

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

**Petition #:** 18-006-02-1-5-00013  
**Petitioners:** Robert A. & Judith L. Edrington Trust  
**Respondent:** Hamilton Township Assessor (Delaware County)  
**Parcel #:** 18-07-22-201-001.000-006  
**Assessment Year:** 2002

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

**Procedural History**

1. The Petitioners initiated an assessment appeal with the Delaware County Property Tax Assessment Board of Appeals (PTABOA) by written document dated May 8, 2003.
2. The notice of the decision of the PTABOA was signed on December 9, 2003.
3. The Petitioners filed an appeal to the Board by filing a Form 131 with the Delaware County Assessor on January 6, 2004.
4. The Board issued a notice of hearing to the parties dated February 26, 2004.
5. The Board held an administrative hearing on May 19, 2004, before the duly appointed Administrative Law Judge Patti Kindler.
6. Persons present and sworn in at hearing:
  - a) For Petitioners: Robert A. Edrington, Owner  
Judith L. Edrington, Owner
  - b) For Respondent: Charles F. Ward, Authorized County Representative  
Melanie Marshall, Center Township Assessor

**Facts**

7. The property is classified as a residential dwelling located at 909 East Royerton Road, Muncie, as is shown on the property record card for parcel #18-07-22-201-001.000-006.
8. The Administrative Law Judge did not conduct an inspection of the property.

9. Assessed Value of subject property as determined by the Delaware County PTABOA:  
Land \$17,800            Improvements \$253,300            Total \$271,100.

10. Assessed Value requested by Petitioners:  
Land \$17,800            Improvements \$226,200            Total \$244,000.

### Issue

11. Summary of Petitioners' contentions in support of alleged error in assessment:

- a) The assessed value of \$271,100 is overstated and should be \$244,000 as indicated by the fee appraisal for the subject property. The excessive value may be the result of the application of an improper grade factor. The "B-1" grade factor applied to the subject property is excessive and the property should not be graded above a "C+1". *J. Edrington testimony; Board Exhibit A.*
- b) The subject dwelling is a basic 2" x 4" wood frame, brick ranch designed for wheel chair accessibility. The subject is constructed with ½ inch drywall, hip roof, and sub floors of concrete and chipboard. The subject dwelling does not contain any upgraded features or characteristics such as custom cabinetry or fixtures, hardwood flooring, or copper or galvanized plumbing. In 1992, the cost of construction for the subject dwelling was less than \$30.00 a square foot. *J. Edrington testimony.*
- c) The grade assigned for a dwelling located at 6720 North Walnut Street is "B-1". The photograph and property record card for this property show that this property, which has a steep, multiple cut roofline, is superior to the subject dwelling. *J. Edrington testimony; Petitioners' Exhibit 5.*
- d) The grade assigned for a dwelling located at 908 E. Royerton Road is "C+1". The photograph and Multiple Listing Service listing show that the dwelling is a brick ranch dwelling with hardwood floors and a custom kitchen and a newer roof, newer floor coverings, windows, interior doors, and bath features. *J. Edrington testimony; Petitioners' Exhibit 4.*
- e) The properties identified as comparable properties in the assessing official's sales grid are all graded between "C+1" and "C+2". The subject is graded "B-1". *J. Edrington testimony; Respondent's Exhibit 6, 8 & 9.*
- f) The market value for property in the neighborhood has decreased in recent years due to the Royerton sewer project, which will subject the area residents to an increase in sewer fees. *J. Edrington testimony.* The fee appraisal submitted is based on more recent data and is more reflective of the value for the neighborhood properties, which has decreased since 1999 due to the Royerton sewer project. *R. Edrington testimony.*
- g) The dwelling located at 9210 W. Bethel is graded "C+2" with three full baths, four bedrooms, hardwood floors, an extra large deck, and sits on a secluded site. *J. Edrington testimony; Petitioners' Exhibit 6.*
- h) The dwelling located at 6901 W County Road 500 N is graded "C+1". The dwelling is a large brick structure with multiple rooflines. The pole barn located on this property has a fully finished office, which includes carpeting, finished walls and ceiling, heat and central air conditioning, and is graded "C". This

property is incorrectly identified as 3601 Briarwood Lane on the sales grid prepared by the assessing officials. *J. Edrington testimony; Petitioners' Exhibit 7 and 9.*

- i) The dwelling located at 7717 N County Road 320 E is graded "C+2". This dwelling has a multi-peaked roofline with dormers. This dwelling possibly has upper level living area not included in the sales grid prepared by the assessing officials. *J. Edrington testimony; Petitioners' Exhibit 8.*
- j) The commercial pole frame building located at 2713 E. Jackson has three finished offices, a bathroom, 200 amp electrical service, heating and central air conditioning. This structure is superior to the subject pole barn. *J. Edrington testimony; Petitioners' Exhibit 11.*

12. Summary of Respondent's contentions in support of the assessment:

- a) The addendum states the appraisal report is prepared for the sole and exclusive use of First Merchants Bank to assist with the mortgage lending decision, and therefore its use is not authorized in the subject tax appeal. *Ward testimony; attachment to Board Exhibit A.*
- b) The Petitioner would not allow the assessing official access to the subject property for the purpose of conducting a complete interior and exterior inspection in response to the assessment appeal. The assessing official was instructed to leave the property. *Ward testimony.*
- c) The sales grid compares the subject property to three comparable rural ranch homes located in northern Delaware County, which sold in 1998 and 1999. The comparable sales used to prepare the sales grid were verified and taken from Delaware County's equalization study. The property record cards for the comparable properties used in the sales grid correspond to the photographs presented by the Petitioners. *Ward testimony; Respondent's Exhibit 6, 7, 8, & 9.*
- d) The sale price of the three comparable properties listed on the sales grid ranged from \$230,000 to \$290,000, or \$60.77 to \$87.96 per square foot. After adjustments for land size, age, condition, basement area, and finish, the indicated value for the comparable properties fell within a range of \$245,300 to \$281,500, or \$44.44 to \$88.87 per square foot. This information shows the assessment for the subject property is in line with the values of comparable property. *Ward testimony; Respondent's Exhibit 6.*
- e) The lowest adjusted sale price of \$245,300 on the sales grid represents the oldest property, which was built in 1964. The two remaining comparable properties on the sales grid, both of which have pole buildings, indicate an adjusted value of \$279,500 and \$281,500, higher than the subject assessment, which shows the County's assessment is fair. *Ward testimony; Respondent Exhibit 6.*
- f) The fee appraisal for the subject property appears accurate until the adjustments made to the comparable properties are reviewed. Because the comparable properties do not include a pole building like the subject property, a positive \$12,000 adjustment was made to account for the added value attributable to the pole building. This adjustment equated to a cost of only \$2.96 per square foot. A cost of \$2.96 per square foot is not sufficient for a pole barn with insulation, heat, an interior liner, and concrete flooring. The value of a pole barn calculated from

the Real Property Assessment Guideline, Version A, would include a square foot cost for amenities such as interior liner or concrete floors. The proper cost and adjustment for a pole barn can be determined through the market. *Ward testimony; attachment to Board Exhibit A; Respondent's Exhibit 11.*

- g) The fee appraisal presented by the Petitioner is a "drive-by" appraisal, which does not require an interior inspection of the premises. The appraiser who performed the appraisal was not aware of the interior amenities and quality of the pole barn, which explains the incorrect adjustment made to the comparable properties. *Ward testimony.*
- h) The superiority of the subject pole barn is evident when compared to the photographs of typical "C" grade pole barns found in the Real Property Assessment Guideline, Version A. *Respondent's Exhibit 10.*
- i) The Multiple Listing Service sale information for a property located at 2713 E. Jackson Street shows that a pole building sold for \$24,900 in 1998. The property record card for this property shows that, at the time of sale, the property was classified as residential rather than commercial. *Ward testimony; Respondent's Exhibit 12 & 13.*
- j) The land value was deducted from the sale price of the pole building located at 2713 E. Jackson Street to determine the price per square foot as reflected in the market. This square foot price was used to make the proper adjustments to the sales comparables used in the sales grid prepared by the assessing official. *Ward testimony.*
- k) Grade is just a number in calculating the cost approach to value; the bottom line is the market value of the property. The Petitioners' appraisal indicates the value of the property is \$244,400; the assessment shows the property's value to be \$271,100 based on the county's appraisal. The Respondent's sales grid shows a value range from \$245,300 to \$281,500, which indicates that the assessed value at \$271,100 is within that range and reasonable. *Ward testimony; Respondent's Exhibit 6.*
- l) The neighborhood real estate prices may have fallen since the January 1, 1999 assessment valuation date, due to the Royerton sewer project. *Ward & Marshall testimony.*

### **Record**

13. The official record for this matter is made up of the following:

- a) The Petition, and all subsequent pre-hearing and post-hearing submissions by either party.
- b) The tape recording of the hearing labeled BTR #5355.
- c) Exhibits:
  - Petitioners' Exhibit 1: Eight (8) phototgraphs, interior and exterior, of the subject dwelling.
  - Petitioners' Exhibit 2: Five (5) photographs, interior and exterior, of the subject pole barn.

- Petitioners' Exhibit 3: Two (2) photographs of a pole barn located at 301 E. Royerton with notation of the grade assigned, construction date and amenities.
- Petitioners' Exhibit 4: An exterior photograph and the Multiple Listing Service data for a property located at 908 E. Royerton with notation made of the grade assigned.
- Petitioners' Exhibit 5: An exterior photograph and the property record card for a property located at 6720 N. Walnut offered as a comparable property.
- Petitioners' Exhibit 6: An exterior photograph for a property located at 9210 W. Bethel offered as a comparable property with a notation of the grade assigned.
- Petitioners' Exhibit 7: Exterior photographs of the structure located at 3601 Briarwood.
- Petitioners' Exhibit 8: An exterior photograph for the property located at 7717 N County Road 320 E with notation of the grade assigned.
- Petitioners' Exhibit 9: Two (2) exterior photographs for the dwelling located at 6901 W County Road 500 N with notation of the grade assigned.
- Petitioners' Exhibit 10: Two (2) photographs, exterior and interior, of a pole barn located at 6901 W County Road 500 N with notation of grade assigned, construction date, amenities, and the base rate used to determined true tax value.
- Petitioners' Exhibit 11: Three (3) exterior photographs of a property located at 2713 E. Jackson.
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- Respondent Exhibit 1: An information sheet for the subject property providing a general description of the subject property.
- Respondent Exhibit 2: An exterior photograph showing the front view of the subject property.
- Respondent Exhibit 3: An exterior photograph showing a side view of the subject property.
- Respondent Exhibit 4: An exterior photograph of the subject pole building.
- Respondent Exhibit 5: Pages 18 and 19 from the International Association of Assessing Officers, Property Assessment Valuation, providing the definition of market value.
- Respondent Exhibit 6: A sales grid comparing the subject property to three (3) sales of comparable properties.
- Respondent Exhibit 7: The property record card for a property located at 9210 W. Bethel used in the sales grid as Comparable #1.

- Respondent Exhibit 8: The property record card for a property located at 6901 W County Road 500 N used in the sales grid as Comparable #2.
- Respondent Exhibit 9: The property record card for a property located at 7717 N County Road 320 E used in the sales grid as Comparable #3.
- Respondent Exhibit 10: Page 58 from the Real Property Assessment Guidelines, Version A providing photographs of “C” grade pole barns.
- Respondent Exhibit 11: Page 19 from the Real Property Assessment Guidelines, Version A, Appendix C, Schedule G.2, Cost Schedule for Farm Buildings and Structures.
- Respondent Exhibit 12: The property record card for a property located at 2713 E. Jackson offered as a comparable pole barn.
- Respondent Exhibit 13: The sales disclosure information from CAMA System for the sale of a pole barn located at 2713 E. Jackson.
- Respondent Exhibit 14: The property record card for the subject property displaying a total assessed value of \$271,100.
- Respondent Exhibit 15: A letter of authorization from the Delaware County PTABOA authorizing Mr. Ward to act on the behalf of the PTABOA before the Board.

d) These Findings and Conclusions.

### **Analysis**

14. The most applicable governing cases are:

- a) The Petitioner must sufficiently explain the connection between the evidence and petitioner’s assertions in order for it to be considered material to the facts. See generally, *Heart City Chrysler v. State Board of Tax Comm’rs*, 714 N.E. 2d 329, 333 (Ind. Tax Ct. 1999).
- b) The Board will not change the determination of the County Property Tax Assessment Board of Appeals (PTABOA) unless the petitioner has established a prima facie case and, by a preponderance of the evidence, proven both the alleged errors in the assessment and specifically what assessment is correct. See, *Clark v. State Board of Tax Comm’rs*, 694 N.E. 2d 1230 (Ind. Tax Ct. 1998); *North Park Cinemas, Inc. v. State Board of Tax Comm’rs*, 689 N.E. 2d 765 (Ind. Tax Ct. 1997).
- c) In the event the Petitioner sustains his burden, the burden then shifts to the Respondent to rebut Petitioner’s evidence with substantial evidence. Should the Respondent fail to rebut Petitioner’s evidence, the Board will find for the Petitioner. *Meridian Towers East & West v. Washington Township Assessor*, 805 N.E.2d 475 (Ind. Tax 2003).

15. The Petitioners did provide sufficient evidence to support their contentions regarding the subject property's overall value. This conclusion was arrived at because:
- a) In support of its position, the Petitioners presented a certified appraisal of the subject property prepared by Carmel Lewis, of Canan Appraisal Company. *Attachment to Board Exhibit A*. The appraisal was prepared for the purpose of estimating the market value of the subject property for mortgage loan purposes. The appraiser valued the property in accordance with the sales approach on a Desktop Underwriter Quantitative Analysis Appraisal Report, also known as a "drive-by" appraisal. The appraiser concluded that the value of the property was \$244,000 as of April 24, 2003. The subject appraisal represents the most probative evidence of an error in the assessment and without rebuttal results in a prima facie case.
  - b) The valuation date for the 2002 assessment is January 1, 1999. *2002 Real Property Assessment Manual at 12 (incorporated by reference at 50 IAC 2.3-1-2)*. The appraisal provided by the Petitioners represents an April 2003 valuation date. No evidence of market changes was submitted to allow for the value assigned in this document to be adjusted through the use of a trending factor. However, the Petitioners testified the values on Royerton Road have not risen since 1999 due to the Royerton sewer project. The Respondent supported Petitioners' claims opining the values in the subject neighborhood *may* even have fallen since the 1999 assessment valuation date. Therefore, based on the testimony of both parties, the 2003 appraised value will not require a trending factor for this appeal.
  - c) The Respondent objected to the appraisal citing the noted conditions of the appraisal listed by the appraiser on the Addendum, page 4, which states the appraisal is for the exclusive use of the financial institution.
  - d) Lending institutions – commercial banks, mutual savings and loans, mortgage companies and savings and loans – loan monies for various reasons. Though a lending institution obtains an appraisal, the person seeking the financing usually pays for such and thus has a claim to have a copy of that appraisal. Further, the Board's own Form 131 appeal petition, page 2, asks whether an appraisal of the subject property has been completed "*for any purpose*" within the last five years. The form also asks the type and purpose of the appraisal, the valuation date and the value assigned. An appraisal's probative value, may or may not, be impacted by the type, purpose, or date. These factors must be considered but do not automatically render the appraisal unworthy of consideration.
  - e) The Respondent attempted to rebut the appraisal by asserting the adjustment made to the comparable properties for the subject pole building was understated. The Respondent claimed the appraiser's \$12,000 dollar or \$2.96 per square foot adjustment to the comparable properties for the 4,050 square foot pole building is inadequate and does not represent the market for residential pole structures with insulation, concrete floor, overhead garage doors, shop area, heat and plumbing.
  - f) The Respondent asserted the proper price per square foot can be derived from the market, by locating a sale of a comparable pole building on the market and subtracting the land value. The Respondent reviewed the sale of a pole barn located at 2713 East Jackson Street, which has since been converted to a

commercial structure, but had a residential use at the time of its sale.  
(*Respondent's Exhibit 12 & 13; Petitioner's Exhibit 11*).

- g) The Respondent testified it determined the proper price per square foot to account for the pole barn adjustment by dividing the comparable pole building's square footage of 1,200 into its sale price of \$24,900, less its land value. *Respondent Exhibit 13*. The Respondent asserted the price per square foot for the comparable pole improvement represents a better reflection of the market value for the subject property.
- h) However, the Respondent's contentions regarding the appraiser's error in making an adjustment for the subject pole building falls short in proving the appraisal is incorrect for the following reasons:
  - 1) The submission of only one comparable pole building of significantly different size and type transaction is insufficient to support the Respondent's rebuttal that the appraisal is incorrect.
  - 2) Further, the calculation presented on the comparable sales grid for the pole building includes offset adjustments for other items, such as an above ground pool. The Respondent's adjustment on comparable #1 of \$10.70 would result in a value for the subject pole building of \$43,335, well over its current assessed value. (*Respondent Exhibit 6*).
- i) Finally, in support of the assessment, the Respondent submitted a comparable sales grid, which resulted in a value range of \$245,300 to \$290,000 for the subject property. *Respondent Exhibit 6*. The Respondent contended the subject property's assessment at \$271,100 is within the range of the adjusted comparable sales and therefore represents a fair assessment.
- j) The Petitioners rebutted the comparable sales grid, contending the second comparable had several flaws, including: the address is incorrectly reported, the pole building should have an adjustment for its superior finished shop area as shown in the photographs (*Petitioners' Exhibit 10*).
- k) The Petitioners presented a prima facie case, and also adequately rebutted the Respondent's arguments.<sup>1</sup>

### **Conclusion regarding value**

16. The Petitioners made a prima facie case regarding the value of the subject property. The Respondent failed to rebut this prima facie case. The Board finds in favor of Petitioners regarding this issue.

### **Final Determination**

In accordance with the above findings and conclusions the Indiana Board of Tax Review now determines that the total assessment should be changed to the appraised value of \$244,000.

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<sup>1</sup> The Petitioners contended the error in assessment was due, at least in part, to the application of an incorrect grade to the improvements. Because the Petitioners have established error in the total assessed value, the Board will not address these contentions concerning grade.

ISSUED: \_\_\_\_\_

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Commissioner,  
Indiana Board of Tax Review

### **IMPORTANT NOTICE**

**- APPEAL RIGHTS -**

**You may petition for judicial review of this final determination pursuant to the provisions of Indiana Code § 6-1.1-15-5. The action shall be taken to the Indiana Tax Court under Indiana Code § 4-21.5-5. To initiate a proceeding for judicial review you must take the action required within forty-five (45) days of the date of this notice.**