BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION

IN RE:	Delbar Products Map 100G, Group B, Control Map 100G, Parcel 29.02, S.I. 000 Map 87, Control Map 87, Parcels 32.21 & 82.01, S.I. 000 Industrial Property Tax Year 2007	)) Cumberland County)))))

INITIAL DECISION AND ORDER

Statement of the Case

The subject property is presently valued as follows:

Parcel 29.02

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
$355,500	$1,397,000	$1,732,500	$693,000

Parcel 32.21

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
$250,000	$1,316,400	$1,566,400	$626,560

Parcel 82.01

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
$220,000	$1,204,700	$1,424,700	$569,880

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on September 24, 2007 in Crossville, Tennessee. In attendance at the hearing were registered agent Larry Burks, Cumberland County Property Assessor's representative Mary Cox and J. R. Young, an appraiser with the Division of Property Assessments.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of three manufacturing/warehousing facilities located in Crossville, Tennessee which can briefly be described as follows:

Parcel	Age	Building Size	Land Size
29.02	1973-1995	86,130 square feet	6.1 acres
32.21	1977 & 1989	66,000 square feet	5 acres
82.01	2000	53,024 square feet	11 acres

Both parties relied exclusively on the sales comparison approach and contended subject properties should be valued as follows:

Parcel	Taxpayer's Contended Value	Assessor's Contended Value	Current Appraised Value
29.02	$1,003,560	$1,732,500	$1,732,500
32.21	$1,088,000	$1,566,400	$1,566,400
82.01	$1,007,456	$1,424,700	$1,424,700

For each property, Mr. Burks and Mr. Young introduced written analyses and testified concerning those analyses.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject parcels should be valued in accordance with Mr. Burks' analyses. The administrative judge finds that Mr. Burks' analyses should receive greatest weight for three reasons. First, the administrative judge finds that Mr. Burks analyzed his comparables in greater detail than did Mr. Young. The administrative judge finds that Mr. Burks found it appropriate to adjust most of his comparables whereas Mr. Young did not adjust most of his comparables. Second, Mr. Burks' comparables were not challenged. For all practical purposes, Mr. Young essentially argued that his comparables were superior and should be accorded greatest weight. Third, and most importantly, the administrative judge finds that Mr. Burks convincingly challenged all but one of Mr. Young's comparables. The administrative judge finds Mr. Burks established on rebuttal that Mr. Young's sales should be rejected because (1) they were not adjusted despite significant differences requiring adjustments; (2) or the sales occurred after January 1, 2007 and are therefore irrelevant;[1] or (3) the sales were between related parties and cannot be considered arm's length transactions.

The administrative judge finds the one sale that was not technically rebutted concerned the comparable located on Volunteer Parkway in Manchester, Tennessee. Mr. Young asserted the sale was an arm's length transaction as evidenced by the fact the Coffee County Assessor's property record card indicates the sale was "qualified." Mr. Burks, in contrast, testified he spoke with Jimmy White, the Coffee County Property Assessor, who indicated the sale was not an arm's length transaction and included a significant amount of personal property. Respectfully, the administrative judge finds that the sale cannot receive any weight given the conflicting hearsay. The administrative judge finds that additional evidence must be introduced to determine whether the sale was, in fact, an arm's length transaction.

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[1] See *Acme Boot Company and Ashland City Industrial Corporation* (Cheatham County - Tax Year 1989) wherein the Assessment Appeals Commission ruled that "[e]vents occurring after [the assessment] date are not relevant unless offered for the limited purpose of showing that assumptions reasonably made on or before the assessment date have been borne out by subsequent events." Final Decision and Order at 3.

ORDER

It is therefore ORDERED that the following values and assessments be adopted for tax year 2007:

Parcel 29.02

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
$355,500	$668,100	$1,003,600	$401,440

Parcel 32.21

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
$250,000	$838,000	$1,088,000	$435,200

Parcel 82.01

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
$220,000	$787,500	$1,007,500	$403,000

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **"must be filed within thirty (30) days from the date the initial decision is sent."** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **"identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order"**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 21st day of September, 2007.

MARK J. MINSKY
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. Larry W. Burks
Ralph Barnwell, Assessor of Property