



STATE TAX COMMISSION OF MISSOURI

1118 INDIAN MEADOWS TRUST,) Appeal No. 21-10140 et al
ET AL ,)
) Parcel/Locator: Appendix A
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Complainants,)
)
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v.)
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)
JAKE ZIMMERMAN, ASSESSOR,)
ST. LOUIS COUNTY, MISSOURI,)
Respondent.)

DECISION AND ORDER

1118 Indian Meadows Trust and a number of other property owners (Complainants) appealed assessments made by the Board of Equalization of St. Louis County (BOE) concerning the respective subject properties on the ground of overvaluation.¹ Complainants failed to present substantial and persuasive evidence to rebut the presumption of correct assessment by the BOE as to each of the subject properties. The assessments made by the BOE are therefore AFFIRMED.

¹ Complainants timely filed a complaint for review of assessment for each of these respective appeals. The State Tax Commission (STC) has authority to hear and decide Complainants' appeals. Mo. Const. art. X, sec. 14; Section 138.430.1, RSMo 2000. All statutory citations are to RSMo 2000, as amended.

The evidentiary hearing for all of these appeals was held on September 1, 2022, via Webex. Complainants appeared through counsel, Michael Sewell. Respondent was represented by counsel, Tim Bowe. For efficiency, the appeals have been consolidated in this Decision and Order.

FINDINGS OF FACT

1. Subject Properties. The subject properties are identified and described as follows:

Appeal No.	Parcel No.	Complainant	Address
21-10140	17L430390	1118 Indian Meadows Trust	1118 Indian Meadows Dr.
21-10141	16K620898	Arch STL Property LLC	8302 Madison Ave.
21-10142	16J520337	Hanley Property Management LLC	1927 Bainbridge Dr.
21-10143	16J240080	Hanley Property Management LLC	7512 Mallard Dr.
21-10144	17J131444	Arch STL Property LLC	7520 Shaftesbury Ave.
21-10145	16J110813	Arch STL Property LLC	7517 Lynn Ave.
21-10146	16K230806	Arch STL Property LLC	8214 Paramount Dr.
21-10147	17K610472	Frison Trust Ruiqin Li Trustee	1125 Mount Olive Ave.
21-10148	16K620029	JL Financial Wealth LLC	7605 Fairham Ave.

21-10149	16J121170	JL Financial Wealth LLC	7351 Wayne
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The subject properties are all single family homes that Complainants offer as rentals to various tenants.

2. Assessment and Valuation. Respondent and the BOE determined that each respective subject property's value as of January 1, 2021, was as follows:

Appeal No.	Parcel No.	Respondent's Valuation	BOE Valuation
21-10140	17L430390	\$327,600	\$296,400
21-10141	16K620898	\$66,600	\$61,400
21-10142	16J520337	\$48,700	\$43,600
21-10143	16J240080	\$52,500	\$43,600
21-10144	17J131444	\$102,900	\$85,000
21-10145	16J110813	\$91,600	\$78,000
21-10146	16K230806	\$93,000	\$75,000
21-10147	17K610472	\$138,700	\$123,700
21-10148	16K620029	\$82,500	\$75,000
21-10149	16J121170	\$75,600	\$65,900

3. Complainants' Proposed Values. Complainants' opinions of value for the respective subject properties are as follows:

Appeal No.	Parcel No.	Complainant's Proposed TVM
21-10140	17L430390	\$250,000
21-10141	16K620898	\$35,000
21-10142	16J520337	\$23,000
21-10143	16J240080	\$22,000
21-10144	17J131444	\$50,000
21-10145	16J110813	\$45,000
21-10146	16K230806	\$50,000
21-10147	17K610472	\$50,000
21-10148	16K620029	\$50,000
21-10149	16J121170	\$40,000

4. Complainants' Evidence. Complainants submitted the following exhibits as evidence for each of the appeals which were all admitted without objection. The exhibits are listed and described as follows:

Exhibit	Appeal No.	Description
21-10140.A 1118 Indian Meadows	21-10140	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information,

		pictures of subject property and Complainant's proposed TVM
21-10141.A 8302 Madison	21-10141	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM
21-10142.A 1927 Bainbridge	21-10142	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM
21-10143.A 7512 Mallard	21-10143	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM
21-10144.A 7520 Shaftesbury	21-10144	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information,

		pictures of subject property and Complainant's proposed TVM
21-10144.B 7520 Shaftesbury	21-10144	Description and pictures of flooding July 25, 2022
21-10145.A 7517 Lynn	21-10145	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM
21-10146.A 8214 Paramount	21-10146	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM
21-10147.A 1125 Mount Olive	21-10147	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM
21-10147.B 1125 Mount Olive	21-10147	Description and pictures of flooding July 25, 2022, condemnation notice by the City of University City

21-10148.A 7605 Fairham	21-10148	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM
21-10149.A 7351 Wayne	21-10149	Summary of overvaluation arguments, itemized description of condition issues, comparables for consideration with pictures and information, pictures of subject property and Complainant's proposed TVM

Jing Liu testified for Complainants in all ten appeals. Ms. Liu is either a trustee or member of the various Complainants that own the subject properties. Ms. Liu also manages the properties. Ms. Liu is a Certified Public Accountant (CPA). Ms. Liu is not a certified licensed appraiser, nor does she have professional knowledge or experience making market-based adjustments to comparable properties to determine the TVM of a subject property. She testified that apart from 1125 Mount Olive, which has been since condemned in 2022, all of the subject properties are rented to tenants. She testified that other than repairs and maintenance to keep the houses up to code for human occupancy, Complainants do not make any other updates or improvements to the properties.

Ms. Liu testified that Respondent overvalued the subject properties based on a comparative assessment analysis, considering other comparable sales in the subject's

neighborhood or nearby, and because Respondent did not take into account the subpar condition that each property is in compared with other properties.

For each appeal, Complainant submitted an Exhibit A compiled by Ms. Liu that contains descriptions and pictures of the respective subject property showing the property's condition and itemizing problems with the property (for example water damage, outdated features, squirrel infestations, etc.). Each Exhibit A also contains comparable sales that Ms. Liu obtained from Zillow.com and the St. Louis County Real Estate database for each subject property. Ms. Liu testified that she believes all of these comparable sales are open-market sales listed on the Multi-Listing Service (MLS) and are similar to the respective subject properties. These comparable sales are identified and described in each Complainant's Exhibit A, including details about the comparable properties from the MLS and Zillow listings. Actual sales prices are listed with no adjustments.

Some Exhibits A also contain comparative assessment information for other properties near the subjects. Ms. Liu used this information and the noted condition issues to reach a proposed opinion of value for each property which is stated on each Exhibit A. Ms. Liu admitted on cross-examination that she did not have direct knowledge of the specific motivations of the buyers and sellers for the comparable sales she found, nor does she have specific knowledge of the conditions of the sales themselves.

An Exhibit B was submitted in Appeal Nos. 21-10144 (7520 Shaftesbury) and 21-10147 (1125 Mount Olive). Those two properties suffered extensive water damage due to a flood in July 2022. Exhibit B contains photographs of the flood damage to the properties. For 1125 Mount Olive, Exhibit B contains a condemnation by the City of University City.

Ms. Liu testified that for each of Complainants’ properties, she presented to the BOE all the same information that was submitted at the hearing before the State Tax Commission except for the flood damage evidence (Exhibit B in Appeal Nos. 21-10144 and 21-10147) and the additional photographs of the comparables.

4. Respondent's Evidence. Respondent introduced Exhibit 1 for each respective appeal, a copy of the BOE decision letter dated October 29, 2021, stating the BOE’s finding of TVM for the respective subject property as of January 1, 2021. Respondent also introduced Exhibit 2, a rebuttal exhibit for Appeal No. 21-10143. Exhibit 2 is a printout dated September 1, 2022, from the St. Louis County Real Estate Information website containing a property description and tax assessment history for 7709 Mallard Dr. The Exhibits were admitted without any legal objection.

5. Value. The TVM of the subject properties on January 1, 2021 were as follows:

Appeal No.	Parcel No.	TVM
21-10140	17L430390	\$296,400
21-10141	16K620898	\$61,400
21-10142	16J520337	\$43,600
21-10143	16J240080	\$43,600
21-10144	17J131444	\$85,000
21-10145	16J110813	\$78,000
21-10146	16K230806	\$75,000
21-10147	17K610472	\$123,700

21-10148	16K620029	\$75,000
21-10149	16J121170	\$65,900

CONCLUSIONS OF LAW

1. Assessment and Valuation

Pursuant to Article X, Sections 4(a) and 4(b), Mo. Const. of 1945 real property and tangible personal property is assessed at its value or such percentage of its value as may be fixed by law for each class and for each subclass. Article X, Sections 4(a) and 4(b), Mo. Const. of 1945. Residential real property is assessed at 19% of its TVM as of January 1 of each odd-numbered year. Section 137.115.5(1)(a). "True value in money is the fair market value of the property on the valuation date, and is a function of its highest and best use, which is the use of the property which will produce the greatest return in the reasonably near future." *Snider v. Casino Aztar/Aztar Mo. Gaming Corp.*, 156 S.W.3d 341, 346 (Mo. banc 2005) (internal quotation omitted). The fair market value is "the price which the property would bring from a willing buyer when offered for sale by a willing seller." *Mo. Baptist Children's Home v. State Tax Comm'n*, 867 S.W.2d 510, 512 (Mo. banc 1993). Determining the TVM is a factual issue for the STC. *Cohen v. Bushmeyer*, 251 S.W.3d 345, 348 (Mo. App. E.D. 2008). The "proper methods of valuation and assessment of property are delegated to the Commission." *Savage v. State Tax Comm'n*, 722 S.W.2d 72, 75 (Mo. banc 1986).

"For purposes of levying property taxes, the value of real property is typically determined using one or more of three generally accepted approaches." *Snider*, 156 S.W.3d

at 346. The three generally accepted approaches are the cost approach, the income approach, and the comparable sales approach. *Id.* at 346-48; *see also St. Louis Cty. v. Sec. Bonhomme, Inc.*, 558 S.W.2d 655, 659 (Mo. banc 1977).

The comparable sales approach "is most appropriate when there is an active market for the type of property at issue such that sufficient data are available to make a comparative analysis." *Snider*, 156 S.W.3d at 348. For this reason, the comparable sales approach is typically used to value residential property. "The comparable sales approach uses prices paid for similar properties in arms-length transactions and adjusts those prices to account for differences between the properties." *Id.* at 347-48 (internal quotation omitted). "Comparable sales consist of evidence of sales reasonably related in time and distance and involve land comparable in character." *Id.* at 348.

2. Evidence

The hearing officer is the finder of fact and determines the credibility and weight of the evidence. *Kelly v. Mo. Dep't of Soc. Servs., Family Support Div.*, 456 S.W.3d 107, 111 (Mo. App. W.D. 2015). The finder of fact in an administrative hearing determines the credibility and weight of expert testimony. *Hornbeck v. Spectra Painting, Inc.*, 370 S.W.3d 624, 632 (Mo. banc 2012). "It is within the purview of the hearing officer to determine the method of valuation to be adopted in a given case." *Tibbs v. Poplar Bluff Assocs. I, L.P.*, 599 S.W.3d 1, 9 (Mo. App. S.D. 2020). The hearing officer "may inquire of the owner of the property or of any other party to the appeal regarding any matter or issue relevant to the valuation, subclassification or assessment of the property." Section 138.430.2. The Hearing Officer's decision regarding the assessment or valuation of the property may be

based solely upon inquiry and any evidence presented by the parties, or based solely upon evidence presented by the parties.” *Id.*

3. Complainant's Burden of Proof

The BOE’s valuation is presumptively correct. *Rinehart v. Laclede Gas Co.*, 607 S.W.3d 220, 227 (Mo. App. W.D. 2020). To prove overvaluation, a taxpayer must rebut the BOE's presumptively correct valuation and prove the "value that should have been placed on the property." *Snider*, 156 S.W.3d at 346. The taxpayer's evidence must be both "substantial and persuasive." *Id.* "Substantial evidence is that evidence which, if true, has probative force upon the issues, and from which the trier of fact can reasonably decide the case on the fact issues." *Savage*, 722 S.W.2d at 77 (internal quotation omitted). Evidence is persuasive when it has "sufficient weight and probative value to convince the trier of fact." *Daly v. P.D. George Co.*, 77 S.W.3d 645, 651 (Mo. App. E.D. 2002); *see also White v. Dir. of Revenue*, 321 S.W.3d 298, 305 (Mo. banc 2010) (noting the burden of persuasion is the "party's duty to convince the fact-finder to view the facts in a way that favors that party"). A taxpayer does not meet his burden if evidence on any essential element of his case leaves the STC “in the nebulous twilight of speculation, conjecture and surmise.” *See, Rossman v. G.G.C. Corp. of Missouri*, 596 S.W.2d 469, 471 (Mo. App. 1980).

4. Complainants Did Not Prove Overvaluation.

Complainants did not establish that the BOE valuation was erroneous for each respective appeal, nor did Complainants produce substantial and persuasive evidence establishing their proposed opinions of value as the TVM for any of the subject properties as of January 1, 2021. Neither Complainants’ exhibits nor Ms. Liu’s testimony utilized the

comparable sales approach, income approach, or cost approach to support Complainants' proposed values, nor did Complainants offer appraisals of any of the 10 subject properties as evidence of the TVM of those properties as of January 1, 2021.

Even if Complainants had rebutted the presumption of correct valuation by the BOE, Complainants have not proven that the TVM of the subject property is the amount he has proposed for each property. While a property owner's opinion of value is generally admissible, the opinion lacks "probative value where it is shown to have been based upon improper elements or an improper foundation." *Shelby Cty. R-IV Sch. Dist. v. Herman*, 392 S.W.2d 609, 613 (Mo. 1965); see also *Cohen v. Bushmeyer*, 251 S.W.3d 345, 349 (Mo. App. W.D. 2008) (noting a property owner's opinion of value loses probative value when it rests on an improper foundation).

For some of the Complainants, a list of other properties around the subject property's area was provided in Exhibit A comparing how those properties were appraised by Respondent in comparison with the subjects. Although reasonable to assume that similar properties should be valued similarly, comparative assessment is not the method used to find a TVM for a property.

The comparable sales approach is the method used to determine the TVM of the subject property. "The comparable sales approach uses prices paid for similar properties in arms-length transactions and adjusts those prices to account for differences between the properties." *Snider*, 156 S.W.3d at 347-48 (internal quotation omitted). Ms. Liu admitted she was not an appraiser qualified to form a professional opinion as to value based on the comparable sales approach. While Ms. Liu found and presented comparable sales as

evidence on behalf of Complainants, actual sales prices of these properties were used and no adjustments were made. Upon cross examination, Respondent questioned Ms. Liu regarding the many differing characteristics between some of the comparables and the subject properties. Again, no market-based adjustments were made to account for these differences or to obtain a proper TVM of the subject. Ms. Liu also admitted on cross-examination that she did not have direct knowledge of the specific motivations of the buyers and sellers for the comparable sales she found, nor does she have specific knowledge of the conditions of the sales themselves. No acceptable appraisal methodology was used to obtain a proper TVM for each subject. Therefore, Complainant’s proposed values are speculative and Complainants have not met their burden of proof in each of these appeals.

Concerning the condition issues with the subject properties that Ms. Liu testified about and which are evidenced in Exhibits A and B for each appeal, Complainants provided no evidence providing a way to quantify a monetary value impact on those issues or showing the BOE value does not account for these issues. The fact that the BOE lowered Respondent’s assessed values in each of these appeals suggests that the BOE did take these condition issues into account.

CONCLUSION AND ORDER

The BOE decisions are affirmed. The TVM of the subject properties as of January 1, 2021, with assessed values, are as follows:

Appeal No.	Parcel No.	TVM	Assessed Value

21-10140	17L430390	\$296,400	\$56,316
21-10141	16K620898	\$61,400	\$11,666
21-10142	16J520337	\$43,600	\$8,284
21-10143	16J240080	\$43,600	\$8,284
21-10144	17J131444	\$85,000	\$16,150
21-10145	16J110813	\$78,000	\$14,820
21-10146	16K230806	\$75,000	\$14,250
21-10147	17K610472	\$123,700	\$23,503
21-10148	16K620029	\$75,000	\$14,250
21-10149	16J121170	\$65,900	\$12,521

Application for Review

A party may file with the Commission an application for review of this decision within 30 days of the mailing date set forth in the certificate of service for this decision. The application "shall contain specific detailed grounds upon which it is claimed the decision is erroneous." Section 138.432. The application must be in writing, and may be mailed to the State Tax Commission, P.O. Box 146, Jefferson City, MO 65102-0146, or emailed to Legal@stc.mo.gov. A copy of the application must be sent to each person listed below in the certificate of service.

Failure to state specific facts or law upon which the application for review is based will result in summary denial. Section 138.432.

Disputed Taxes

The Collector of St. Louis County, as well as the collectors of all affected political subdivisions therein, shall continue to hold the disputed taxes pending the possible filing of an application for review, unless said taxes have been disbursed pursuant to a court order under the provisions of section 139.031.

SO ORDERED March 10, 2023.
STATE TAX COMMISSION OF MISSOURI

Benjamin C. Slawson
Senior Hearing Officer
State Tax Commission

Certificate of Service

I hereby certify that a copy of the foregoing has been electronically mailed and/or sent by U.S. Mail on March 10, 2023, to:

Complainant(s) and/or Counsel for Complainant(s), the County Assessor and/or Counsel for Respondent and County Collector.

Amy S. Westermann
Chief Counsel

Appendix A

Appeal No.	Parcel No.	Complainant	Address
21-10140	17L430390	1118 Indian Meadows Trust	1118 Indian Meadows Dr.
21-10141	16K620898	Arch STL Property LLC	8302 Madison Ave.
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