

**Order of the           Kittitas           County**  
**Board of Equalization**

Property Owner: Stan Blazynski  
Parcel Number(s): 231933  
Assessment Year: 2021 Petition Number: BE-210046  
Date(s) of Hearing: 9-28-21

Having considered the evidence presented by the parties in this appeal, the Board hereby:

sustains       overrules      the determination of the assessor.

**Assessor's True and Fair Value**

<input checked="" type="checkbox"/> Land	\$	<u>93,220</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>153,660</u>
<input type="checkbox"/> Minerals	\$	<u>          </u>
<input type="checkbox"/> Personal Property	\$	<u>          </u>
Total Value	\$	<u>246,880</u>

**BOE True and Fair Value Determination**

<input checked="" type="checkbox"/> Land	\$	<u>93,220</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>153,660</u>
<input type="checkbox"/> Minerals	\$	<u>          </u>
<input type="checkbox"/> Personal Property	\$	<u>          </u>
Total Value	\$	<u>246,880</u>

This decision is based on our finding that:

The issue before the Board is the assessed value of land/improvements.

A hearing was held September 28, 2021. Those present: Chair Jessica Hutchinson, Vice Chair Ann Shaw, Jennifer Hoyt, Clerk Taylor Crouch, Appraiser Kyle Norton and the Appellant Stan Blazynski.

Appellant Stan Blazynski stated that his Exhibit A1 subject is a little over .5 acre parcel in the county, bad location, busy intersection, the land itself has building restrictions, developmental issues. The appraiser visited the property this spring. The property has 1 bedroom 1 bath, 960 sq/ft unfinished construction, 85% no inside doors, no trim, the porch is unfinished. Septic system cost approach 7,100 and shallow water well 5,000, the total for 180,505. No garage, no pavement. Assessed at 257 per sq/ft. Improvement 5x12 pump house that is unfinished, had to do a water softener because the well water is bad. A3 describes the building limitations, septic limitations. Explains presumption of correctness. The cost approach is the best approach for new construction, should have used a hybrid approach to value the subject. Should consider the property an investment, what would a willing buyer pay for the home. Who would buy an unfinished home? Investment because they would expect an ROI for the headache of finishing the property. Appellant says a BTA Case relating to the unfinished property is an investment, Assessor said that that was for commercial property, appellant said that all properties have to be treated the same. The Assessor's answer is not evidence. The sales provided are not comparable. Mass appraisal technique is not applicable to this case. A8 compares nearby parcels and increases in assessed value. The appraisal done by the Assessor's office was arbitrary and capricious. Appellant provided sales of unimproved land, and of homes, he believed to be true comparables. His list of comparable properties sold for less per sq/ft than his current assessment. The Appellant provided a BTA opinion of the subject from a past case. Said that the Assessor's Office did not take all the unique attributes of the subject into consideration.

Jessica Hutchinson asked if he had a water test done? Yes, that is why I built a pump house with a water softener. The water is very high in iron, turned appliances are red. Jessica Hutchinson asked if that helped? Yes, but not for a cheap cost.

Jennifer Hoyt asked if he had a certificate of occupancy? The final inspection was at the end of March 2021 and he got the certificate. The standards for the certificate are very low.

Jennifer Hoyt asked the appellant if he thought that the Assessor's Office should use the cost or sales approach? Appellant provides evidence of both. As of January 1st, it was unfinished, should be a cost approach.

Appraiser Kyle Norton stated that he did a home inspection, 85% completion for the subject seemed to be agreed upon in the inspection. The interior is not finished, no doors, no cabinet doors, bedroom did not have finished flooring. There is a value on septic and well, valued as appropriate septic, and a water source. He changed the water source value because of the addition of the pump house which increased the quality of water. The provided appellant comparable land sales were not individually marketable, combined with other owned parcels, no easement, and access. Busy intersections do not seem to impact the market on the road. Barriers of entry into the City, the subject would need to install lights and sidewalks, so the comparables are all Ellensburg Rural, not in city limits. Comparable properties are of valued homes close to the size and year built, they focused on home values for the sales, not land. The cost approach is the foundation of their value formula, then the market influence is added after. The appellants provided comparable home sales are all in the City, smaller and older, also mostly sold in 2021 so they were not included in the sales study. The comparables sales the appellant provided were at 96% sales to assessed value. The percentage of completion went from 75% to 85% but it was not a year-over-year jump, it was a jump from 2017 to 2021.

Mr. Blazynski stated that in 2017, there was a stipulation with the assessment on the eve of the hearing, parties signed the stipulation and agreed on 75% completion. He has a signed document saying the home was at 70%. The ratio system is invalid because it uses the assessed values of other properties and that evidence is not admissible.

Kyle Norton stated that the ratio shows how the office is performing, not used to value the assessment.

There is an adjustment for the land value, -10% due to the location.

The Board recognizes that the appellant has several main contentions to the value of the property.

1. Location- The subject property is located on a very busy road that negatively affects the value.
2. Water source- The well on the property is old and depreciated
3. Approach to value- The cost approach should be used for new construction

The Board will address each of these concerns as follows:

1. Location- The subject property is indeed located on a busy intersection. The Assessor has placed a 10% reduction to the market value to account for the location of the property. The Board does not see enough market evidence in the form of comparable sales to lower this adjustment any further. The Assessor brought up sales of other properties around the City of Ellensburg and Kittitas County with similar traffic concerns and failed to find a negative impact on their market value due to location.

Additionally, the appellant took issue with the appraiser using comparable sales outside of the City of Ellensburg to further demonstrate the value of the land. However, according to the Assessor, the appellant had previously taken issue with the Assessor using comparable sales inside the City of Ellensburg because annexing the subject property into the City of Ellensburg and hooking up to city utilities would be too cost-prohibitive. The Board determines that the Assessor using sales from both inside and outside the City of Ellensburg is appropriate in order to get a more accurate valuation on the subject property.

2. Water source- The Board acknowledges that the BTA has ruled in favor of the appellant in the past due to the possibility of deterioration of the water source due to age. The appellant testified that the water coming from the well was sub-par, but was able to rectify the situation with the construction of a pumphouse for the water system. The case could be made that the addition of the pumphouse and system for water quality increases the value of the water source from what it is currently.

3. Approach to value- In the decision brought forth by the BTA in November of 2017, the BTA states "In the absence of a sale in the prior five years of the subject property or of a significant number of sales of similar property in the general area," (pulled from The Appraisal of Real Estate) the 'dominant' methodology for determining the subject property's value 'shall be' the cost approach or the income (or income capitalization) approach." The Assessor is able to provide a great number of sales in the subject property's immediate vicinity and therefore the cost approach is not necessary in this case. Furthermore, although the cost approach is often used to value new construction prior to it being 100% complete, using the cost approach for the subject property now, when so close to completion, would likely make the value higher than the cost/market approach currently used by the Assessor. Because the build has taken longer than typical, the Assessor also applies depreciation to the improvements.

The Board of Equalization voted 3-0 to uphold the Assessor's value.

Dated this 14<sup>th</sup> day of October, (year) 2021

Chairperson's Signature



Clerk's Signature



## NOTICE

This order can be appealed to the State Board of Tax Appeals by filing a formal or informal appeal with them at PO Box 40915, Olympia, WA 98504-0915 or at their website at [bta.state.wa.us/appeal/forms.htm](http://bta.state.wa.us/appeal/forms.htm) within thirty days of the date of mailing of this order. The appeal forms are available from either your county assessor or the State Board of Tax Appeals.

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