

SHASTA COUNTY ASSESSMENT APPEALS BOARD

Wednesday, April 14, 2010

REGULAR MEETING

8:30 a.m.: The Shasta County Assessment Appeals Board convened with the following present:

BOARD MEMBERS:

James Hull
Larry Lewis
Ernie Rouse
Ken Brown, Alternate

BOARD STAFF:

Linda Mekelburg, Administrative Board Clerk
Donna Dilts, Administrative Secretary
Elizabeth Johnson, Legal Counsel

ELECTION OF CHAIRMAN AND VICE CHAIRMAN

By motion made, seconded (Lewis/Rouse), and unanimously carried, the Assessment Appeals Board elected Ernie Rouse as Chairman. By motion made, seconded (Lewis/Rouse), and unanimously carried, the Assessment Appeals Board elected Jim Hull as Vice Chairman.

PUBLIC COMMENT PERIOD – OPEN TIME

There was no one present who wished to speak during the Public Comment Period.

STATEMENT OF POTENTIAL CONFLICTS

Legal Counsel Elizabeth Johnson advised the Board that she has had prior dealings with Frank Nichols of Fintech; however, the dealings did not have any bearing on the matters before the Board. Larry Lewis also had prior dealings with Mr. Nichols as his banker. Administrative Secretary Donna Dilts noted Fintech had withdrawn their appeal. Ernie Rouse stated his neighbor, Tom Nihart, had filed an appeal; however, it has been withdrawn.

8:35 a.m.: The Assessment Appeals Board recessed.

9:00 a.m.: The Assessment Appeals Board reconvened.

REGULAR CALENDAR

This was the time set for the Assessment Appeals Board to consider property assessment appeals. Applicants were duly notified by mail of the date and time of hearings.

The following County staff was sworn in: Assessor-Recorder Leslie Morgan, Deputy Assessor-Recorder Wayne Stephens, Deputy Assessor-Recorder Cathy Scott, Senior Supervising Auditor-Appraiser Bill Jostock.

Mr. Stephens provided an overview of the number of appeals filed this year.

WITHDRAWALS

Upon the recommendation of Mr. Stephens and by motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board accepted the withdrawals of the following applications:

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2007-113	Charter Communications	051-140-021/880-001-108
2007-114	Charter Communications	202-030-045/860-000-252
2007-115	Charter Communications	202-100-072/860-001-117
2007-116	Charter Communications	860-000-859/049-390-008

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2007-117	Charter Communications	860-000-272/048-320-019
2007-117a	Charter Communications	860-000-530/005-610-010
2008-116	Charter Communications	202-100-072/860-000-117
2008-117	Charter Communications	202-030-045/860-000-252
2008-118	Charter Communications	048-320-019/860-000-272
2008-119	Charter Communications	005-610-010/860-000-530
2008-120	Charter Communications	049-390-008/860-000-859
2008-121	Charter Communications	051-140-021/860-001-021
2009-001	Hackstaff, Gregory S.	406-090-002
2009-002	Redding Assisted Living, LLC	110-020-063
2009-003	Nielsen, Bonnie J.	059-790-031
2009-004	Wilson, Cynthia M. & David A.	030-380-002
2009-005	Belrose, Margaret M.	086-430-010
2009-007	Krecsy, Bryan S.	700-150-027
2009-008	Krecsy, Bryan S.	700-140-025
2009-009	Somers, Charles M.	007-400-037/007-400-052 007-400-053/007-400-054 307-210-028/307-210-031 207-210-032/307-210-033 307-210-034/307-210-035 307-210-036/307-210-037 307-220-001/307-220-004 307-230-008/307-240-001 307-380-001/307-380-002 307-380-003/307-230-007 307-230-019

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-010	Mattmiller, Mary M.	078-030-013
2009-011	Bower, Kenneth C.	091-060-009
2009-012	Singh, Jaspal	086-330-019
2009-013	Whitlock, Patrick M.	099-310-011
2009-015	Sanda, Gary & Belinda	995-030-894
2009-016	Bass, David R.	204-280-002
2009-018	Fox, Kevin A.	N/A
2009-030	Miller, Herb	085-050-006
2009-032	Baker, W. Jaxon & Kate	115-420-033
2009-033	Samuels, Linda	083-190-031
2009-036	Thomas, Sabrina A.	052-330-029
2009-037	Racki, Rod P.	006-780-004
2009-038	Racki, Rod P.	006-780-005
2009-039	Racki, Rod P.	006-780-002
2009-044	Lowe's HIW #1926	067-110-055
2009-045	Motel 6 Operating LP #674	073-080-051
2009-046	North Point Plaza SC	113-320-040
2009-047	North Point Plaza SC	113-320-015
2009-058	Earthgrains Baking Companies, Inc.	056-610-016
2009-059	Rent-a-Center #01082	800-003-515
2009-060	Loyal Order of Moose, Inc.	113-330-013

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-063	VNO Hilltop Drive LP Vornado Realty Trust	107-160-016
2009-064	Brinks, Scott T.	701-070-031
2009-065	Brinks, Scott T.	701-070-032
2009-066	Brinks, Scott T.	701-070-033
2009-067	IKON Office Solutions, Inc.	113-340-012
2009-070	Sunset Moulding Company	800-002-629
2009-071	Dial, Wanda C.	099-420-019
2009-073	Dial, Wanda C.	099-370-045
2009-074	First American Title Company	105-450-010
2009-075	Knapp, Colbert J.	054-330-009
2009-076	Barrett, Carla J.	307-250-008
2009-078	Cobb, David L.	085-040-014
2009-079	Mayo, Donald V.	116-200-047
2009-080	Gunlogson, Mark	116-170-006
2009-081	Gunlogson, Mark	103-050-027
2009-082	Gunlogson, Mark	103-050-028
2009-083	Gunlogson, Mark	068-730-017
2009-084	Gunlogson, Mark	068-730-076
2009-085	Gunlogson, Mark	068-740-002
2009-086	Gunlogson, Mark & Janice	068-740-018
2009-087	Gunlogson, Mark & Janice	090-070-026

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-088	Gunlogson, Mark & Janice	090-070-025
2009-089	Gunlogson, Mark & Janice	090-070-023
2009-090	Gunlogson, Mark & Janice	090-070-024
2009-091	Gunlogson, Mark	202-840-015
2009-092	Gunlogson, Mark & Janice	117-160-001
2009-093	Gunlogson, Mark & Janice	117-160-075
2009-094	Simpson, Marjorie	098-540-024
2009-095	Melton, Larry	042-030-012
2009-096	Garber, Theodore L. and Patricia B.	104-230-022
2009-098	Braun, Dennis & Vicki Rev Trust	052-150-007
2009-099	Simpson, Don & Marjorie	117-210-015
2009-100	Simpson, Don & Marjorie	098-540-034
2009-101	Pier 1 Imports	990-031-522
2009-102	1355 N. Fourth LLC	076-070-024
2009-103	Lewis, Robert & Vicki	307-210-019
2009-104	Fallbrook Verde Estates, LLC	034-270-001
2009-105	Mannino, Judy M.	113-240-005/113-240-006
2009-106	Gonzalez, Miguel	050-300-005
2009-107	Johnson, Bert S.	031-460-004
2009-108	Trevizo, Robert R.	104-170-032
2009-109	Stenberg, Linda J.	087-180-035

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-110	Foster, Steven	019-110-009
2009-111	Foster, Steven	910-802-080
2009-113	North Valley Bank	067-120-033
2009-114	Umpqua Bank	101-120-025
2009-115	Tormey, LLC	201-720-032
2009-116	Tormey, LLC	201-900-036
2009-130	Nicholas A. Speno 1999 Sep prop LLC	107-240-020
2009-131	Nicholas A. Speno 1999 Sep Prop LLC	107-240-045
2009-132	Nicholas A. Speno 1999 Sep Prop LLC	107-240-049
2009-133	Nicholas A. Speno 1999 Sep Prop LLC	107-240-051
2009-134	Frederiksen, Orson R.	083-310-047
2009-137	Boberg, Henrietta M.	018-680-022
2009-138	HFRM II, Inc.	202-780-024
2009-139	Golden Bear Restaurant Group, Inc.	202-780-024
2009-140	Golden Bear Restaurant Group, Inc.	113-320-017
2009-142	Goodman, Daniel M.	110-020-008
2009-143	Goodman, Daniel M.	110-020-009
2009-144	Goodman, Daniel M.	204-290-021
2009-145	Goodman, Daniel M.	104-880-036
2009-146	Goodman, Daniel M.	104-880-036
2009-147	Goodman, Daniel M.	104-880-034

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-148	Pandya, Vipul and Falguni	076-110-034
2009-149	TAL Redding, LLC	067-110-035
2009-150	TAL Redding, LLC	067-110-049
2009-151	TAL Redding, LLC	067-110-044
2009-152	TAL Redding, LLC	067-110-033
2009-153	TAL Redding, LLC	067-110-047
2009-154	Nattress, Reenie B.	205-210-013
2009-155	Perryman et al, Michael C. & Maryann	107-570-018
2009-156	Niemann, William K.	049-300-064
2009-157	Niemann, William K.	049-300-066
2009-159	Mt. Shasta Mall LLC	107-280-050
2009-161	CFT Developments LLC	086-070-074
2009-164	Beresford, Tina L.	703-210-004/703-210-005
2009-166	California Physicians Services dba Blue Shield	070-170-027
2009-167	House of Fabrics, Inc./Jo-Ann Stores, Inc.	107-420-048
2009-170	Baker 1988 Trust – KJB	107-360-008
2009-171	Baker 1988 Trust – JMB	107-360-009
29980172	Simpson, Randy R.	208-250-007
2009-173	Barry, Dennis John	208-400-026
2009-175	Cluff, Donald E.	045-490-019
2009-176	Webb, Jannette	207-030-013

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-177	Finch, Jack Wayne & Sheila Mary	103-610-009
2009-178	Adams, Roger	060-600-004
2009-179	Gottes, John J.	055-250-024
2009-181	Jones, Richard S.	205-730-017
2009-182	K-Mart Corp., Inc. #3130	107-050-027
2009-183	Sears Roebuck & Company #2328	107-280-029
2009-184	Aaron Rents, Inc.	800-006-506
2009-185	Brink, Ronald L.	306-650-007
2009-188	Foster, Michael J. & Teresa E.	086-270-079
2009-189	Rite Aid Inc. #6097	101-150-065
2009-190	Carver, Rudolph L.	061-190-013
2009-191	Deutsche Bank National Trust Co.	055-300-061
2009-192	Wells Fargo Bank NA	202-190-034
2009-193	Wells Fargo Bank NA	079-460-024
2009-194	Nihart, Thomas G.	026-380-069
2009-195	In-N-Out Burger, Inc.	071-160-061
2009-196	Anastasio, Stanley V.	117-110-001-500 through 770
2009-201	Conner, Therese M.	011-370-015
2009-203	Fintech Precast, Inc.	800-003-984/208-230-013
2009-205	Vonderhaar, Thomas E.	307-260-004
2009-206	Fowler, Patrick T.	041-770-002

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-207	Lyons, Willie L. & Sharon M.	018-660-020
2009-208	Saelee, James S.	088-460-031
2009-210	Kutras, Demetra Frances	102-150-012
2009-211	Kutras, Demetra Frances	102-150-011
2009-212	Shopko SPE Real Estate LLC	113-320-014
2009-213	American Self Storage Mesa LLC	049-110-029
2009-214	Bottling Group, LLC/Pepsi	114-300-012
2009-215	Commpros Inc.	107-300-026
2009-216	Commpros Inc.	107-300-028
2009-217	Commpros Inc.	107-300-029
2009-218	Commpros Inc.	107-300-033
2009-219	Clarum Oak Ranch Estates LLC	086-240-021
2009-220	Clarum Oak Ranch Estates LLC	086-240-023
2009-221	Clarum Oak Ranch Estates LLC	086-240-025
2009-222	Clarum Oak Ranch Estates LLC	086-240-019
2009-223	MPT of Redding LLC	103-240-051
2009-241	Charter Communications	202-030-045
2009-242	Charter Communications	048-320-019
2009-243	Charter Communications	005-610-010
2009-244	Charter Communications	049-390-008
2009-245	Charter Communications	051-140-021

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-246	SFP-B Limited Partnership	108-020-025
2009-247	Cost Plus Stores #150	107-240-021
2009-248	CVS/Longs Drug Stores #3911	067-110-036
2009-249	99 Cents Only Stores #190	107-050-013
2009-250	WinCo Foods, LLC #58	071-430-070
2009-252	Larkspur Group 043, LLC	107-190-043
2009-253	Shasta Tire & Services, Inc.	114-350-005

POSTPONEMENTS/309 WAIVERS

By motion made, seconded (Rouse/Lewis) and unanimously carried, the Assessment Appeals Board accepted the Assessor’s recommendations and approved the applicants’ requests for waivers as listed below:

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2006-007	Total Renal Care	800-002-557
2007-012	Total Renal Care, Inc.	800-002-557/102-150-008
2008-012	Bombardier Aerospace Corporation	800-007-850
2008-017	Flight Options, LLC	800-007-852
2008-018	NetJets International, Inc.	800-007-853
2008-019	NetJets Aviation, Inc.	800-007-854
2008-031	Total Renal Care	800-002-557
2009-021	Bombardier Aerospace Corporation	800-007-850

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-022	Bombardier Aerospace Corporation	800-007-850
2009-023	Bombardier Aerospace Corporation	800-007-850
2009-024	Bombardier Aerospace Corporation	800-007-850
2009-025	Bombardier Aerospace Corporation	800-007-850
2009-026	Flight Options LLC	800-007-852
2009-027	Flight Options LLC	800-007-852
2009-028	Flight Options LLC	800-007-852
2009-029	Flight Options LLC	800-007-852
2009-031	Total Renal Care	800-002-557
2009-048	NetJets International, Inc.	800-007-853/054-280-005
2009-049	NetJets International, Inc.	800-007-853/054-280-005
2009-050	NetJets International, Inc.	800-007-853/054-280-005
2009-051	NetJets International, Inc.	800-007-853/054-280-005
2009-052	NetJets Aviation, Inc.	800-007-854/054-280-005
2009-053	NetJets Aviation, Inc.	800-007-854/054-280-005
2009-054	NetJets Aviation, Inc.	800-007-854/054-280-005
2009-055	NetJets Aviation, Inc.	800-007-854/054-280-005
2009-056	NetJets Aviation, Inc.	800-007-854/054-280-005
2009-069	BRV, Inc., dba Record Searchlight	800-003-094
2009-117	Clearwire US LLC	800-006-567
2009-118	Clearwire US LLC	800-006-568

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-119	Clearwire US LLC	800-006-569
2009-120	Clearwire US LLC	800-006-570
2009-121	Clearwire US LLC	800-006-576
2009-122	Clearwire US LLC	800-006-577
2009-123	Clearwire US LLC	800-006-570
2009-124	Clearwire US LLC	800-006-573
2009-125	Clearwire US LLC	800-006-574
2009-126	Clearwire US LLC	800-006-575
2009-127	Clearwire US LLC	800-006-572
2009-128	Clearwire US LLC	800-006-566
2009-160	Flight Options LLC	054-280-005
2009-224	MPT of Shasta LP	101-040-028
2009-225	MPT of Shasta LP	101-040-027
2009-226	MPT of Shasta LP	101-040-005
2009-227	MPT of Shasta LP	101-040-006
2009-228	MPT of Shasta LP	101-040-037
2009-229	MPT of Shasta LP	101-620-054
2009-230	MPT of Shasta LP	101-620-056
2009-231	MPT of Shasta LP	101-040-040
2009-232	MPT of Shasta LP	101-620-057
2009-233	MPT of Shasta LP	101-620-058

<u>Application Number</u>	<u>Applicant Name</u>	<u>Parcel Number</u>
2009-234	MPT of Shasta LP	101-040-024
2009-235	MPT of Shasta LP	101-040-026
2009-236	MPT of Shasta LP	101-040-032
2009-237	MPT of Shasta LP	101-040-041
2009-238	MPT of Shasta LP	101-620-012
2009-239	MPT of Shasta LP	101-040-025
2009-251	Tesoro Sierra Properties	107-370-039

REQUESTS FOR FINDINGS OF FACT

Deputy Assessor-Recorder Wayne Stephens reported that the Assessor's Office did not have any requests for Findings of Fact on the items being heard; however, three appellants on the April 14 calendar requested findings. Donna Dilts reported none of the parties had paid for their Findings of Fact. Gover Ranch and Patricia Hersom withdrew their requests for findings. A recess was taken to allow the appellants to make the required payment for Findings of Fact.

9:17 a.m.: The Assessment Appeals Board recessed.

9:25 a.m.: The Assessment Appeals Board reconvened.

OVERVIEW OF REAPPRAISAL PROCESS IN 2009

Mr. Stephens gave an overview of the reappraisal process during 2009. Assessor-Recorder Leslie Morgan thanked the Assessment Appeals Board for their role in protecting taxpayers' rights and gave an explanation of the efforts by the Assessor's Office to review values and apply Proposition 8 reviews.

SCHEDULED HEARINGS

Deputy Assessor-Recorder Wayne Stephens suggested the Board take the scheduled hearings in the order shown on the agenda.

APPLICATION NO. 2009-020
GOVER RANCH
ASSESSOR'S PARCEL NO. 057-360-030

Deputy Assessor-Recorder Wayne Stephens stated this application involves a 10 percent penalty on a business property statement and introduced Senior Supervising Auditor-Appraiser Bill Jostock who presented the Assessor's facts. The appeal is for late filing of an agriculture property statement. Property statements are late if not received or postmarked by May 7, 2009. The postmark of this filing was June 9, 2009. The personal property valuation was \$410,300; the penalty added a value of \$41,030 for a total of \$451,330. The tax amount of the penalty is \$422.53.

Appellant representative David Hagen was sworn in. Mr. Hagen explained his client brought in the income tax paperwork and business property statement approximately April 10, 2009. Mr. Hagen was told his client had received an extension to May 1, 2009 to file the business property statement. Mr. Hagen set it aside and started working on the income tax return. The income tax filing was put on extension and the Gover Ranch paperwork was filed. The property tax statement was inadvertently placed in the file along with the income tax paperwork. The error was discovered in early June. At that time, the business property statement was completed and mailed in. Mr. Hagen assured the Assessment Appeals Board he had learned from this incident.

By motion made, seconded (Hull/Lewis) and unanimously carried, the Board ruled in favor of the appellant and abated the penalty.

Before moving on to the next item on the agenda, Mr. Stephens suggested Assessment Appeals Application Nos. 2009-240 (Estes) and 2009-141 (Ramsey) be moved forward and addressed at this time as they are both appeals of penalties.

APPLICATION NO. 2009-240
JAMES A. & SHARON L. ESTES
ASSESSOR'S PARCEL NO. 030-390-018

Neither Appellants James and Sharon Estes or their representative was present.

APPLICATION NO. 2009-141
JEFFREY A. RAMSEY
ASSESSOR'S PARCEL NO. 074-220-027

Neither Appellant Jeffrey Ramsey or his representative was present.

Since James and Sharon Estes, Jeffrey Ramsey, or their representatives were not present, Mr. Stephens recommended their appeals be denied.

By motion made, seconded (Lewis/Hull) and unanimously carried, Assessment Appeals Board denied Application Nos. 2009-240 and 2009-141 due to lack of appearance.

APPLICATION NO. 2009-068
PATRICIA HERSOM
ASSESSOR'S PARCEL NO. 113-360-023

Deputy Assessor-Recorder Wayne Stephens advised this property is an owner-occupied single-family residence; therefore, the burden of proof is on the Assessor. The application made by Ms. Hersom is for a special assessment component of her property taxes, and she is trying to obtain administrative relief or to exhaust all administrative remedies. The Assessor's Office believes the appeal is invalid for two reasons: 1) the role of Assessment Appeals Board does not include to "fix the tax rate, levy taxes or change tax rates," and 2) the Applicant's Opinion of Value is not included on the application as required. Therefore, the Assessor's Office requested the Assessment Appeals Board deny the appeal.

Applicant Patricia Hersom was sworn in. She explained the purpose of the appeal is to exhaust administrative remedies relative to a special assessment under the Landscape and Lighting Act of 1972. She questioned the legality of the assessment, and the only way for her to proceed was through the appeal process.

Legal Counsel Elizabeth Johnson confirmed the appeal is an effort to exhaust administrative remedies. The application needs to be denied as the Assessor's Office stated because it does not meet the requirements of a complete appeal. However, it would not be improper for the Board to consider the points she has raised on a personal level that are outside the scope of the appeal. Assessor-Recorder Leslie Morgan suggested the information could be submitted to those who may have influence over these issues and may be able to make a difference in the future.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied this appeal.

APPLICATION NO. 2009-017
CURT THOMAS LARGENT
ASSESSOR'S PARCEL NO. 058-030-026

Deputy Assessor-Recorder Wayne Stephens advised appeal involves the assessment of an owner-occupied single-family residential property; therefore, the burden of proof is on the Assessor. The Assessor's opinion of land value is \$243,000. The applicant's opinion of land value is \$67,000.

Mr. Stephens noted that in order to protect the interests of the applicant, Curt Largent, and Ron Largent, a member of the Mustang Properties LLC, the political implications of this hearing must be acknowledged. Leslie Morgan is currently seeking re-election to the office of Assessor-Recorder, and Ron Largent is running in opposition to her.

Mr. Stephens explained that the January 24, 2006 change in ownership was a re-assessable event and the change in ownership that did qualify for Proposition 58 (the parent-child exclusion) did not occur until October 26, 2007. The value of the residential appraisal unit was \$740,000; \$220,000 allocated to land and \$520,000 to improvements. The timeline of an event that was overlooked during 2006 and discovered during 2007 resulted in a complex assessment process. Four versions of a limited liability company (LLC) were furnished to the office. Upon completion of a series of corrections to the assessment, the Assessor's Office concluded that the assessment is reasonable and supported by a legal opinion from the State Board of Equalization.

The transfer that occurred on January 24, 2006 from Mustang Properties, LLC to Curt T. Largent and Diane Largent (husband and wife) and Ronald and Audnette Largent (husband and wife) all as joint tenants is the transfer that becomes the focus of the series of versions of the LLC.

In February 2010 the Assessor's Office received a legal opinion from the State Board of Equalization which supports their conclusion and questions the authenticity of Version 4 of the LLC for various reasons: Version 4 is entered into by Ron, Audy, Diane and Curt but is signed by Ron and Audy. The signature page contains no date and is identical to that of Version 4. Based on evidence provided, there is no way to verify that Version 4 was created on or before January 24, 2006.

Comparable sales analysis of five properties in Palo Cedro and Anderson confirmed the Assessor's valuation of \$193 per square foot as of January 24, 2006.

10:48 a.m.: The Assessment Appeals Board recessed.

11:03 a.m.: The Assessment Appeals Board reconvened.

Curt Largent was sworn in. He explained that in 2001 his parents, Ron and Audie Largent, gave him five acres of land in Anderson on which to build a house. He built a home and moved into it in September 2005. In 2007, Mr. Largent received letters from the Assessor's Office requesting clarification of ownership, and a letter re-evaluating his property, with a change being made to land value only. He contended the property was held by his parents, transferred to the LLC which consists of his parents, his wife, and himself. The LLC took title of the property and took out the construction loan for the home. He requested the Board consider the following issues: 1) the LLC allows change of ownership; 2) the land was clearly passed from father to son; and 3) he values the land at \$150,000, not \$220,000 as valued by the Assessor's Office.

Deputy Assessor-Recorder Cathy Scott clarified the issues regarding change of ownership: Proposition 58, which is a transfer between a parent and a child, and a transfer between a legal entity and an individual. The codes are very specific that a transfer between a legal entity and an individual are not subject to Proposition 58 as it is not a transfer from parent to child. Ms. Scott concurred with Mr. Largent that an LLC has certain advantages; however, a disadvantage is that it removes the ability to have a Proposition 58 exemption from a parent to a child.

In December 2007, the Assessor's Office determined an appraisal had been missed on this property, and Ms. Scott had to determine which property would be reappraised. Property had been transferred from an LLC partly to Ron and Audnette Largent, and partly to Ron, Audnette, Curt and Diane. It is not possible for property to come out of an LLC, go to a separate ownership and have both of them be proportional interest changes, exempt from reappraisal.

Ms. Scott had conversations with legal staff at the State Board of Equalization to determine the proportional ownership issues surrounding this property, and the State Board of Equalization in January 2010 confirmed by letter the LLC ownerships must be proportional.

The Assessor's Office made numerous corrections to the roll as the different versions of the LLC were provided to the Assessor's Office. Version 4, which was signed but not dated, stated the ownership of the properties was again different within the LLC, and when the letter was received from the State Board of Equalization regarding the structure of proportional ownership of an LLC, the Assessor's Office was no longer willing to rearrange what had already been reappraised.

Legal Counsel Elizabeth Johnson advised the letter from the State Board of Equalization is part of the evidence submitted. Interpretation of the LLC and how it bears on the appraisal must be researched.

Larry Lewis disclosed that Ron Largent joined his Lions Club this year; however, this will not affect his ability to be objective.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board took to take this appeal under advisement and will rule under the Findings of Fact.

Note: Under Findings of Facts dated September 1, 2010, the Assessment Appeals Board determined the full cash value of the subject property for base year 2006 is \$710,000, comprised of land value of \$190,000 and improvement value of \$520,000. This value shall be applied to the applicant's interest in the subject property.

12:03 p.m.: The Assessment Appeals Board recessed.

1:33 p.m.: The Assessment Appeals Board reconvened.

APPLICATION NOS. 2009-040, 2009-041, 2009-042, 2009,043
CITATION SHARES MANAGEMENT, LLC
ASSESSOR'S PARCEL NO. 054-280-005/800-007-851

Deputy Assessor-Recorder Wayne Stephens informed the Board members these appeals involve fractional interest aircraft. Waivers were requested but were not returned. Mr. Stephens requested the waivers not be denied, because these appeals are subject to a superior court case. He requested it be postponed until the next regularly scheduled meeting in 2011.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board postponed the appeals until the next regularly scheduled meeting in 2011.

APPLICATION NOS. 2008-108, 2008-109, 2009-034, 2009-035
GAP INC. & SUBS
ASSESSOR'S PARCEL NOS. 800-003-503, 800-004-648

Deputy Assessor-Recorder Wayne Stephens noted these appeals have been withdrawn. By consensus, the Board accepted the withdrawals.

APPLICATION NOS. 2008-048, 2008-049, 2008-050, 2008-051,
2009-197, 2009-198, 2009-199, 2009-200
SIERRA PACIFIC INDUSTRIES
ASSESSOR'S PARCEL NOS. 030-040-064, 030-040-065, 006-030-034, 050-110-025

Deputy Assessor-Recorder Wayne Stephens noted these appeals have been withdrawn. By consensus, the Board accepted the withdrawals.

APPLICATION NOS. 2008-135, 2008-136, 2009-162, 2009-163
KNAUF INSULATION GMBH
ASSESSOR'S PARCEL NO. 064-150-079

Deputy Assessor-Recorder Wayne Stephens stated there are appeals filed for two years on business property and real property. The Assessor's Office made numerous attempts to contact the applicant to reconcile the value issues. The property is subject to a mandatory audit for 2005-2009 and the Personal Property Section has requested they make records available for the audit. No definitive response has been received to these requests. Since the burden of proof in this hearing is upon the applicant and there is no representative from the company present, it is requested these appeals be denied.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied the appeals.

APPLICATION NO. 2009-006 AND 2009-062
EDWIN O. BROWN
ASSESSOR'S PARCEL NO. 077-610-003

Deputy Assessor-Recorder Wayne Stephens provided a brief statement regarding the methodology of a Proposition 8 review of a single-family residence. Mr. Edwin Brown or his representative was not present.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied the appeal due to lack of appearance by the applicant.

APPLICATION NO. 2009-204
BEN C. SWIM
ASSESSOR'S PARCEL NO. 201-053-046

Deputy Assessor-Recorder Wayne Stephens noted this appeal has been withdrawn. By consensus, the Board accepted the withdrawal.

APPLICATION NO. 2009-135 AND 2009-136
ATMAN HOSPITALITY GROUP, INC.
ASSESSOR'S PARCEL NO. 050-510-028, 050-510-036

Deputy Assessor-Recorder Wayne Stephens noted these appeals have been withdrawn. By consensus, the Board accepted the withdrawals.

APPLICATION NO. 2009-061
JOHN P. GUADAGNA
ASSESSOR'S PARCEL NO. 091-420-004

Deputy Assessor-Recorder Wayne Stephens noted this appeal has been withdrawn. By consensus, the Board accepted the withdrawal.

APPLICATION NO. 2009-019
JOHN P. McAULIFFE
ASSESSOR'S PARCEL NO. 112-200-041

Deputy Assessor-Recorder Wayne Stephens noted this appeal has been withdrawn. By consensus, the Board accepted the withdrawal.

1:50 p.m.: The Assessment Appeals Board recessed to reconvene on April 15, 2010 at 9:00 a.m.

Thursday, April 15, 2010

SCHEDULED HEARINGS

9:02 a.m.: The Assessment Appeals Board reconvened in Open Session with all Board Members, Legal Counsel Elizabeth Johnson, Administrative Board Clerk Linda Mekelburg and Administrative Secretary Donna Dilts present.

APPLICATION NO. 2009-202
ROB FINDLETON
ASSESSOR'S PARCELS NO. 030-400-001 through 005, 030-400-009 through 012,
030-400-014 through 019, 030-400-021 through 023, 030-400-027, 030-400-028

Deputy Assessor-Recorder Wayne Stephens explained this appeal involves the assessment of a subdivision; since it is not a single family residence, the burden of proof is on the appellant.

Rob Findleton was sworn in. He asked the Board whether, if a property is valued at something other than the purchase price, the burden of proof is shifted to the Assessor. Board Member Larry Lewis explained to Mr. Findleton both his and the Assessor's responsibilities with regard to presenting evidence. Mr. Findleton distributed information to the Board and requested it be read before he made his presentation.

Mr. Findleton disputed the assessment of the property, as he believes the parcels should be assessed at actual purchase price. He contends that the Assessor has valued the property based on incorrect comparables. He also noted that two parcels were assessed twice each. The Assessor's Office has based assessments for all the parcels in the subdivision on the sale of one lot which sold for \$80,000 in October 2008. No consideration was given to the desirability of individual parcels within the subdivision, such as whether they bordered U.S. Forest Service land or bordered State Highway 299. He stated the purchase of this subdivision was an "arms length" transaction.

Legal Counsel Elizabeth Johnson asked for a clarification regarding Lots 14 and 15. Mr. Findleton explained the Common Area A on the original map later became Lots 27 and 28; these lots were combined with Lots 14 and 15 because the common area was not useable. The size of the subdivision is 89.7 acres. The common area appears to have been counted twice in the assessment because the Assessor's roll showed the size of the subdivision as greater than 100 acres. This has since been corrected, according to the Assessor's Office.

Supervising Appraiser David Baker was sworn in. He explained that in January 2009, Mr. Findleton purchased the subdivision containing 18 lots for \$1,000,000. The lots average between four and five acres in size. Subdivision lots are typically sold as individual lots; therefore, the unit of appraisal in this case is the individual lot. The most recent sale, in October 2008, was \$80,000. Based on this and other comparables, each lot within the subdivision was given the value of \$80,000. The map showing Parcels 27 and 28 has been corrected. These parcels have been combined with the parcels next to them and are appraised at \$100,000 each, \$80,000 on the buildable portion and \$20,000 on the unusable portion of the lots. Comparable sales point to the value of at least \$80,000.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board took the appeal under submission.

Note: Under Notice of Decision dated April 15, 2010, the Assessment Appeals Board determined the taxable value of the subject property to be \$1,100,000.

10:05 a.m.: The Assessment Appeals Board recessed.

1:29 p.m.: The Assessment Appeals Board reconvened.

APPLICATION NO. 2009-014
CONTECH CONSTRUCTION PRODUCTS, INC.
ASSESSOR'S PARCEL NO. 108-430-040-001

Deputy Assessor-Recorder Wayne Stephens advised the applicant filed a 309 waiver on April 14, 2010 and recommended the Board accept the waiver.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board accepted the appellant's waiver.

APPLICATION NO. 2009-186 and 2009-187
PAUL LaBARBERA
ASSESSOR'S PARCEL NO. 201-760-064, 050-530-033

Neither Appellant Paul LaBarbera or his representative was present.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied this appeal for lack of appearance.

APPLICATION NO. 2009-077
ROBERT VAN NORMAN
ASSESSOR'S PARCEL NO. 050-650-003

Deputy Assessor-Recorder Wayne Stephens advised this appeal involves a single-family, owner-occupied residence; therefore, the burden of proof is on the Assessor's Office. The current Proposition 8 tax roll value is \$175,000 as of January 1, 2009; the factored base year value is \$182,170. The appellant purchased the property in November 2003 for \$165,000. In April 2009, the property was placed under Proposition 8 at a value of \$175,000. In November 2009 property owners in the subdivision raised concerns over the impact a future change in Federal Emergency Management Agency (FEMA) flood management map may have on their properties. The subject property is located between Olney Creek and the Sacramento River and is clearly within the area of FEMA concern. The most similar comparable, sold in March 2009 for \$188,900 and is also within the proposed flood plain. The comparables bracket the value for the subject property. The concern regarding the FEMA flood management map became apparent in November 2009, well after the lien date.

Robert Van Norman was sworn in. He stated the comparables used by the Assessor's Office are not similar in size and location to his property; an equally desirable substitute property would not have a \$1,500 assessment for flood control and content coverage. Board Member Larry Lewis asked Mr. Van Norman if he brought any comparables of his own; he did not. Mr. Van Norman became aware of the FEMA issue in mid 2008. He is not aware of the date the homeowners were made aware of this issue. He stated houses in a flood plain are worth 50 percent of those outside the flood plain; however, he did not present any evidence to substantiate this.

Mr. Stephens explained that there are two more applicants with this same issue and requested they be heard before a decision is made. The Board members (Lewis/Rouse) agreed, and Legal Counsel concurred, to hear the other cases before making a decision.

APPLICATION NO. 2009-097
WILLIAM HAZELEUR
ASSESSOR'S PARCEL NO. 049-310-020

Deputy Assessor-Recorder Wayne Stephens explained he spoke to William Hazeleur earlier this afternoon and he was not planning to attend the hearing.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Board denied this appeal due to lack of appearance.

APPLICATION NO. 2009-112
WAYNE L. MARTIN
ASSESSOR'S PARCEL NO. 050-640-008

Neither Appellant Wayne Martin or his representative was present.

APPLICATION NO. 2009-180
DELBERT E. GANNON
ASSESSOR'S PARCEL NO. 050-580-019

Neither Appellant Delbert Gannon or his representative was present.

APPLICATION NO. 2009-077
ROBERT VAN NORMAN
ASSESSOR'S PARCEL NO. 050-650-003, Continued

Board Chairman Rouse asked Mr. Van Norman if he wished to address the Board. Mr. Van Norman stated if he were looking to purchase his home now, he would not buy it. He contacted FEMA prior to purchasing his home and was assured this property was not in a flood zone and would not be in the future. Now that has changed and greatly affected his property value. Mr. Stephens stated he is hopeful there will be sales throughout the remainder of this year to use as comparables for the January 1, 2010 lien date, and he felt confident the decrease in value would be reflected in those sales. Mr. Van Norman noted that most of the sales in the area were of bank-owned properties and the banks would not be required to fill out disclosure statements.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board took the matter under submission.

Note: Under Notice of Decision dated April 15, 2010, the Assessment Appeals Board determined the market value of the subject property to be \$175,000, comprised of \$60,000 land value and \$115,000 improvement value.

APPLICATION NO. 2009-112
WAYNE L. MARTIN
ASSESSOR'S PARCEL NO. 050-640-008, Continued

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied the appeal due to lack of appearance.

APPLICATION NO. 2009-180
DELBERT E. GANNON
ASSESSOR'S PARCEL NO. 050-580-019, Continued

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied the appeal due to lack of appearance.

APPLICATION NO. 2009-158
JAIME ROMERO
ASSESSOR'S PARCEL NO. 061-270-072

Deputy Assessor-Recorder Wayne Stephens advised this appeal involves a single-family, owner-occupied residence; therefore, the burden of proof is on the Assessor's Office. The current factored base year value is \$429,116. The Assessor's opinion of value is \$440,000, and the applicant's opinion of value is \$327,000. Jaime Romero purchased the land in April 1992 for \$80,000. The land was placed under Proposition 8 review between the years of 1997 and 2002. In August 2006 a new residence was completed on the property and enrolled at the current market value of \$350,000. Mr. Romero contacted the Assessor's Office in April 2008 because he felt the value added for the new construction was too high. In 2009, he contacted the Assessor's Office again regarding the lien date January 1, 2009 value. Comparable sales provided by the Assessor's Office support the lien date value. Since the market value exceeds the lien date value, a reduction is not warranted.

Jaime Romero was sworn in. Mr. Romero presented comparable sales of 3 and 4 bedroom houses located in Bella Vista. His property has a two-car garage, not three as indicated by the Assessor's Office. His property is not landscaped, has no fencing and is not complete. The comparable sales presented by the Assessor's Office are of completed, landscaped, and fenced properties.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board took the matter under submission.

Note: Under Notice of Decision dated April 16, 2010, the Assessment Appeals Board ruled in favor of the Assessor-Recorder.

APPLICATION NO. 2009-168 and 2009-169
TIM L. JOHNSON
ASSESSOR'S PARCEL NO. 051-280-027 and 051-280-024

Neither Appellant Tim Johnson or his representative was present.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied Application No. 2009-168 due to lack of appearance.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied Application No. 2009-169 for lack of appearance.

APPLICATION NO. 2009-209
BOBBY & MARJORIE LEHMAN
ASSESSOR'S PARCEL NO. 056-500-023

Deputy Assessor-Recorder Wayne Stephens advised this appeal involves a single-family, owner-occupied residence; therefore, the burden of proof is on the Assessor's Office. The factored base year value of the subject property is \$312,500. The current roll value under Proposition 8 is \$275,000, and the applicant's opinion of value is \$230,000. The property was purchased in July 2008 for \$252,500. In late 2008, a detached shop, assessed at \$20,000, and an addition, assessed at \$40,000, were completed. In May 2009, an internal review was conducted and the property was placed under Proposition 8 at a value of \$275,000. There is no legal provision to review land and/or improvements separately for assessment purposes under Proposition 8. This allocation represents the average lot value in the area. The comparable sales presented by the Assessor's Office support the lien date value as stated.

Bobby Lehman was sworn in. Mr. Lehman's concern is that the value of the lot has gone from \$35,000 to \$80,000. He feels the land has not increased in value, and the prior assessment of \$35,000 for the land is appropriate.

Mr. Stephens explained in the 2006 values (prior to the Lehman's purchase) were \$35,803 for land and \$131,284 for improvements. When the Lehman's purchased the property in July 2006, \$80,000 was allocated to the land and \$172,500 to the improvements. When the additions were complete, the improvement value was increased. Currently, the land is valued at \$80,000 and improvements at \$195,000 for a total of \$275,000. This is less than the factored base year value of \$312,500. The land allocation is a similar percentage to when the property was purchased by Mr. Lehman.

By motion made, seconded (Hull/Lewis) and unanimously carried, the Assessment Appeals Board took this matter under advisement.

Note: Under Notice of Decision dated April 15, 2010, the Assessment Appeals Board ruled in favor of the Assessor-Recorder and determined the market value of the subject property to be \$275,000, comprised of \$80,000 land value and \$195,000 improvement value.

3:07 p.m.: The Assessment Appeals Board recessed to reconvene on April 16, 2010 at 9:00 a.m.

Friday, April 16, 2010

SCHEDULED HEARINGS

9:00 a.m.: The Assessment Appeals Board reconvened in Open Session with all Board Members, Legal Counsel Elizabeth Johnson, Administrative Board Clerk Linda Mekelburg and Administrative Secretary Donna Dilts present.

APPLICATION NO. 2009-129 and 2009-165
MACY'S DEPARTMENT STORES, INC.
ASSESSOR'S PARCEL NO. 107-280-046-000

Deputy Assessor-Recorder Wayne Stephens stated there was a withdrawal on one of these applications. Both applications were signed by the same person. The Assessor's Office spoke with Macy's corporate office and was informed Application No. 2009-165 was the application to be withdrawn; however, the withdrawal was never received.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board accepted the withdrawal of Application No. 2009-129.

By motion made, seconded (Lewis/Hull) and unanimously carried, the Assessment Appeals Board denied Application No. 2009-165 due to failure of the applicant to return the withdrawal form.

APPLICATION NO. 2009-174
SHARON KAY CHANDLER
ASSESSOR'S PARCEL NO. 117-240-024-000

Deputy Assessor-Recorder Wayne Stephens stated this appeal involves a single-family owner-occupied residence, and the burden of proof is on the Assessor. The January 1, 2009 full cash value of this residence was \$312,096. By Proposition 8 review, the value of this property was reduced to \$260,000. The applicant's opinion of full cash value is \$260,000; however, she disputes the distribution between property and improvements.

Mr. Stephens described the residence and history of ownership. In July 2008, the owner requested a review of her property and was notified on July 11, 2008 that no reduction was warranted for the January 1, 2008 lien date. In July 2009, after receiving notice of the January 2009 Proposition 8 valuation, Ms. Chandler informed the Assessor's Office that she felt she was being penalized because her land allocation had increased. In August 2009, Ms. Chandler spoke with Real Property Appraiser II Natalie Gonzalez and Assessor-Recorder Leslie Morgan and requested comparable sales data.

Mr. Stephens explained the value of land and improvements are not considered separately. California property tax law requires separate assessments of land and improvements but does not require separate appraisals of these different components of the property. The separate assessment of land and improvements is usually an allocation of the total value of the property which, in the case of a single-family residence, is the combination of land and buildings.

The comparables shown support the subject value, and in all of their discussions with Ms. Chandler, they have always agreed on the full cash value. Ms. Chandler is subject to an increased charge by Bella Vista Water District (BVWD) due to the increase in the land value. Prior to the Proposition 8 review, the assessment was \$44,984 for land and \$267,112 for improvements. As a result of the Proposition 8 review, the allocation is \$80,000 to land and \$180,000 to improvements. As a result, the BVWD fee is increased by \$130. The overall decrease in taxes is \$576, but with a \$130 increase in the BVWD fee, the net savings is \$446.

Sharon Chandler was sworn in. Ms. Chandler understood the value of a Proposition 8 review and how it affected her property. Ms. Chandler does not believe the land value increased from January 1, 2008 to January 1, 2009 due to the economic situation during that time. Since the assessment appeals application form required a statement of value by the applicant, she used the same ratio that had been applied to the base year at the time of purchase.

Ms. Chandler contacted several counties by email to ask how they would value property under a Proposition 8 review. The general consensus was the original allocation between land and improvements would be retained. She contends the Assessor's Office arbitrarily changed the ratio between her land and improvements, which created an increase in the tax burden because of the BVWD fee. There is no legal requirement to re-appraise land. The legal requirement is to allocate between the two components. Ms. Chandler respectfully requested Shasta County to amend the assessment role to reflect the previous base year ratio.

Mr. Stephens explained that properties in the subject neighborhood have land values of \$80,000 per lot. Some counties use ratios and trending to apply Proposition 8 reductions and they have been taken to court and lost as the courts ruled this is not an appropriate, legal valuation process.

A motion was made and seconded (Lewis/Hull) to take this appeal under advisement.

Ms. Chandler presented the comparable sales provided to her by the Assessor's Office to determine land value. Most properties used are larger than hers and she does not think there have been enough adjustments made to her property value.

Chairman Ernie Rouse asked Ms. Chandler if she had the square footage of the lots under discussion, and a brief recess was granted to allow her time to locate the information.

10:00 a.m.: The Assessment Appeals Board recessed.

10:08 a.m.: The Assessment Appeals Board reconvened.

Ms. Chandler presented the square footage information to the Board. Using this information to determine fair market value per acre, her lot value would be \$36,000.

Mr. Stephens noted it is interesting to see a dollar per acre or dollar per square foot approach; however, this approach must take into account unusable space. Mr. Stephens believes allocation is an accurate valuation of the subject property and the subdivision. It is not appropriate for the Assessor's Office to look at how the value affects other issues; in this instance, Bella Vista Water District. The Assessor's Office must make a base year value that is fair.

Ms. Chandler stated the Assessor's Office has taken the time to re-value the land in Shasta County and it is her opinion that no one cares except those in Bella Vista Water District. It is not a legal requirement to re-value the land.

Assessor-Recorder Leslie Morgan advised the most important issue she has stressed to everyone in her department is the need for an accurate appraisal. It is not appropriate for the Assessor's Office to evaluate how the appraisal value affects special districts.

As there were no additional comments, Chairman Rouse stated a motion had been made and seconded (Lewis/Hull) to take this under advisement.

Note: Under Findings of Facts dated September 1, 2010, the Assessment Appeals Board determined the full cash value of the subject property for base year 2008 to be \$260,000, comprised of \$65,000 land value and improvement value of \$195,000. This value shall apply to the applicant's 100 percent interest in the subject property.

UNSCHEDULED MATTERS

Deputy Assessor-Recorder Wayne Stephens inquired as to how the Board would announce their decisions. Chairman Rouse advised the Board's decisions would be given to the Clerk for distribution. Mr. Stephens requested the opportunity to present additional information on Mr. Findleton's appeal from the previous day. Legal Counsel Elizabeth Johnson asked if the hearing was being re-opened, and Mr. Stephens requested the Board do so. Mr. Findleton's application is contradictory because in one place it includes the lot that sold and in another, it does not. Mr. Stephens requested the Board be very specific in their decision so that the Assessor's Office can interpret it properly. He is not requesting the Board to change their value, only that the decision be clear, concise, and an allocation be made for land and improvement

values. Mr. Stephens also reminded the Board that if they change the total value on any residential appeal, they must also provide values for land and improvements.

2011 ASSESSMENT APPEALS BOARD HEARING DATES

By consensus, the Assessment Appeals Board set the 2011 Assessment Appeals hearings for April 13, 14, and 15, 2011.

FURTHER ACTION ON HEARING MATTERS

Board Clerk Linda Mekelburg noted there was a motion and second (Lewis/Hull) on the Chandler matter but no action had been taken. The Board voted and the motion passed unanimously to take the appeal under advisement.

10:55 a.m.: The Assessment Appeals Board adjourned.

ERNIE ROUSE, Chairman

ATTEST:

LAWRENCE G. LEES
Clerk of the Assessment Appeals Board

By _____
Deputy