as if they were present in the Board's Chambers. Only those members of the public who cannot participate virtually, due to a need for a special accommodation (vision, hearing, etc.), may attend the meeting in the Board Chambers. A maximum of 10 individuals will be allowed in the Chambers at a time. To secure the accommodation consistent with the American's with Disabilities Act and to attend in person, interested parties will need to contact the Clerk of the Board of Supervisors as directed below no later than 8:30 a.m. the morning of the meeting.

Members of the public who wish to observe the meeting virtually can do so via the worldwide web at:

<https://youtu.be/wAyIVcYeTYk> or go to www.countyofkings.com and click on the "Join Meeting" link.

Members of the public who wish to comment may submit written comments on any matter within the Board's subject matter jurisdiction, regardless of whether it is on the agenda for Board consideration or action, and those comments will be entered into the administrative record of the meeting. To submit written comments by U.S. Mail or email for inclusion in the meeting record, they must be received by the Clerk of the Board of Equalization no later than 9:00 a.m. on the morning of the noticed meeting. To submit written comments by email, please forward them to either bosquestions@co.kings.ca.us. To submit such comments by U.S. Mail, please forward them to: Clerk of the Board of Equalization, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230

To comment during the meeting by telephone or the Internet, E-mail the Clerk of the Board at any time before or during the meeting at bosquestions@co.kings.ca.us for a phone number, access code and meeting link.

- I. **1:30 PM** **CALL TO ORDER**
ROLL CALL – Clerk of the Board

- II. **UNSCHEDULED APPEARANCES**
Any person may directly address the Board of Equalization at this time on any item on the agenda, or on any other items within the subject matter jurisdiction of the Board. Three (3) minutes are allowed for each item.

- III. **REGULAR AGENDA ITEMS**
 - A. Consider approving the Statement of Decision applications for Changed Assessment 18-009 and 19-008 filed by Charles & Jamie Coon Revocable Living Trust.

- IV. **ADJOURNMENT**



COUNTY OF KINGS BOARD OF EQUALIZATION

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Board of Supervisors

AGENDA ITEM

December 8, 2020

SUBMITTED BY: BOARD OF EQUALIZATION

SUBJECT: Applications for Changed Assessment 18-009 and 19-008

RECOMMENDED ACTION: **Approving the statement of decision in the matter of the Applications for Changed Assessment 18-009 and 19-008 filed by Charles & Jamie Coon Revocable Living Trust.**

DISCUSSION:

Assessment appeal applications for APN Number 009-008-027-000 were received from Coon, Charles & Jamie Revocable Living Trust for 2018 and 2019. These appeals were heard by your Board on August 11, 2020. The statement of decision has been prepared by County Counsel and is being presented to your Board for consideration and approval today.

BOARD ACTION

I hereby certify that the above order was passed
and adopted on _____, 2020.
Catherine Venturella, Clerk to the Board of Supervisors

By: _____

Cc: Assessor
County Counsel
Applicant

1 **BEFORE THE BOARD OF EQUALIZATION**
2 **OF THE COUNTY OF KINGS, STATE OF CALIFORNIA**

3 * * * * *

4 IN THE MATTER OF THE ASSESSMENT
5 APPEAL OF CHARLES AND JAMIE COON
6 FROM THE APPLICATION FOR CHANGED
ASSESSMENT

Nos. 18-009 and 19-008

**STATEMENT OF
DECISION**

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8 This appeal involves the 2018 and 2019 proposed assessments for the property located at
9 9128 13½ Avenue, Hanford, California, Kings County Assessor’s parcel number 009-080-027-000
10 (the “Property”). On September 14, 2018, and again on September 13, 2019, the Applicants, Charles
11 and Jamie Coon, filed timely Applications for Changed Assessment challenging the regular
12 assessment on the ground that the Assessor’s roll value exceeded the market value of the Property as
13 of January 1 of the year for which each application was filed.

14 Specifically, the applications and the Assessor’s response set forth the following comparable
15 values for the Property:

2018 Application:	Assessor¹	Applicant	Difference
Land	\$131,157	\$145,000	+\$13,843
Improvements	\$404,898	\$318,852	-\$86,046
Total Valuation	<u>\$536,055</u>	<u>\$463,852</u>	<u>-\$72,203</u>
2019 Application:			
Land	\$133,780	\$145,000	+\$11,220
Improvements	\$412,996	\$325,229	-\$87,767
Total Valuation	<u>\$546,776</u>	<u>\$470,229</u>	<u>-\$76,547</u>
Total Increase 2018-2019	\$10,721	\$6,377	\$4,344

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¹ The Assessor’s “Total Valuation” on the Property reflects the factored base-year values (“FBYV’s”) instead of market valuations comparable to other allegedly similar properties in the relevant timeframes, as the FBYV’s were less than the market values for those same years. The FBYV is computed using the enrolled value of past events (e.g., the purchase of the vacant lot, the costs of constructing the home and pool, and additions of the detached garage and the solar array) adjusted annually to no more than a two percent (2%) increase for the Proposition 13 values. The FBYV adjustment does not apply to the Taxation and Revenue Code Section 51 values.

1 **PROCEDURAL HISTORY**

2 On or about July 8, 2020, the Deputy Clerk of the Kings County Board of Equalization
3 (“Board”) noticed Applicants by certified mail, return-receipt requested, that the hearing for appeal
4 numbers 18-009 and 19-008 had been set for August 11, 2020, at 2:00 p.m. to be heard in the Board
5 Chambers, located in the County Administration Building at 1400 W. Lacey Blvd., Hanford,
6 California. The hearing was held on that date, and the Applicants and the Assessor were present for
7 the hearing. At the conclusion of the hearing, the Board took the matter under submission and
8 retired to deliberations. The Board continued deliberations on December 7, 2020.

9 **GENERAL STATEMENTS OF LAW**

10 The Board of Equalization: The Board sits as a quasi-judicial body to hear applications and
11 to decide issues of valuation, including whether the assessment requires adjustment. (California
12 Constitution, Article XIII, Section 16; Property Tax Rule No. 302.) The Board may act only on the
13 evidence presented during the hearing and shall weigh all of the evidence to determine whether it
14 has been established by a preponderance that the Assessor’s determination is incorrect. (*Westlake*
15 *Farms, Inc. v. County of Kings*, 39 Cal.App.3d 179, 185; *Bandini Estate Co. v. Los Angeles County*,
16 28 Cal.App.2d 224, 230-231; Property Tax Rule 302.)

17 The Burden of Proof: The general rule in property tax assessment appeals is that the County
18 Assessor is presumed to have correctly assessed the property valuation and the burden is on the
19 Applicants to overcome that presumption. To meet that burden, the Applicants must present
20 evidence establishing the value of the property. It is insufficient for the Applicants simply to attack
21 the Assessor’s method or manner of assessment: Sufficient and credible independent evidence
22 establishing a different value must be presented. (*Bank of America v. County of Fresno* (1981) 127
23 Cal.App.3d 295, 312; 18 CCR section 321.) Further, the Board shall not presume that the Assessor
24 has properly performed her duties in its deliberations. (18 CCR section 321, subdivision (b).)

25 **THE ISSUE PRESENTED**

26 Whether the Assessor’s valuation of Applicants’ real property and improvements was
27 excessive in light of: (1) the adjusted sales prices of allegedly comparable properties selling near the

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1 dates of the assessments; (2) the highest and best use of the Property; and (3) the Assessor's
2 enrollment of a two-percent increase in the FBVVs for both 2018 and 2019.

3 HEARING ON APPLICATION FOR CHANGED ASSESSMENT

4 The Kings County Board of Supervisors sitting as the Kings County Board of Equalization
5 convened at 2:00 p.m. on August 11, 2020, at the above-stated location to hear the applications for
6 changed assessment. Present were Chairman Verboon, Vice Chair Pedersen, and Supervisors Neves,
7 Valle and Fagundes; Melanie Curtis, Deputy Clerk to the Board; and County Counsel Lee Burdick,
8 counsel to the Board. Present on behalf of the Assessor were Kristine Lee, County Assessor; Erica
9 Crouch, Chief Appraiser; and Noemi Rodriguez, Appraiser II. Also present, without representation,
10 was the Applicant, Charles "Robbie" Coon.

11 Following a discussion of the Board's procedural rules to implement safety measures
12 associated with the COVID-19 pandemic, the parties were sworn in and the following was placed on
13 the record.

14 Applicants' Opening Statement: Mr. Coon explained in his opening statement that the
15 amount of tax in controversy is approximately \$700 based on the difference between the Assessor's
16 proposed valuation and his. Further, he stated his concern that the Assessor had unduly delayed
17 resolution of their applications, which could have happened sooner, and now he is physically
18 vulnerable for having to appear in the Board Chambers during a "County pandemic."

19 Assessor's Opening Statement: Ms. Crouch, on behalf of the Assessor, described the
20 Property as a lot where approximately one-third of the site is a house, a pool and a detached garage,
21 and approximately two-thirds is vacant land. Ms. Crouch stated it is legally capable of further
22 subdivision. Ms. Crouch further stated that the Assessor affirms that the enrolled value accurately
23 represents the fair market value of the Property and that the evidence would support its valuation.

24 Applicants' Case in Chief: Mr. Coon was the only witness who presented for the
25 Applicants. To support his case, Mr. Coon presented the Board with approximately six (6) pages of
26 documents, which were marked as **Applicants' Exhibit 1**. Exhibit 1 includes: emails to and from
27 Mr. Coon and Noemi Rodriguez, Appraiser; a handwritten summary of costs associated with
28 subdividing the Property; documents supporting the summary of the subdivision costs from a

1 construction company and from PG&E; and a real estate listing for the property located at 9781 8¾
2 Avenue, Hanford, California, for comparison purposes.

3 In reviewing Exhibit 1, Mr. Coon pointed out that both the 2018 and 2019 increases in the
4 assessed value of the Property represented a two percent (2%) increase from the prior year's
5 assessment, consistent with the maximum allowed by law. He then presented his proposed property
6 valuation as reflected above and explained that he had valued the land at \$145,000 for both 2018
7 and 2019, which is higher than the Assessor's enrolled land valuation for both years.

8 Mr. Coon then reviewed the real estate listing for the property located at 9781 8¾ Avenue,
9 Hanford. He explained that, although that property sold for \$499,000 on October 9, 2017, just two
10 months before the January 1, 2018 date against which the 2018 assessment valuation is judged, the
11 sale value needed to be adjusted to reflect accurately a value comparable to his Property. For
12 instance, he pointed out that the sold property was more than 700 square feet larger than his; it has
13 three (3) full bathrooms compared to his two and a half (2.5) bathrooms; it also has an office, a
14 bigger pool with a waterfall, a bigger shop, and a bigger solar array. Mr. Coon also noted that the
15 sold property is approximately 30 years old, whereas, his Property is approximately 17 years old.
16 Consequently, he estimated that a \$35,000 deduction from the sales price was appropriate to set a
17 comparable value between the two properties, which is how he arrived at an approximate 2018
18 valuation for the Property of \$463,852.²

19 Mr. Coon asserted that the Assessor used properties for comparison without regard to their
20 sales prices, which he alleged was inappropriate. He further asserted that the Assessor valued his
21 Property without considering the costs of construction or the current condition of the facilities. As
22 an example, he cited that his pool originally cost \$20,000 to construct, it had depreciated over time,
23 and it was currently in disrepair. According to Mr. Coon, despite these facts, the Assessor attributed
24 \$28,000.00 in value to his pool. Mr. Coon also pointed out that the Assessor does not appropriately
25 value the size of the solar array, treating two systems – where one is twice as large – as if they were

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27 ² In his assessment valuations, Mr. Coon maintained the value of the land for both 2018 and 2019 at \$145,000. The
28 increase in his valuation from 2018 to 2019 (\$6377) represented a two percent (2%) increase just in the value of the
structures and improvements, compared to the Assessor's two percent (2%) increase in the valuation of the land and
the improvements for both years.

1 of equal value. Further, Mr. Coon took issue with each of the allegedly comparable properties the
2 Assessor chose to assess the value of his Property.

3 Mr. Coon also challenged the Assessor's conclusions that subdivision of the Property is an
4 appropriate approach to assessing the value and that it constitutes the "highest and best use" of the
5 Property. He did not challenge the Assessor's conclusion that the Property could be legally
6 subdivided. He did challenge, however, the Assessor's valuation for subdividing it.

7 Referring to Applicants' Exhibit 1, page 2, Mr. Coon showed that, in valuing the subdivision
8 of his plots in 2019, the Assessor took the estimated value of the vacant portion of his lot (\$95,000)
9 and deducted from it the costs of the well and septic system, resulting in a fair market value of
10 \$71,200. The Assessor then assumed that, if the vacant plot was divided, each of the new plots
11 would be of value equal to the value of the whole (*i.e.*, two times \$71,200, one for each divided
12 parcel, equals \$142,400). The Assessor then attributed \$10,700 as the "cost to split" the Property
13 without further explanation or detail in the exhibit. Mr. Coon stated that the Property could not be
14 divided for that little money.

15 The \$10,700 that they put forth, you know, that might . . . take care of the
16 surveying, the maps, county fees, title fees. Maybe it might take care of those. But
17 the problem is that you then need to, you know, grade the property for drainage,
18 you can't just run your water wherever you want. You have to build a pad all in
dirt. You build a house, you know.

19 (*Transcript*, August 11, 2020 Hearing, p. 11, lines 7-14.)

20 In addition, Mr. Coon cited his Exhibit 1, page 3, which he stated represents the estimated
21 costs that he "was given" for developing just one property (estimated at \$98,600). That Exhibit also
22 itemized additional, likely expenses that were not included in the \$98,600 estimate (*e.g.*,
23 environmental impact fees, realtor fees, capital gains tax, interest on the bank loan necessary to
24 finance the division of the Property, etc.). Finally, Mr. Coon stated that, in light of the current
25 economic downturn related to the COVID-19 pandemic, no prudent investor would decide to divide
26 the Property now. Consequently, dividing the Property would not be its highest or best use at this
27 time.

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1 Assessor’s Case in Chief: Ms. Rodriguez began by submitting a PowerPoint presentation,
2 approximately 51 slides long, titled “Assessment Appeal Hearing for: 18-009 & 19-008, Charles R.
3 & Jamie Coon Rev. Liv. Trust,” which was marked as **Assessor’s Exhibit 1**. She also offered for
4 reference a 22-page collection of documents, comprised of the assessment appeal applications,
5 various correspondence, emails, legal guidance and excerpts from the California Tax and Revenue
6 Code, which was marked as **Assessor’s Exhibit 2**. According to the Assessor, the appraisal at issue
7 was done to “support the 2018, 2019 FBVVs as being equal or less than market value of the subject
8 property as of January 1st, 2018, and January 1st, 2019. [T]he FBVV is enrolled value from past
9 events inflated annually no more than two percent to current.” (*Transcript*, August 11, 2020
10 Hearing, p. 16, lines 1-6.)

11 Mr. Coon purchased the Property on February 1, 2001, for \$90,000. The Property was a
12 3.77-acre vacant parcel at the time of purchase. The Property’s length is roughly 520 linear feet by
13 315 linear feet, the length of which faces 13½ Avenue and offers street access to a large part of the
14 Property. Mr. Coon began construction of his 2,530 square foot, four-bedroom, and 2.5-bath house
15 in 2003. The Assessor enrolled the construction-in-progress values for the 2004 and 2005 lien dates.
16 The single-family house was completed on April 15, 2005. In 2007, Mr. Coon gave the Assessor a
17 copy of the contract for construction. He also stated that he did not perform any of the work himself,
18 but acted as his own contractor. The appraiser added \$289,487 to the land value for the house
19 completion and \$9,769 for the well and septic, for a total assessed value of \$396,548. In addition,
20 the pool was completed on or about July 31, 2005, and the appraiser added the reported cost of
21 \$23,000 to the improvement value. The unfinished detached garage was reportedly completed on
22 March 13, 2012, and the appraiser added the reported cost of \$20,000 for improvements, resulting in
23 a total assessed value of \$485,597. Finally, the Assessor stated that the property value was then
24 reduced under the California Revenue and Taxation Code Section 51 for both the 2014 and 2015
25 rolls. As of January 1, 2016, the market value of the Property exceeded the FBVV, and the FBVV
26 was enrolled.

27 To establish context for comparable properties, the Assessor pointed out that the Property is
28 in the Grangeville Estates, Liberty Estates and Henley Estates neighborhood. The 33 parcels that

1 comprise the neighborhood, each ranging from 1.04 to 1.85 acres in size, are recorded on the
2 Assessor’s Parcel Map Book 9, Page 8. According to the Assessor, the typical home site is
3 approximately 1.5 acres. As noted above, the Property is a 3.77-acre lot, which the Assessor states is
4 non-conforming to the neighborhood given the lot size and the sites of the improvements.³
5 Moreover, the Assessor asserted – and Mr. Coon conceded, as noted above – the zoning regulations
6 would allow the Property to be subdivided into up to three lots.

7 The Assessor stated that the valuation principle of conformity provides that the maximum
8 value for a property is when a reasonable degree of homogeneity is present within the neighborhood,
9 by which they mean “reasonably similar to the surrounding neighborhood.” The Assessor based her
10 assessment on the assumption that the highest valuation potential of the Property rests on the value
11 an open market would assign it, if it was offered for sale. The fair market value of the Property
12 would be set by buyers who would value the capital gain of splitting the parcel into three
13 conforming lots that could be sold individually as two, vacant home sites and one rural residence on
14 a home site. The Assessor asserts that the market valuation reflects the Property’s highest and best
15 use. The Assessor’s adjusted market valuation for the 2018 lien date was in a range between
16 \$569,200 and \$604,400; and for the 2019 lien date, the range was between \$613,600 and 657,900. In
17 contrast, the Assessor represented that the FBVVs for the Property were \$536,055 for 2018 and
18 \$546, 776 for 2019. (Assessor’s Ex. 1, sl. 36.) Because even the lowest end of the market-value
19 range was higher than the FBVVs for both 2018 and 2019, the FBVVs were enrolled.

20 To support the Assessor’s comparable, best-use analysis for the 2018 enrollment, the
21 Assessor compared three properties that sold between January 1, 2017 and March 30, 2018, with the
22 sale that Applicants submitted as comparable (shown in gray below), and with the Property. That
23 comparison was summarized in Assessor’s Exhibit 1 at Slide 14, the pertinent parts are:

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28 ³ The Assessor is using the term “non-conforming to the neighborhood” apparently to mean that the size and use of the Property is inconsistent with the rest of the neighborhood where the average lot size is less than half of the Property’s size. The Assessor does not suggest that the Property is non-conforming with the applicable zoning laws.

Property Address	Date of Sale	Sale Price/FMV	Notes
9391 13½ Ave, Hanford	2/22/18	\$415,000	Built 2007; 1.03 acres; 2,600 sq. ft. house; confirmed it cannot be split as it's undersized.
11070 17 th Ave, Lemoore	10/19/17	\$500,000	Built 2001; 1.703 acres; 3,126 sq. ft. house; confirmed it cannot be split as it's undersized.
10357 16 th Ave, Lemoore	1/5/18	\$375,000	Built 1995; 2 acres; 2,050 sq. ft. house; although the property has "excess land" which could adjust the value upward, confirmed it cannot be split as it's undersized.
9781 8¾ Ave., Hanford	10/9/17	\$499,000	Built 2005; 4.8 acres; 3,240 sq. ft. house; although the property has "surplus land" which could adjust the value upward, confirmed it cannot be split as it's undersized.
The Property	—	\$536,055	Built 2005; 3.77 acres; 2530 sq. ft. residence; confirmed it can be split into up to 3 parcels

For the Assessor's comparable analysis for the Property's market valuation for 2019, she compared three properties that sold between January 1, 2018 and March 30, 2019,⁴ as follows:

Property Address	Date of Sale	Sale Price/FMV	Notes
8551 14th Ave, Hanford	6/13/18	\$465,000	Built 2003; 1.11 acres; 2,556 sq. ft. house; confirmed it cannot be split as it's undersized.
11962 Excelsior Ave, Hanford	2/14/19	\$500,000	Built 2001; 1.52 acres; 2,466 sq. ft. house; confirmed it cannot be split as it's undersized.
23647 Fremont Ave, Lemoore	8/6/18	\$449,000	Built 2013; 1 acre; 2,347 sq. ft. house; although the property has "excess land" which could adjust the value upward, confirmed it cannot be split as it's undersized.
The Property	—	\$536,055	Built 2005; 3.77 acres; 2530 sq. ft. residence; confirmed it can be split into up to 3 parcels

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⁴ Although the 10357 16th Avenue, Lemoore property and the 9391 13½ Avenue, Hanford property were also sold during this timeframe (January 5, 2018 and February 22, 2018, respectively), they were only used for the 2018 comparable analysis and not the 2019 analysis. The Assessor did not explain why.

1 The Assessor also offered a study of comparable vacant home-site sales for establishing the
2 fair market value of the two vacant parcels that would result if the Property was divided consistent
3 with its alleged highest and best use. Those comparisons are summarized as follows:

4 Property Address	Date of	Sale	Notes
5 SW Corner of 6 Frontier & 7 Grangeville Blvd, 8 Hanford	8/8/18	\$101,000	1.25 acres
9 13741 Francisco Dr., 10 Hanford	1/11/19	\$152,000	1.15 acres
11 NW Corner of Fargo 12 Ave & Fargo Pl., 13 Hanford	2/22/18	\$135,000	2.53 acres

14 The Assessor offered further analysis and support for how she adjusted the valuations for
15 purposes of comparability related to quality class and shape of the residence, the age of the
16 construction, square footage, the number of bathrooms, the size and detachment of the garage, the
17 remaining useful life of the solar array, and the cost of the pool addition. (Assessor's Ex. 1, slides 37
18 – 49.)

19 Applicants' Rebuttal: Mr. Coon responded to the Assessor's case by pointing out that the
20 Assessor was comparing the Property to other, fully developed property in Montecito Ranch, and
21 that those properties cannot be accurately compared to his. (*Transcript*, August 11, 2020 Hearing, p.
22 40, line 42 – p 41, line 4.)

23 Assessor's Rebuttal: Ms. Crouch responded that the Assessor presented three comparable
24 sales for valuation purposes and only one of them is in Montecito Ranch. She also pointed out that
25 the Montecito Ranch parcel was ultimately irrelevant to the Assessor's ultimate valuation, because
26 the comparable sale on which they relied is located in the same subdivision as the Property.

27 Evidentiary Record: Applicants' Exhibit 1 of approximately six pages was moved into
28 evidence without objection. Assessor's Exhibit 1 (51-slide PowerPoint presentation) and Exhibit 2
(22 pages comprised of the assessment appeal applications, various correspondence, emails, legal
guidance and excerpts from the California Tax and Revenue Code) were also moved into evidence
without objection.

1 Applicants' Closing Argument: In closing, Mr. Coon argued several points. First, he
2 contended that the Assessor's Office seems to be disconnected from the challenges of owning and
3 maintaining rural property, and does not take into account those important factors when assessing
4 property values. Second, Mr. Coon asserted that the Assessor is driven to assess the highest
5 valuation possible to ensure the collection of the greatest amount of taxes. Finally, he spoke of his
6 frustration that the Assessor would not consider or discuss reasonably alternative data or arguments.

7 Assessor's Closing Argument: Ms. Rodriguez began by sympathizing with Mr. Coon's
8 frustration regarding their communications, and described in detail her efforts to be transparent in
9 their discussions. The Assessor then argued that her valuation of the Property is fair and in
10 accordance with the law. The Assessor's Office has valued the excess land as separate because that
11 is legally permissible. Ms. Rodriguez stated that the Assessor's office is not treating the Applicants
12 unfairly, but rather, to assess their Property differently would be to treat other property owners and
13 taxpayers unfairly.

14 Admission of Evidence: Admitted into evidence without objection were:

15 On behalf of the Applicant:

16 Exhibit 1 –Collection of correspondence and emails with the Assessor's Office, a
17 handwritten summary of costs to develop subdivided parcels, and a real estate listing (6
18 pages).

19 On behalf of the Assessor:

20 Exhibit 1 – PowerPoint presentation titled *Assessment Appeal Hearing for 18-009 &*
21 *19-008* (51 pages).

22 Exhibit 2 – Collection of the Assessment Applications, correspondence and emails
23 with the Applicant, legal guidance, and applicable Tax and Revenue Code sections (22
24 pages).

25 Whereupon, the Board closed the public hearing and adjourned to closed session.

26 **DECISION**

27 The Board made the following findings of fact:

- 28 1. The Applicants opposes the assessment valuations for the lien-dates of January 1,

1 2018 and January 1, 2019, because the Assessor's roll value exceeded the market value of the
2 Property on the lien dates. Applicant represented that the correct assessment value for the Property
3 was \$463,000 in 2018 and \$470,000 in 2019, reflecting a one and a half percent (1.5%) increase
4 overall.

5 2. The Assessor is presumed to have performed her job of competently valuing the
6 Property for assessment purposes, but the Applicant, by a preponderance of the evidence, including
7 sworn testimony, may rebut that presumption.

8 3. The Assessor had the Property appraised for comparing the factored base-year value
9 (FBYV) of the Property to its market value as of January 1 of the respective tax-lien years 2018 and
10 2019. Under the law, where the FBYV is equal to or less than the market value, the FBYV is to be
11 enrolled as the appropriate assessment value. In both 2018 and 2019, the market value exceeded the
12 FBYV and, consequently, the FBYVs (\$536,055 for 2018 and \$546,776 for 2019, representing a
13 two percent (2%) increase) were enrolled for the Property.

14 4. The difference between the Assessor's and the Applicants' proposed assessment
15 valuation for 2018 is \$72,203 for 2018 and \$76,547 for 2019. The Board makes no finding as to the
16 amount of tax at issue based on the differences between the Applicants' and the Assessor's
17 respective valuations of the Property for the two assessment years.

18 5. A comparison of the Applicants' land valuation for 2018 (\$145,000) and for 2019
19 (\$145,000) with the Assessor's land valuations for 2018 (\$131,157) and 2019 (\$133,780) shows that
20 Applicants valued the land higher than the Assessor did for both years. At no time did the Assessor
21 identify or explain, based upon its analysis of allegedly comparable sales, why it valued the land
22 lower than the Applicants for both years.

23 6. A comparison of the Applicants' valuation of the improvements and structures for
24 2018 (\$318,852) and for 2019 (\$325,229) with the Assessor's valuations of the improvements and
25 structures for 2018 (\$404,898) and 2019 (\$412,996) shows that the Assessor valued the
26 improvements and structures significantly higher than the Applicants did for both years, in the
27 respective amounts of \$86,046 and \$87,767. At no time did the Assessor identify or explain, based
28 upon its analysis of allegedly comparable sales, why it valued the improvements and structures so

1 much higher than the Applicant.

2 7. Although the Assessor asserted that the Property could be legally divided into up to
3 three parcels – two, single-family homes and one rural residential family home (Applicants’) – none
4 of the eight parcels to which the Assessor compared the Property could be subdivided, calling into
5 question whether the other properties were substantially comparable.

6 8. Further, the Assessor assumed for purposes of her valuation that, once the so-called
7 excess Property was divided, the two new divided parcels would be of approximately equal value.
8 At no time did the Assessor explain on what basis she assumed: (1) the two, new subdivided parcels
9 would be of equal value; or (2) whether subdividing the Property into two parcels instead of three
10 would have resulted in a higher valuation than the approach she used. Nor did the Assessor explain
11 how she arrived the estimated costs of \$10,700 to effect the division of the new parcels.
12 (Applicants’ Ex. 1, p. 2.)

13 9. In addition, the Assessor provided no evidentiary support showing that she has
14 similarly assessed “highest and best use” through property subdivision to other similarly situated
15 properties in the same area as the Property or in other areas throughout the County. The absence of
16 such evidence impedes the Board’s ability to equalize property assessment valuations throughout the
17 County.

18 10. The Assessor’s Exhibit 1 reflects that none of the properties the Assessor used as
19 “comparable sales” for market valuation purposes could be divided consistent with applicable
20 zoning regulations. (Assessor’s Ex. 1, pp. 10-12, 27-29.) The Assessor did not explain or offer
21 evidentiary support for her conclusion that these properties were “comparable” to Applicants’
22 Property when they did not possess the singular quality that drove the highest increase in Assessor’s
23 market valuation, which was the ability to subdivide the properties into multiple parcels.

24 11. The FBVVs for the Property were established by using the enrolled value of past
25 events (*e.g.*, the purchase of the vacant lot, the costs of constructing the home and pool, and
26 additions of the detached garage and the solar array) adjusted annually to no more than a two
27 percent (2%) increase. In Applicants’ case, the Assessor automatically applied a maximum
28 two percent (2%) adjustment without any explanation or evidentiary support for using that

1 value instead of some lower adjustment value. In choosing whether and how much to adjust
2 the Property's FBYV on an annual basis, the Assessor should consider many factors,
3 including but not limited to, the impact of drought conditions on the property value and the
4 physical depreciation and condition of the structures and improvements unique to that
5 property. The Assessor presented no evidence that she considered any FBYV adjustment
6 other than the maximum allowed by law.

7 Accordingly, the Board makes the following conclusions of law and decisions:

8 1. The applications for changed assessments 18-009 and 19-008 related to the property
9 located at 9128 13½ Avenue, Hanford, California, Assessor's APN 009-080-027-000 are hereby
10 granted.

11 2. Although this Board is obligated to presume the validity of the Assessor's processes
12 for valuing the Property and her ultimate valuations, that presumption is rebuttable.

13 3. The Applicants challenged those valuations with evidence raising questions about the
14 Assessor's subjective choices of properties representing comparable sales, the assumptions
15 underlying the highest and best use of the Property, and the adjustments the Assessor chose in an
16 effort to make the properties comparable. Once challenged, the Assessor did not respond to the
17 Applicants' challenge other than to include Applicants' submitted property sale (Applicants' Ex. 1,
18 p. 6) in the Assessor's comparability analysis. The Assessor did not rebut the validity of Applicants'
19 proposed breakdown of land value to the value of the improvements, nor did she explain why the
20 she allocated the FBYVs between the land and the improvements the way she did or why she chose
21 the two percent (2%) annual adjustment factor as opposed to other, lower adjustments.

22 4. The Board does not address the issue raised by Applicants related to the market
23 values associated with the division of the Property, as the Assessor did not enroll the market values
24 as the assessed value. However, the Board rejects the Assessor's assumption that the Property's
25 FBYVs for 2018 and 2019 were appropriately adjusted based on a two percent (2%) increase in
26 value.

27 5. Because the Assessor failed to meet her burden of proof once Applicants challenged
28 her assessment valuations, the application for changed assessment for the 2018 lien-date year is

1 granted and the enrolled value should be changed to a land value of \$145,000 and \$318,852 for the
2 structures and improvements.

3 6. Further, because the Assessor also failed to meet her burden of proof showing an
4 accurate and fair assessment for the 2019 lien-date year, the 2019 application for changed
5 assessment is granted and the enrolled value should be changed to a land value of \$145,000 and
6 \$325,299 for the structures and improvements.

7 The foregoing was adopted unanimously.

8 BOARD OF SUPERVISORS, sitting as the
9 KINGS COUNTY BOARD OF EQUALIZATION

10
11 By _____
12 Doug Verboon, Chairman

13 ATTEST:

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15 _____
16 Melanie Curtis
17 Deputy Clerk to the Board of Equalization
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