

**INDIANA BOARD OF TAX REVIEW**  
**Small Claims**  
**Final Determination**  
**Findings and Conclusions**

**Petition:** 47-010-08-1-4-00038  
**Petitioners:** Michael & Liza Goffinet  
**Respondent:** Lawrence County Assessor  
**Parcel:** 47-06-23-113-060.000-010  
**Assessment Year:** 2008

The Indiana Board of Tax Review (Board) issues this determination in the above matter, finding and concluding as follows:

**Procedural History**

1. The Petitioners initiated an assessment appeal with the Lawrence County Property Tax Assessment Board of Appeals (PTABOA) by written document dated August 26, 2009.
2. The PTABOA issued notice of its decision on March 19, 2010.
3. The Petitioners filed a Form 131 petition with the Board on April 14, 2010. They elected to have the case heard according to the Board's small claims procedures.
4. Administrative Law Judge Rick Barter held the Board's administrative hearing on August 2, 2011. He did not inspect the property.
5. Petitioner Michael Goffinet, Lawrence County Assessor April Stapp Collins, and her technical advisor, Kirk Reller, were sworn as witnesses.

**Facts**

6. The subject property is a rental duplex located at 1621 and 1623 G Street in Bedford.
7. The PTABOA determined that the 2008 assessment is \$6,300 for land and \$62,300 for improvements (total \$68,600).
8. The Petitioners claimed the assessment value should be \$6,300 for land and \$48,700 for improvements (total \$55,000).

## Contentions

9. Summary of the Petitioners' case:
  - a. The 2008 assessment is overstated when compared to the purchase price of the property on October 3, 2006. The data sheet from the closing shows the price was \$55,000. *Goffinet testimony; Petitioner Exhibit 1.*
  - b. The property was appraised before the sale. Both the appraisal, effective October 2, 2006, and supplemental addendum, effective October 30, 2006, reached a value of \$56,000. *Goffinet testimony; Petitioner Exhibit 2.*
  
10. Summary of the Respondent's case:
  - a. The assessment is supported by the pieces of appraisals (appraisal dated October 2, 2006, and supplemental addendum dated October 30, 2006) that the Petitioners submitted as evidence during the PTABOA hearing. *Reller testimony; Respondent Exhibit 4.*
  - b. The PTABOA determined the assessment is \$68,600 based on evidence found in the appraisal. The Gross Rent Multiplier method of valuation is a preferred way to value the subject property. The appraisal lists rent for \$425 for one unit and \$300 for the other unit, but the units are supposedly identical. If the rents for both units were \$425 and the appraiser's GRM of \$87.25 were used, the valuation would support the current assessment. *Reller testimony. Respondent Exhibit 4.*
  - c. The Petitioners' evidence fails to raise a prima facie case that the assessment is incorrect. The appraisal's estimate of value is too far removed from the valuation date of January 1, 2007. *Reller testimony.*

## Record

11. The official record is made up of the following:
  - a. The Petition,
  - b. Digital recording of the hearing,
  - c. Petitioner Exhibit 1 – Appraisal Update,  
Petitioner Exhibit 2 – Settlement statement,
  - d. Respondent Exhibit 1 – Form 130,  
Respondent Exhibit 2 – Form 115,  
Respondent Exhibit 3 – Property Record Card (PRC),  
Respondent Exhibit 4 – Pages from appraisal as of October 2, 2006, and update as of October 30, 2006,

- e. Board Exhibit A – Form 131 Petition and attachments,  
Board Exhibit B – Notice of Hearing,  
Board Exhibit C – Hearing sign-in sheet.
- f. These Findings and Conclusions.

### Analysis

- 12. A Petitioner seeking review of a determination of an assessing official has the burden to establish a prima facie case proving that the current assessment is incorrect and specifically what the correct assessment would be. *Meridian Towers East & West v. Washington Twp. Assessor*, 805 N.E.2d 475, 478 (Ind. Tax Ct. 2003); *see also, Clark v. State Bd. of Tax Comm'rs*, 694 N.E.2d 1230 (Ind. Tax Ct. 1998).
- 13. In making its case, a party must explain how each piece of evidence is relevant to the requested assessment. *Indianapolis Racquet Club, Inc. v. Washington Twp. Assessor*, 802 N.E.2d 1018, 1022 (Ind. Tax Ct. 2004) (explaining one must “walk the Indiana Board . . . through every element of the analysis”).
- 14. A party must explain how its evidence relates to the subject property’s market value-in-use as of the relevant valuation date. *O’Donnell v. Dep’t of Local Gov’t Finance*, 854 N.E.2d 90, 95 (Ind. Tax Ct. 2006); *see also Long v. Wayne Twp. Assessor*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005). The valuation date for a 2008 assessment was January 1, 2007.
- 15. The Petitioners made a case for a reduction in the assessed value of the subject property.
  - a. Real property is assessed based on its "true tax value," which means "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or a similar user, from the property." Ind. Code § 6-1.1-31-6(c); 2002 REAL PROPERTY ASSESSMENT MANUAL at 2 (incorporated by reference at 50 IAC 2.3-1-2). The cost approach, the sales comparison approach, and the income approach are three generally accepted techniques to calculate market value-in-use. Assessing officials primarily use the cost approach. *Id.* at 3. Indiana promulgated Guidelines that explain the application of the cost approach. The value established by use of the Guidelines, while presumed to be accurate, is merely a starting point. A taxpayer is permitted to offer evidence relevant to market value-in-use to rebut that presumption. Such evidence may include actual construction costs, sales information regarding the subject or comparable properties, appraisals, and any other information compiled in accordance with generally accepted appraisal principles. MANUAL at 5.
  - b. There is no dispute about the fact that the Petitioners purchased the subject property on October 3, 2006 for \$55,000. Furthermore, the record contains absolutely no evidence that the sale was anything other than an arms-length transaction on the open market. A sale of the subject property has frequently been considered to provide

some of the best evidence of that property's market value-in-use. This sale was just three months before the valuation date for the 2008 assessment and is squarely within the period of sales used for the trending process assessors use to update valuations. The time of this sale is close enough to make it relevant. Therefore, the Petitioners' purchase price is a very good indication of a more accurate market value-in-use for the purposes of the 2008 assessment.

- c. The Respondent claimed the assessment was based on "pieces" of an appraisal originally presented to the PTABOA by the Petitioners. Although a value of \$68,000 was highlighted on pages 3 and 7 of the Respondent's Exhibit 4, it is unclear what the meaning of that figure is. And the figure is inconsistent with the statement on the Appraisal Update page in Exhibit 4 that states the original appraised value was \$56,000. These incomplete and apparently inconsistent documents have no weight regarding the ultimate conclusion of value for the subject property.
  - d. The Respondent also attempted to use the Gross Rent Multiplier methodology to support a higher valuation. But that attempt is not persuasive because it relied on speculation about the rent and a manipulation of calculations in Exhibit 4.
16. The Respondent failed to present anything that effectively rebuts or impeaches the evidence that a more accurate market value-in-use is only \$55,000.

### **Conclusion**

17. The Petitioners proved their case.

### **Final Determination**

In accordance with these findings of fact and conclusions of law, the assessment must be changed to \$55,000.

ISSUED: October 19, 2011

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Commissioner, Indiana Board of Tax Review

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Commissioner, Indiana Board of Tax Review

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Commissioner, Indiana Board of Tax Review

- Appeal Rights -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5, as amended effective July 1, 2007, by P.L. 219-2007, and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required within forty-five (45) days of the date of this notice. The Indiana Tax Court Rules are available on the Internet at: <http://www.in.gov/judiciary/rules/tax/index.html>>. The Indiana Code is available on the Internet at <<http://www.in.gov/legislative/ic/code>>. P.L. 219-2007 (SEA 287) is available on the Internet at <http://www.in.gov/legislative/bills/2007/SE/SE0287.1.html>.