

Minutes of Meeting
Pre-BOE Meeting
June 5, 2013
11:00 a.m.

The Kootenai County Board of Commissioners: Chairman Todd Tondee, Commissioner Dan Green, and Commissioner Jai Nelson met to discuss the following agenda items. Also present were County Assessor Michael McDowell, Chief Deputy Assessor Richard Houser, Residential Appraisal Manager Darin Krier, Commercial Appraiser III Rod Braun, and Deputy Clerk Michael Beaver.

A. Call to Order: Chairman Tondee called the meeting to order at 11:04 a.m.

B. Introductions: There were no introductions made.

C. Changes to the Agenda: There were no changes made to the agenda.

D. Old Business: There was no old business discussed.

E. New Business:

The Assessor's Office Staff met with the Board for an informal discussion of the department's update of property values. Residential Appraisal Manager Darin Krier presented his findings regarding an evaluation of the County's residential waterfront property. Mr. Krier noted that, countywide, good quality older homes are generally up a modest average of fifteen percent (15%) to sixteen percent (16%) from their 2010 lows. Mr. Krier added that short sales and REO properties were included in the study, and incorporated into the model, in an effort to understand how these distressed sales influence the market values of other properties in any given neighborhood. Assessor Michael McDowell added that experts refer to these short sale anomalies as "inexplicable market deviations." Mr. Krier stated that these deviations do not give the Assessor's Office a "pass" in determining the value of surrounding properties, but actually make the Assessor's job more difficult in attempting to arrive at equitable values for all.

Commercial Appraiser III Rod Braun followed with his presentation on the evaluation of the County's multi-family homes (including duplex, triplex, and quad units), condominiums, apartments, and commercial properties. Mr. Braun noted that, generally, commercial values are stable and condominium values are down. However, reacting to some new sales, Riverstone condominium values are incrementally rising, requiring careful review of that market. Mr. Braun also noted that one troubled area for the Assessor's Office was the fluctuating valuation of float homes, generally, and Bayview float homes, specifically. He stated that market values of Bayview float homes increased thirty (30) percent. Mr. Braun explained that, because of the unique nature of these properties, any appeals coming before the Board of Equalization should be handled on a case-by-case basis, and should consider factors such as boat access, placement of the float home within the marina, and secured lease place terms.

Mr. Krier explained that the overall goal of the County's valuations was to collect sufficient data to allow the Assessor to build a computer model that could accurately reflect both upward and downward trends in market prices. The model should then allow the Assessor's Office to equitably determine property values for future taxation purposes, and provide the Board with a breakdown showing sufficient evidence to explain how an assessment was derived.

Mr. McDowell discussed the issue of the taxpayer's right to appeal, and who has legal standing to challenge or appeal a property tax assessment. Mr. McDowell noted some confusion had been injected into the debate by a too liberal interpretation of the word "taxpayers," as used within the code, by different State taxing authorities. He noted that his opinion conflicts with the Idaho Tax Commission's current stance that any taxpayer may file an appeal on any property, whether or not they have an ownership stake. Mr. McDowell offered that the use of the word "taxpayers" in the code is simply the plural use of the individual taxpayer, and does not allow a broad license to any third-party taxpayer to file an appeal on property belonging to another person. He noted that, while the question remains unsettled by Idaho courts, the position of the Assessor's Office is that only the property owner, or his or her designated representative, may file a property tax appeal.

- F. Staff Reports:** There were no staff reports.
- G. Public Comment:** This section is reserved for citizens wishing to address the Board regarding a County related issue. There was no public comment.

The meeting was adjourned at 12:13 p.m.

Respectfully submitted,
CLIFFORD T. HAYES, CLERK

BY: _____
Michael J. Beaver, Deputy Clerk