

Staff Report for 2021 State Board of Equalization

October 4, 2021

File No.: 2021-RICHLAND-HENDRICKSON

Prepared By: Property Tax Division

County or City: Richland County

Appellant: Bruce & Joyce Hendrickson

Issue: Appeals the assessment valuation of property.

Summary: Property owner appeals the assessed valuation of property. Property was a church and has been converted into a residence located at 5555 CO RD 3, Kindred, Richland County. (Parcel No. 04-0000-01046-200)

Analysis: The assessment placed on Mr. Hendrickson's property is \$252,584.04, with \$216,884.04 placed on the structure and \$35,700 on the land. The Property Tax Division staff completed an onsite inspection with Mr. Hendrickson present on 8/31/2021. Mr. Hendrickson believes there is no market value to his residential structure due to its uniqueness, insurability, and lack of adequate financing options. Staff also visited with the Richland County Tax Equalization Division and the Richland County Auditor.

The three approaches to value were considered. The income approach was deemed not applicable for this type of appeal. The cost approach based on square footage, characteristics of the property, and local and regional multipliers, with calculated depreciation provided an estimate of \$372,609, plus land value of \$35,700, for a total of \$408,309. The land value was determined to be equitable. This approach brackets the assessment provided by Richland County.

The sales approach was considered using sales provided by Richland and Cass County staff. Richland County's comparable sales provided are current sales located in the vicinity of the subject property and are all rural residential parcels. The sales provided by the Cass County Tax Director provide a picture of comparable sales of church property. The sales approach provides an estimate of \$317,450. Considering all information gathered the sales approach justifies the assessment provided by Richland County.

Mr. Hendrickson's main concern is the lack of financing and insurance options available to him because of the conversion from a church to a residential structure. Given that the two most applicable approaches of value provide a much higher assessment, the Property Tax Division staff believes that the county has taken these concerns into consideration. The information Mr. Hendrickson provided to staff was all geared towards non-assessment (value) related documentation. The property was refinanced in 2017, when staff asked for a copy of the appraisal Mr. Hendrickson was not willing to share, stating that the information would be detrimental to his cause. While the terms of his loan may not be ideal (based on his comments) the fact remains that his structure is currently financed and insured. The property tax division recommends no change.

Recommendation: No action recommended.