MINUTES

County: Anaconda-Deer Lodge County
Place: A-DLC Courthouse
Date: January 20, 2022
Hour: 10:00 a.m.

Board members present:
Sandi Wenger - Chair
Stormi Brosseau – Vice – Chair
Dustin McKenney– Member

Secretary: Lori Sturm

Hearing Held

10:00 a.m. McLeod Family trust (Represented by Jack McLeod), Appellant
714 Black Bear Lane – Lot D
  • GEO Code 30-1375-07-3-02-14-0000

Chairman Wenger called the Hearing to order at 10:00 a.m. Chairman Wenger read the County
Tax Appeal Board Opening Statement. The Dept of Revenue has appraised the 303,016 for the Land
And the taxpayer is asking for a value of $144,505.00.

The Oath was given to all in attendance. Everyone raised their right hands and offered an affirmative.

Mr. McLeod presented his case to the Tax Appeal Board. He turned in Exhibit 1: A Narrative in Support of
Tax Appeal for Geo Code 39-1375-3-02-14-0000 714 Black Bear Lane, Deer Lodge County MT
Mr. McLeod explained his background in Real Estate and as an appraiser. Asked the DOR to provide him
with the sales they used in valuing his site. Three Comparable sales were provided to Mr. McLeod.
(Lot 11A of Piney Point, Lot #22A Badger Bay Subdivision and Lot 4G Plat 286B Morris Minor Subdivision)
Mr. McLeod went over the value of square feet for all the Properties. Also asked about Proper Comparable
Sales used in assessing his property. Stated that he wanted to relate all information to a Market Value.

Chairman Wenger – Asked for clarification of comparable sales. Asked about the assessed values that Mr. McLeod
Pointed out and asked if they were sold. Mr. McLeod answered “no”.
There was some discussion about Comparable Sales, and Land Value at the Lake.
Jack McLeod – His site went down, and the house went up. He believes in a unit value of land and improvements.
  • It was explained that land is valued first then improvements.
Jack McLeod – Even though it is down it is still $12.85 a square foot. The Comparables are no where
near that.

Discussion continued about factors such as view.
Brandon Whitaker – Talked about Economies of Scale, such as property size increasing. Comparing a .5 acre to a 2-acre parcel there will be a difference.

Jack McLeod – Defined the Economics of Scale. Discussion about marketing. Used Starbucks and Albertsons as Examples. Discussion continued in the purchase of buying steaks. John McLean brought the discussion back To the topic of Georgetown Lake.

The State Presented the Case:

Brandon Whitaker, Property Appraiser with MT DOR – First Exhibit is the MT Appraisal Plan Proceeded to Go through the exhibit and explained the document. Moved on to Exhibit A2 (Copy of Assessment Notice and value: Of land and improvements) Provided a timeline of how things transpired. Next was Exhibit B1 with Property Record Card; B2 Land Model Sales Information with the 3 sales that Mr. McLeod referenced.

Brittany Barnes – Presented Exhibit B3. The model uses only lakefront property. Explained the graph to the individuals present. Some properties are less desirable because they have a road cutting through the property or have lake access issues. Explained the Assessed Values against acreage and Plot 3 talked about a price per acre. Explained the base lot method where the value is found of a typical 1-acre lot, then adjust for size or other attributes such as location. This is actual adjusted sale prices. It shows a higher price per acre and lower as you get larger. This is a phenomenon that is occurring, and the models are fit to the data.

Brandon Whitaker – Exhibit C1 is a copy of the MT tax appeal decision. Pointed out item 16 and 17. Item 16 is when applying Mr. McLeod’s method of dividing the sale price by the square feet of a parcel, a wide range of prices are produced that we find do not represent the market in the Georgetown Lake neighborhood. Item 17 – The DOR not only used accepted IAAO appraisal methods but also accounted for economies of sale and the theory of diminishing returns.

Discussion about Marketing being subjective. The DOR is tasked to value 100% of market value. Discussion of Housing prices. There is a lot of supply and demand coming into play. Brittany explained why the price of Mr. McLeod’s property went down. She explained that there is accounting for the less desirable conditions Such as the road cutting through it or not as much lake access.

Mr. McLeod – Indicated that the square foot basis is not the method of which land is sold – Absolutely False. When someone buys a site, they do not go to a model and ask about the basis. It is between a willing buyer and willing seller. Crystal Clear that the state is required to properly appraise every property at fair market value. Georgetown Lake is not appraised at Fair Market Value. Talked about the Trophy homes that are paying less.

Brittany Barnes – Explained how equity was measured. Went over Ratio studies.

Chairman Wenger – Read the Closing Statement
Presentations Concluded 10:57 a.m.

Deliberation between the A-DLC Tax Appeal Board.
Decisions of A-DLC Tax Appeal Board

McLeod Family trust (Represented by Jack McLeod), Appellant

The A-DLC Tax Appeal Board Denies the Tax Appeal of Mr. Jack McLeod

- GEO Code 30-1375-07-3-02-14-00 – NOT APPROVED
- VOTE – 3 - 0

Meeting Adjourned 11:06 a.m.

Signed

[Signature]

Lori Sturm, Secretary
Anaconda-Deer Lodge County Tax Appeal Board