



# STATE TAX COMMISSION OF MISSOURI

DOE RUN RESOURCES )  
CORPORATION, )  
 ) Appeal No. 19-62000 ET AL.  
Complainant, )  
 ) Parcel Nos. (See Appendix,  
 ) attached.)  
v. )  
 )  
DAVID HUFF, ASSESSOR, )  
IRON COUNTY, MISSOURI, )  
 )  
Respondent. )

## **ORDER AFFIRMING** **HEARING OFFICER DECISION UPON APPLICATION FOR REVIEW**

### **HOLDING**

On February 25, 2022, a State Tax Commission (STC) Senior Hearing Officer (Hearing Officer) entered a Decision and Order (Decision) setting aside the decision of the Iron County Board of Equalization (BOE) and finding the aggregate true value in money (TVM) of the subject commercial property on January 1, 2019,<sup>1</sup> was \$18,392,000, with an allocation as follows:

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<sup>1</sup> Missouri operates on a two-year reassessment cycle for valuing real property. *See* Section 137.115.1. Absent new construction or improvements to a parcel of real property, the assessed value as of January 1 of the odd year remains the assessed value as of January 1 of the following even year. *Id.*

Surface Land (7,707.83 acres)	\$7,500,000
Buildings and Improvements	\$4,510,000
Mineral Interests	\$6,381,677
Total	\$18,391,677
TVM (rounded)	\$18,392,000

On or about March 25, 2022, David Huff, Assessor, Iron County, Missouri, (Respondent) filed a timely Application for Review of the Decision of the Hearing Officer. The Commission provided Doe Run Resources Corporation (Complainant) with time to file its response. On or about April 29, 2022, Complainant filed its response.

We AFFIRM the Decision of the Hearing Officer. Segments of the Hearing Officer’s Decision may have been incorporated into our Order without further reference.

**FINDINGS OF FACT AND PROCEDURAL HISTORY**

Complainant operates mines in southeastern Missouri. The subject property is mining property located Iron County, Missouri. The predominant mineral produced from Complainant's Iron County mines is lead, with smaller amounts of zinc and copper. The subject properties include surface lands, office and industrial buildings, real property improvements, construction work in progress, and mineral interests. Complainant is the fee owner of some mineral interests and leases other mineral interests from private owners and the United States government, a tax-exempt entity, pursuant to leases administered by the Bureau of Land Management (BLM).

The subject properties comprise 231 parcels including 66 parcels of surface land totaling 7,707.83 acres. The surface lands are improved with office and industrial buildings in

support of Complainant's mining operations.

In addition to specialized mining machinery and equipment, the subject properties include an underground haulage system referred to as the “Rail-Veyor,” which Respondent characterized as construction work in progress (CWIP). Complainant “commissioned” the Rail-Veyor in May 2019. The Rail-Veyor connects mine shafts leading to the Buick Mill, thereby facilitating potential increased production capacity following the January 1, 2019, valuation date. Complainant originally declared the Rail-Veyor as personal property and paid personal property tax on the Rail-Veyor, which Respondent did not challenge. Respondent later asserted the Rail-Veyor and other machinery are real property fixtures. Complainant argued these items are personal property “upon which [Complainant] has already paid personal property tax.”

The subject mineral interests are associated with the Viburnum Mine and the Casteel Mine. Complainant owns some mineral interests and leases others from private landowners or the BLM. Approximately 13% of Complainant's Iron County mineral production comes from lands owned by Complainant or leased from private landowners. The remaining 87% of Complainant's mineral production comes from lands leased from the BLM.

The BOE valued the subject properties as commercial real property with an aggregate TVM of \$114,411,901 as of January 1, 2019. Complainant filed a timely appeal with the STC, and the case proceeded to a decision after the parties filed opposing briefs.<sup>2</sup>

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<sup>2</sup> The parties agreed the TVM of Complainant's Iron County surface land was \$7,500,000 as determined in Complainant's Exhibit A. The Hearing Officer found the TVM of Complainant's 7,707.83 acres of surface land as of January 1, 2019, was \$7,500,000.

The Hearing Officer subsequently issued the Decision containing Findings of Fact and Conclusions of Law finding that neither party produced substantial and persuasive evidence supporting *all* of their proposed values for the various components of the subject properties. The Hearing Officer further found that both parties produced substantial and persuasive evidence supporting *some* of their proposed values and produced substantial and persuasive evidence rebutting the BOE's presumptively correct decisions. The Hearing Officer found that the “concluded TVM of \$18,392,000 reflects the most persuasive evidence and testimony in the record.”

Respondent subsequently filed his Application for Review. The Commission issued its Order allowing Complainant time to file its Response. Complainant filed its Response.

## **CONCLUSIONS OF LAW**

### **Respondent’s Points on Review**

In his Application for Review, Respondent did not assert specifically that the Hearing Officer’s Decision contained reversible error but, rather, argued disagreement with the Hearing Officer’s Decision. Respondent’s Application for Review generally argued that the valuation of mining property in Missouri and valuation methodologies used in valuation appeals is not “systemized” as it is in other states, such as Arizona and Minnesota. Respondent’s Application for Review argued that the lack of a “systemized” valuation method for mining property in Missouri for the purpose of taxation has resulted in appeals taking many years to resolve, including a 2011 case involving Complainant that took seven years to be fully resolved by the courts in *Parker v. Doe Run*, 553 S.W.3d 356 (Mo. App. S.D. 2018).

Respondent's Application for Review stated:

Here Respondent asks the Commission to take up questions as to the three largest areas of dispute or difference recognized and decided by the [Hearing Officer]: the classification of real v. personal property and the value of that as real property; the valuation of other fixtures and of improvements; and the valuation of the ore body that Doe Run acquired through mineral leases from the [BLM].

In addressing those specific areas, Respondent, on his own behalf and for the taxing entities he serves, also asks that the Commission do what it can—whether in this proceeding, in other proceedings involving other counties, by rulemaking, or otherwise—to give the parties (and the entities that receive the proceeds of property tax) a workable, understandable method, or defined combination of methods, that can and will be consistently applied to “mining properties[, which] are complex to value.” 553 S.W.3d at 361.

In its Response, Complainant argued:

Both Respondent's appraiser and Doe Run's appraiser agreed that [the lease payment of 5% of net smelter return] is the market rent for the leasehold interest and, therefore, there is no bonus value. Until the ore is severed from the ore body, it remains the property of the United States and, as such, is constitutionally exempt from tax. It is the tax-exempt nature of the ore body in government-owned lands that distinguishes it from the ore body in either Doe Run-owned or privately-owned lands.

...

The leasehold interest that Doe Run has in the ore body also does not sever BLM's ownership in the mineral estate. In fact, to the contrary, it is BLM's ownership of the ore body that allows it to realize income from the rental payments under the lease. Doe Run's right to enter the BLM property and sever ore from the ore body is no different from the right that any lessee of government property has to use that property during the term of the lease. Moreover, the Commission has already held that the holding of *Frontier* is applicable to mineral leases. In *Doe Run Co. v. Parker*, the Commission relied upon *Frontier* to hold that:

Leaseholds in government owned estates are taxable if they have value. A lease of tax exempt property does not have a value for ad valorem taxation purposes unless the lease has a bonus value. Bonus value exists only when the contract rent

actually being paid is less than the market rent for the leased property.

Appeal Nos. 11-82500, 82502–82505, at \*20 (Mo. Tax Comm’n June 28, 2016) (internal citation omitted) (citing *Frontier Airlines, Inc.*, 528 S.W.2d 943). Because, like here, there was no bonus value for the mineral lease, the leasehold interest was not taxable. *Id.*

...

[With regard to Complainant’s personal property,] the Senior Hearing Officer noted that “Respondent never contested Complainant’s *multiple personal property declarations that included the same items Respondent now asserts are personal [sic] property.*” . . . Instead, “[t]here is no persuasive evidence establishing the items Complainant declared as personal property, which Respondent accepted as personal property, and upon which Complainant paid personal property taxes are now real property fixtures worth over \$25,000,000.”

The Senior Hearing Officer was not required to accept Respondent’s evidence, and instead analyzed it and correctly found that [Respondent’s expert’s assertion that] certain personal property should be valued and double taxed as real property fixtures was not credible or persuasive.

In short, the Senior Hearing Officer provided clear and detailed findings as to why [Complainant’s] appraisal evidence on office/industrial building valuation was adopted over [Respondent’s expert’s] assumption-riddled conclusions. Respondent does *not* assert that the cost approach adopted by the Senior Hearing Officer was erroneous or not reliable. Rather, Respondent simply disagrees with the credibility determinations made by the Senior Hearing Officer in adopting the approach utilized by [Complainant’s] expert. Such credibility determinations are well within the Senior Hearing Officer’s authority and should not be disturbed.

### **Standard of Review**

A party subject to a decision and order of a hearing officer of the STC may file an application requesting the case be reviewed by the STC. Section 138.432. The STC may then summarily allow or deny the request. Section 138.432. The STC may affirm, modify,

reverse, set aside, deny, or remand to the hearing officer the decision and order of the hearing officer on the basis of the evidence previously submitted or based on additional evidence taken before the STC. Section 138.432.

The Commission reviews the hearing officer's decision and order de novo. *Lebanon Properties I v. North*, 66 S.W.3d 765, 770 (Mo. App. 2002); *Union Electric Company, d/b/a Ameren Missouri, v. Estes*, 2020 WL 3867672 (Mo. St. Tax Com., July 2, 2020); *AT&T Mobility, LLC, v. Beverly Alden, Assessor, Caldwell County, Missouri, et al.*, 2020 WL 3867819 (Mo. St. Tax Com., July 2, 2020). "The extent of that review extends to credibility as well as questions of fact." *Lebanon Properties I*, 66 S.W.3d at 770. The Commission "is free to consider all pertinent facts and estimates and give them such weight as reasonably they may be deemed entitled to." *St. Louis Cty. v. State Tax Comm'n*, 515 S.W.2d 446, 450 (Mo. 1974).

### **Commission's Ruling**

For the reasons that follow, the Commission finds Respondent's Application for Review to be unpersuasive. The Commission, having reviewed the whole record and having considered the Hearing Officer's Decision, the Application for Review of Respondent, and the Response of Complainant, affirms the Hearing Officer's Decision.

There is a presumption of validity, good faith and correctness of assessment by the BOE. *Hermel, Inc. v. STC*, 564 S.W.2d 888, 895 (Mo. banc 1978); *Chicago, Burlington & Quincy Railroad Co. v. STC*, 436 S.W.2d 650, 656 (Mo. 1968); *May Department Stores Co. v. STC*, 308 S.W.2d 748, 759 (Mo. 1958). This presumption is a rebuttable rather than a

conclusive presumption. The presumption of correct assessment is rebutted when the taxpayer presents substantial and persuasive evidence to establish that the BOE's assessment is erroneous and what assessment should have been placed on the property. *Id.*

The taxpayer in a STC appeal bears the burden of proof. The taxpayer is the moving party seeking affirmative relief. Therefore, Complainant bears the burden of proving by substantial and persuasive evidence the vital elements of the case, i.e., the assessment was "unlawful, unfair, improper, arbitrary, or capricious." *See, Westwood Partnership v. Gogarty*, 103 S.W.3d 152 (Mo. App. E.D. 2003); *Daly v. P.D. George Co.*, 77 S.W.3d 645 (Mo. App E.D. 2002); *Reeves v. Snider*, 115 S.W.3d 375 (Mo. App. S.D. 2003); *Industrial Development Authority of Kansas City v. State Tax Commission of Missouri*, 804 S.W.2d 387, 392 (Mo. App. W.D. 1991). *Substantial evidence* can be defined as such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. *Cupples Hesse Corp. v. State Tax Commission*, 329 S.W.2d 696, 702 (Mo. 1959). *Persuasive evidence* is evidence that has sufficient weight and probative value to convince the trier of fact. *Cupples Hesse Corp.*, 329 S.W.2d at 702. The persuasiveness of evidence does not depend on the quantity or amount thereof but on its effect in inducing belief. *Brooks v. General Motors Assembly Division*, 527 S.W.2d 50, 53 (Mo. App. 1975).

The Hearing Officer is not bound by any single formula, rule or method in determining true value in money, but is free to consider all pertinent facts and estimates and give them such weight as reasonably they may be deemed entitled. The Hearing Officer is the fact finder, and the relative weight to be accorded any relevant factor in a particular case



is for the Hearing Officer to decide. *St. Louis County v. Security Bonhomme, Inc.*, 558 S.W.2d 655, 659 (Mo. banc 1977); *St. Louis County*, 515 S.W.2d at 450; *Chicago, Burlington & Quincy Railroad Company*, 436 S.W.2d at 650.

The Hearing Officer as the trier of fact may consider the testimony of an expert witness and give it as much weight and credit as he or she may deem it entitled to when viewed in connection with all other circumstances. The Hearing Officer is not bound by the opinions of experts who testify on the issue of reasonable value, but may believe all or none of the expert's testimony and accept it in part or reject it in part. *St. Louis County v. Boatmen's Trust Co.*, 857 S.W.2d 453, 457 (Mo. App. E.D. 1993); *Vincent by Vincent v. Johnson*, 833 S.W.2d 859, 865 (Mo. 1992); *Beardsley v. Beardsley*, 819 S.W.2d 400, 403 (Mo. App. 1991); *Curnow v. Sloan*, 625 S.W.2d 605, 607 (Mo. banc 1981).

Proper methods of valuation and assessment of property are delegated to the STC. It is within the purview of the Hearing Officer to determine the method of valuation to be adopted in a given case. *See, Nance v. STC*, 18 S.W.3d 611, at 615 (Mo. App. W.D. 2000); *Hermel*, 564 S.W.2d at 896; *Xerox Corp. v. STC*, 529 S.W.2d 413 (Mo. banc 1975). Missouri courts have approved the comparable sales or market approach, the cost approach and the income approach as recognized methods of arriving at fair market value. *St. Joe Minerals Corp.*, 854 S.W.2d at 529 (App. E.D. 1993); *Aspenhof Corp. v. STC*, 789 S.W.2d 867, 869 (App. E.D. 1990); *Quincy Soybean Company, Inc., v. Lowe*, 773 S.W.2d 503, 504 (App. E.D. 1989), *citing Del-Mar Redevelopment Corp v. Associated Garages, Inc.*, 726 S.W.2d 866, 869 (App. E.D. 1987); and *State ex rel. State Highway Comm'n v. Southern*

*Dev. Co.*, 509 S.W.2d 18, 27 (Mo. Div. 2 1974).

The taxpayer in a STC appeal bears the burden of proof. The taxpayer is the moving party seeking affirmative relief. A Hearing Officer sits as the trier of fact with discretion to weigh the evidence admitted into the record. A Hearing Officer may consider the testimony of an expert witness and give it as much weight and credit as he or she may deem it entitled when viewed in connection with all other circumstances. A Hearing Officer is not bound by the opinions of experts who testify on the issue of reasonable value, but may believe all, some, or none of the expert's testimony and accept it in part or reject it in part. A Hearing Officer is not bound by appraisal industry standards; rather, he or she applies the law to the facts in evidence, weighing the evidence to determine which evidence is more persuasive.

Here, Complainant had the burden of proving that the BOE's determination regarding the TVM of the subject property was erroneous and establishing the correct TVM to place upon the subject property. The Hearing Officer found that the "complex appraisal problem posed by a large, multi-parcel mining operation illustrates the reality that the TVM 'is never an absolute figure . . . but is merely an estimate of the fair market value on the valuation date.' *St. Joe Minerals Corp. v. State Tax Comm'n*, 854 S.W.2d 526, 529 (Mo. App. E.D. 1993)." In the 51-page Decision, the Hearing Officer made detailed findings of fact and conclusions of law examining the parties' evidence and analyzing the facts under established legal precedent and established valuation methods. The Hearing Officer specifically found that:

the record shows neither party produced substantial and persuasive evidence supporting all of their proposed values for the various components of the

subject properties . . . [but] [b]oth parties produced substantial and persuasive evidence supporting some of their proposed values. Collectively, the parties produced substantial and persuasive evidence rebutting the BOE's presumptively correct decisions. The concluded TVM of \$18,392,000 reflects the most persuasive evidence and testimony in the record.

To the extent Respondent's Application for Review requests the Commission to make findings and conclusions that would require the application of legal principles to the facts in a manner contrary to established legal precedent and declare the BLM leases have bonus value, we remind Respondent that the STC, a quasi-judicial agency with limited authority under the Missouri Constitution and the Revised Statutes of Missouri and not a court sitting in equity, is constrained to apply current Missouri law to the facts as established by the evidence in the record. To the extent Respondent argues the Hearing Officer's Decision should be reversed as to its findings regarding Complainant's declared personal property and the valuation of Complainant's office and industrial buildings, we find that the record supports the Hearing Officer's findings and conclusions and that a reasonable mind could have conscientiously reached the same result as the Hearing Officer based on a review of the entire record. *Hermel*, 564 S.W.2d at 895-96; *Black v. Lombardi*, 970 S.W.2d 378 (Mo. App. E.D. 1998). The Hearing Officer did not err in finding the aggregate TVM of the subject property to be \$18,392,000 as of January 1, 2019.

### **ORDER**

The Decision of the Hearing Officer is AFFIRMED. Segments of the Hearing Officer's Decision, including the findings of fact and conclusions of law therein, may have been incorporated into our Order without further reference, as if set out in full, in this final

decision of the Commission.

Judicial review of this Order may be had in the manner provided in Sections 138.432 and 536.100 to 536.140 within 30 days of the mailing date set forth in the Certificate of Service for this Order.

If judicial review of this Order is made, any protested taxes presently in an escrow account in accordance with this appeal shall be held pending the final decision of the courts unless disbursed pursuant to Section 139.031.8.

If no judicial review is made within 30 days, this Order is deemed final and the Collector of Iron County, as well as the collectors of all affected political subdivisions therein, shall disburse the protested taxes presently in an escrow account in accord with the decision on the underlying assessment in this appeal.

SO ORDERED June 16, 2023.  
STATE TAX COMMISSION OF MISSOURI

Gary Romine, Chairman

Victor Callahan, Commissioner

Debbi McGinnis, Commissioner

## APPENDIX

19-62000	04-4.0-19-00-00-000-002.0000
19-62001	04-4.0-19-00-00-000-001.01MO
19-62002	04-4.0-19-00-00-000-001.MOOO
19-62003	04-4.0-19-00-00-000-002.01MO
19-62004	04-4.0-19-00-00-000-002.MOOO
19-62005	04-4.0-19-00-00-000-003.01LM
19-62006	04-4.0-19-00-00-000-003.02LM
19-62007	04-4.0-19-00-00-000-003.LMOO
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19-62010	04-9.0-30-00-00-000-009.MOOO
19-62011	04-9.0-31-00-00-000-002.MOOO
19-62012	05-6.0-23-00-00-000-001.01LM
19-62013	05-6.0-23-00-00-000-001.02LM
19-62015	05-6.0-23-00-00-000-002.MOOO
19-62016	05-6.0-23-00-00-000-003.01LM
19-62017	05-6.0-23-00-00-000-003.02LM
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19-62029	05-7.0-25-00-00-000-004.03SO
19-62030	05-7.0-25-00-00-000-004.04LM
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19-62042	05-7.0-26-00-00-000-006.S000
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19-62185	05-8.0-27-00-10-001-062.01S0
19-62186	05-8.0-27-00-10-001-062.02MO
19-62187	05-8.0-27-00-10-001-063.0000
19-62188	05-8.0-27-00-10-005-008.MOOO
19-62189	05-8.0-27-00-10-005-010.01MO
19-62191	05-8.0-27-00-40-001-002.MOOO
19-62194	05-8.0-27-00-40-002-001.MOOO
19-62195	05-8.0-27-00-40-002-002.MOOO
19-62196	05-8.0-27-00-40-003-001.MOOO
19-62197	05-8.0-27-00-40-004-001.MOOO
19-62198	05-8.0-27-00-40-005-001.MOOO
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19-62213	05-8.0-27-00-40-013-001.MOOO
19-62214	05-8.0-27-00-40-014-001.MOOO
19-62217	05-8.0-34-00-00-000-001.03MO
19-62218	05-8.0-34-00-00-000-003.LMOO
19-62219	05-8.0-34-00-00-000-004.MOOD
19-62220	05-8.0-34-00-00-000-005.S000
19-62221	05-8.0-34-00-10-001-001.0000
19-62222	05-8.0-34-00-10-001-002.MOOO
19-62228	05-8.0-34-00-10-002-001.MOOO
19-62230	05-8.0-34-00-10-003-001.MOOO
19-62236	05-8.0-34-00-10-004-001.MOOO
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19-62241	06-1.1-01-00-00-000-002.LMOO
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19-62244	06-1.1-02-00-00-000-001.01LM

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19-62247	06-1.1-02-00-00-000-001.04SO
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19-62253	06-1.2-01-00-00-000-006.SOOO
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19-62258	06-1.2-01-20-30-001-023.LMOO
19-62260	06-1.2-01-20-30-001-025.MOOO
19-62261	06-1.2-01-20-30-001-028.MOOO
19-62262	06-1.2-01-20-30-001-030.0000
19-62263	06-1.2-01-20-30-001-031.LMOO
19-62264	06-1.2-01-20-30-001-032.LMOO
19-62265	06-1.2-01-20-30-001-034.MOOO
19-62266	06-1.2-02-00-00-000-001.02SO
19-62267	06-1.2-02-00-00-000-001.LMOO
19-62268	06-1.2-02-00-00-000-004.LMOO
19-62269	06-1.2-02-00-00-000-00S.MOOO
19-62270	06-1.2-02-00-00-000-014.0000
19-62271	06-1.2-02-00-00-000-015.0000
19-62272	06-1.2-02-00-00-000-016.LMOO
19-62273	06-1.2-11-00-00-000-001.01MO
19-62274	06-1.2-11-00-00-000-001.LMOO
19-62275	06-1.2-11-00-00-000-001.LOOO
19-62276	06-1.2-11-00-00-000-002.MOOO
19-62277	06-1.2-11-00-00-000-002.SOOO
19-62278	06-1.2-11-00-00-000-003.LMOO
19-62279	06-1.2-11-00-00-000-003.SOOO
19-62280	06-1.2-11-00-00-000-004.0100
19-62281	06-1.2-11-00-00-000-004.01MO
19-62282	06-1.2-11-00-00-000-004.LMOO
19-62283	06-1.2-11-00-00-000-004.MOOO
19-62284	06-1.2-11-00-00-000-005.LMOO
19-62285	06-1.2-12-00-00-000-001.01LM



19-62286	06-1.2-12-00-00-000-001.LMOO
19-62287	06-1.2-12-00-00-000-013.MOOO
19-62288	06-1.2-12-00-00-000-014.MOOO
19-62289	06-1.2-12-00-00-000-018.MOOO
19-62290	06-1.2-12-00-00-000-019.MOOO
19-62291	06-2.1-03-00-00-000-004.LMOO
19-62292	06-2.1-03-00-00-000-006.01LM
19-62293	06-2.2-03-00-00-000-002.01LM
19-62294	06-2.2-03-00-00-000-003.MODO
19-62295	06-2.2-03-00-00-000-006.MODO
19-62296	06-2.2-03-00-00-000-00S.MOOO
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19-62298	06-2.2-10-00-00-000-001.MODO
19-62299	06-2.2-10-00-00-000-002.MOOO
19-62300	06-2.2-10-00-00-000-004.01LM
19-62301	06-2.2-10-00-00-000-005.MODO
19-62302	06-2.2-10-00-00-000-012.S000
19-62303	06-2.2-10-00-00-000-015.MOOO
19-62304	06-2.2-10-00-00-000-016.MOOO
19-62305	06-6.0-13-00-00-000-003.MOOO
19-62306	06-6.0-13-00-00-000-004.MODO
19-62307	06-6.0-14-00-00-000-001.02LM
19-62308	06-6.0-14-00-00-000-001.03LM
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19-62310	06-6.0-14-00-00-000-004.MODO
19-62311	06-6.0-14-00-00-000-005.MOOO
19-62312	06-6.0-14-00-00-000-006.MOOO
19-62313	06-6.0-23-00-00-000-002.01LM
19-62314	06-6.0-23-00-00-000-003.01LM
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19-62323	06-6.0-24-00-00-000-005.0000
19-62324	06-6.0-24-00-00-000-006.MOOO
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19-62326	06-7.0-25-00-00-000-001.02LM
19-62327	06-7.0-25-00-00-000-001.02SO
19-62328	06-7.0-25-00-00-000-001.03LM
19-62329	06-7.0-25-00-00-000-001.03SO
19-62330	06-7.0-25-00-00-000-001.04LM
19-62331	06-7.0-25-00-00-000-001.LMOO
19-62332	06-7.0-25-00-00-000-002.0000
19-62333	06-7.0-26-00-00-000-001.LMOO
19-62334	06-7.0-26-00-00-000-002.0000
19-62335	06-7.0-26-00-00-000-003.0000
19-62336	06-7.0-26-00-00-000-004.LMOO
19-62337	06-7.0-26-00-00-000-004.SOOO
19-62338	06-7.0-26-00-00-000-005.LMOO
19-62339	06-7.0-26-00-00-000-005.S000
19-62340	06-7.0-26-00-00-000-006.LMOO
19-62341	06-7.0-35-00-00-000-001. S000
19-62342	06-7.0-35-00-00-000-001.0100
19-62343	06-7.0-35-00-00-000-001.01LM
19-62344	06-7.0-35-00-00-000-001.LMOO
19-62345	06-7.0-35-00-00-000-002. S000
19-62346	06-7.0-36-00-00-000-001.LMOO
19-62347	06-7.0-36-00-00-000-001.SOOO
19-62348	06-7.0-36-00-00-000-003.0000
19-62349	06-8.0-27-00-00-000-001.MOOO
19-62350	06-8.0-27-00-00-000-002.MOOD
19-62351	06-8.0-27-00-00-000-003.MOOD
19-62352	06-8.0-34-00-00-000-001.01S0
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19-62354	07-4.2-18-00-00-000-002.01MO
19-62355	07-4.2-18-00-00-000-002.MOOO
19-62356	07-9.1-30-00-00-000-001.01MO
19-62357	07-9.2-31-00-00-000-002.SOOO

Certificate of Service

I hereby certify that a copy of the foregoing has been electronically mailed and/or sent by U.S. Mail on June 16, 2023, to:

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

Stacy M. Ingle  
Legal Assistant



# STATE TAX COMMISSION OF MISSOURI

DOE RUN RESOURCES	)	
CORPORATION,	)	
	)	
Complainant,	)	
	)	Appeal Nos. 19-62000 et al.
v.	)	Parcel Nos. (Appendix attached)
	)	
DAVID HUFF, ASSESSOR,	)	
IRON COUNTY, MISSOURI,	)	
	)	
Respondent.	)	

## DECISION AND ORDER

Doe Run Resources Corporation (Complainant) appeals the Iron County Board of Equalization's (BOE) decisions finding the aggregate true value in money (TVM) of the subject properties on January 1, 2019, was \$114,411,901. Complainant asserts the aggregate TVM was \$18,010,000.<sup>3</sup> Respondent asserts the aggregate TVM was \$103,300,000.

The BOE decisions are set aside. The aggregate TVM of the subject properties on January 1, 2019, was \$18,392,000. The allocation is as follows:

Surface Land (7,707.83 acres)	\$7,500,000
Buildings and Improvements	\$4,510,000
Mineral Interests	\$6,381,677

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<sup>3</sup> Complainant timely filed complaints for review of assessment. The State Tax Commission (STC) has authority to hear and decide Complainant's appeals. Mo. Const. art. X, sec. 14; Section 138.430.1, RSMo 2000. All statutory citations are to RSMo 2000, as amended.

Total	\$18,391,677
<b>TVM (rounded)</b>	<b>\$18,392,000</b>

Complainant is represented by Thomas Caradonna and Sarah Milunski. Respondent is represented by James Layton and John Reynolds. The parties waived an evidentiary hearing, and submitted the appeals on the record.<sup>4</sup> Both parties filed an opening brief and a reply brief.

### **Background**

Complainant operates mines in southeastern Missouri. The predominant mineral produced from Complainant's Iron County mines is lead, with smaller amounts of zinc and copper.

The underlying appeals involve properties comprising some of Complainant's Iron County mining operations. The subject properties include surface lands, office and industrial buildings, real property improvements, construction work in progress, and mineral interests. Complainant is the fee owner of some mineral interests and leases others from private owners and the United States pursuant to leases administered by the Bureau of Land Management (BLM).

Complainant's private and BLM leases grant Complainant temporary possession of land in exchange for royalty payments to the owner. Complainant's royalties are based on net smelter returns (NSR), which represents the net income from Complainant's sales of mineral concentrates. The royalties are analogous to rent. Thus, the value of a mineral interest may be

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<sup>4</sup> Complainant alleged overvaluation, discrimination, and misclassification. The evidence and argument is limited to Complainant's overvaluation claims.

valued by capitalizing the royalty income it generates.

The parties' proposed values are \$85,290,000 apart. The bulk of this difference stems from three points of disagreement. First, Complainant asserts Respondent's proposed value erroneously includes approximately \$32,000,000 of machinery, equipment, and construction work in progress previously declared and taxed as personal property. Second, Complainant's proposed building value is approximately \$10,920,000 less than Respondent's proposed building value. Finally, Complainant asserts its BLM leases have no taxable "bonus value" because the royalties are at market rate.

The complex appraisal problem posed by a large, multi-parcel mining operation illustrates the reality that the TVM "is never an absolute figure ... but is merely an estimate of the fair market value on the valuation date." *St. Joe Minerals Corp. v. State Tax Comm'n*, 854 S.W.2d 526, 529 (Mo. App. E.D. 1993). Against this backdrop, the record shows neither party produced substantial and persuasive evidence supporting all of their proposed values for the various components of the subject properties. Both parties produced substantial and persuasive evidence supporting some of their proposed values. Collectively, the parties produced substantial and persuasive evidence rebutting the BOE's presumptively correct decisions. The concluded TVM of \$18,392,000 reflects the most persuasive evidence and testimony in the record.

## **FINDINGS OF FACT**

**1. The Subject Properties.** The subject properties comprise 231 tax parcels located in Iron County, Missouri. The subject properties include Complainant's fee simple interests in

surface land, improvements, and mineral interests. The subject properties also include Complainant's mineral interests leased from the United States and private landowners.

The subject properties include 66 parcels of surface land totaling 7,707.83 acres. (Ex. A at 18) The surface lands are improved with office and industrial buildings in support of Complainant's mining operations. (Ex. A at 20; Ex. 1 at 22-23)

In addition to specialized mining machinery and equipment, the subject properties include an underground haulage system referred to as the "Rail-Veyor," which Respondent characterizes as construction work in progress (CWIP). (Ex. A at 53-53; Resp. Br. at 10-11) Complainant "commissioned" the Rail-Veyor in May 2019. (Ex. C, Beck Report at 5) The Rail-Veyor connects mine shafts leading to the Buick Mill, thereby facilitating potential increased production capacity following the January 1, 2019 valuation date. (Id.) Respondent asserts the Rail-Veyor and other machinery are real property fixtures. (Resp. Br. at 11; 16-17) Complainant asserts these items are personal property "upon which [Complainant] has already paid personal property tax." (Compl. Br. at 21)

The subject mineral interests are associated with the Viburnum Mine and the Casteel Mine. Complainant owns some mineral interests and leases others or from private landowners the BLM. (Ex. 1 at 10-11; Ex. C at 13-14) Approximately 13% of Complainant's Iron County mineral production comes from lands owned by Complainant or leased from private landowners. (Ex. 1 at 28) The remaining 87% of Complainant's mineral production comes from lands leased from the BLM. (Id.; *see also* Ex. C, Beck Report at 23, 27)

**2. Assessment and Valuation.** The BOE valued the subject properties as commercial

real property, with an aggregate TVM of \$114,411,901 as of January 1, 2019.

**3. Complainant's Evidence.** Complainant introduced Exhibits A through E, Rebuttal Exhibits A through L, and Surrebuttal Exhibit A. Complainant's exhibits are summarized as follows:

- |                    |   |
|--------------------|---|
| Exhibit A          | Valbridge Property Advisors appraisal report estimating the fair market value of 7,707.83 acres land and surface improvements owned by Complainant was \$12,010,000 as of January 1, 2019. Jessica Perryman, MAI, and Jason Roos, MAI, prepared the Valbridge appraisal report.   |
| Exhibit B          | Written Direct Testimony (WDT) of Jessica Perryman, MAI.  |
| Exhibit C          | Gustavson Associates appraisal report estimating the value of Complainant's mineral interest as of January 1, 2019, was \$6,000,000. Briana Lamphier prepared the Gustavson appraisal report. The Gustavson appraisal valued the mineral interests owned by Complainant or leased by Complainant from private landowners. The appraisal report did not value Complainant's mineral interests arising from the BLM leases. The appraisal report is appended with an expert report prepared by James Beck, P.E., analyzing Complainant's company-held and privately leased mineral reserves in Iron County. Gustavson used the Beck report to estimate the remaining economic life of the estimated the Viburnum and Casteel mines.   |
| Exhibit D          | WDT of Briana Lamphier.   |
| Exhibit E          | WDT of James Beck.  |
| Rebuttal Exhibit A | BLM Preference Right Lease, Form 5320-7 (May 2014). Renewed lease effective February 1, 2015, for 1,480 acres in Reynolds County. The United States is the "lessor." Complainant is the "lessee." The renewed lease term is for 10 years, with a preferential right for successive 10-year renewals subject to approval by the Secretary of the Interior. The form lease provides that in consideration of "any bonuses, rents, and royalties to be paid, the United States grants Complainant "the exclusive right" to extract and remove from the described lands "leased deposits" consisting of "lead, zinc, iron, and copper[.]" The lease also grants Complainant the "right to construct such works, buildings, plants, structures, equipment, and appliances ... necessary and convenient" to exercise the lease rights and privileges. |



- Rebuttal Exhibit B BLM Preference Right Lease, Form 5320-7 (May 2014). Renewed lease effective February 1, 2015, for 2228.83 acres.
- Rebuttal Exhibit C BLM Preference Right Lease, Form 5320-7 (May 2014). Renewed lease effective February 1, 2015, for 460 acres in Iron County.
- Rebuttal Exhibit D BLM Preference Right Lease, Form 5320-7 (May 2014). Renewed lease effective February 1, 2015, for 2,518.66 acres in Iron and Reynolds counties.
- Rebuttal Exhibit E BLM Preference Right Lease, Form 5320-7 (May 2014). Renewed lease effective February 1, 2015, for 760 acres in Reynolds County.
- Rebuttal Exhibit F Written rebuttal testimony of Richard Anderson. Anderson is employed by Complainant as Manager of the Land Department. Anderson authenticated Rebuttal Exhibits A through E and testified the leases do not grant Complainant ownership rights in the leased lands. Anderson testified Complainant utilizes “[m]ining-related equipment” on the leased lands and that “there are no significant buildings or structures on the surface of the leased land.”
- Rebuttal Exhibit G Complainant's 2019 Iron County business personal property assessment lists.
- Rebuttal Exhibit H Complainant's 2020 Iron County business personal property assessment lists.
- Rebuttal Exhibit I Summary of Complainant's 2019 Iron County Business Personal Property return filed with Respondent.
- Rebuttal Exhibit J Detail of the summary business personal property cost reporting filed with Respondent.
- Rebuttal Exhibit K Table prepared by Stephen Ballweg, Complainant's Tax Coordinator, and comparing Ross' list of real property improvement costs with Complainant's classifications of those items as personal property.
- Rebuttal Exhibit L Written rebuttal testimony of Stephen Ballweg. Ballweg testified Complainant “already reported as business personal property” and paid 2019 and 2020 taxes on “most of the property” Ross listed as real property improvements. Ballweg testified Respondent never disputed Complainant's personal property tax declarations.
- Surrebuttal Exhibit A Written surrebuttal testimony of Jessica Perryman, MAI. Perryman testified a software error caused a typographical error in the Valbridge appraisal report mistakenly identifying copper as the primary generator of revenue.

## **Valbridge Property Advisors Appraisal: Surface Land and Improvements**

Valbridge appraised Complainant's Iron County surface land and improvements. The surface improvements include multiple buildings, structures, roads, and fencing. Valbridge characterized the buildings as special purpose industrial buildings used to support Complainant's mining operations, (Ex. A. at 20), and concluded the highest and best use of the subject properties “is continued industrial use in support of mining operations.” (Ex. A at 44) Valbridge estimated the fair market value of the surface land and improvements as of January 1, 2019, was \$12,010,000. (Id. at 79)

Valbridge did not value CWIP based on the “extraordinary assumption that no real estate was in the construction phase.” (Ex. A at 3) This assumption is based on “information provided by [Complainant]” and does not separately value the Rail-Veyor or any other CWIP because these items are “personal property ... either already reported on [Complainant's] business personal property tax return or they are considered items associated with mineral interest.” (Id. at 42)

### Surface Land

Valbridge used the sales comparison approach to estimate the land value. Valbridge identified six comparable sales of undeveloped land occurring from March 2017 through January 2019. After adjusting for time of sale, location, size, and marketable timber, the sales ranged from \$760 to \$1,135 per acre. (Ex. A at 59) Valbridge also considered 54 land sales in both Iron and Reynolds counties ranging from \$450 to \$1,850 per acre, with a median sale price of \$965 per acre. (Id. at 60) Valbridge concluded the market value was \$975 per acre, resulting

in an estimated TVM of \$7,500,000. (Id. at 62) Respondent agrees the TVM of the surface lands was \$7,500,000 as of January 1, 2019. (Resp. Br. at 4)

### Improvement Value

Valbridge used the cost approach to appraise Complainant's office and industrial buildings. Valbridge estimated the replacement cost new (RCN) of the buildings with the Marshall Valuation Services (MVS) Calculator Method. (Ex. A at 64-67) Valbridge determined base replacement costs according to construction type, quality and condition. (Id. at 64) Valbridge refined the base cost of each building with MVS multipliers accounting for divergences from standard height and floor area, variances in local construction costs, and inflation. (Id. at 64, 67) Valbridge detailed its MVS cost calculations and depreciation estimates for each building, resulting in an aggregate RCN of \$17,921,613. (Id. at 67)

Valbridge also appraised “direct site improvements” including fencing, roads, asphalt surface lots, and a 34,400 square foot concrete apron. The “total base cost” of the site improvements was \$1,797,591. Additional “indirect costs” totaled \$985,960. Adding the site improvement costs to the building cost resulted in a total RCN of \$20,705,164 for all buildings and improvements. (Ex. A at 68)

Valbridge estimated incurable physical depreciation by dividing each building's “effective age” by its “economic life.” (Ex. A at 69) The effective age and economic life of each building is based on the actual age, type of construction, and condition. (Id.) For instance, the water treatment plant at the Viburnum Mine was built in 2016 and, therefore, had an “effective age” of three years as of January 1, 2019. Dividing the effective age by the estimated

economic life of 45 years yields 7% depreciation ( $3/45 = 0.667$ ). (Id. at 67) By contrast, the “Supplyhouse” at the Viburnum Mine was built in 1960 and had an effective age of 40 years and an economic life of 45 years, resulting in estimated depreciation of 89% ( $40/45 = 0.89$ ). (Id.) To account for this variability, Valbridge utilized a weighted average according to the relative cost of the improvements, resulting in estimated total incurable physical depreciation of 69.2%, or \$14,334,447. (Id. at 69)

Valbridge concluded there was no functional obsolescence because the “subject property was built for the sole purpose of mining and, as such, is considered to be a special purpose property.” (Ex. A at 70)

Finally, Valbridge estimated economic obsolescence by analyzing the subject's “production utilization,” or the ratio of production capacity to actual production. (Ex. A at 70)<sup>5</sup> From 2014 through 2018, the percentage of underutilization increased from 19.69% to 32.44% in 2018, with a high of 33% in 2017. Valbridge concluded that as of January 1, 2019, the trend toward a higher percentage of underutilization indicated 33% is “a reasonable estimate of what would have been as of the date of valuation.” (Id. at 71)

To quantify the economic obsolescence deduction, Valbridge multiplied the 33%

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<sup>5</sup> Exhibit A erroneously states “Mineral pricing and production for the subject's primary mineral (*copper*) has generally decreased over the past 10 years.” (Id. at 70) (emphasis added). Lead, not copper, is the primary mineral produced in Complainant's mines. The primary author of the Valbridge report, Jessica Perryman, testified she knew lead was the primary mineral resource and that inadvertent references to copper as the primary mineral were due to a software error. (Surrebuttal Exhibit A at 2-9) The inadvertent reference to “copper” rather than “lead” does not undermine the credibility of the Valbridge appraisal. All citations to written testimony are to the numbered paragraph and answer.

underutilization rate by Complainant's estimated 20% gross profit margin, resulting in a 6.60% economic obsolescence factor; i.e.,  $[0.33 \times 0.20 = 0.066]$ . (Ex. A at 73) Multiplying the 6.60% economic obsolescence factor by the estimated aggregate value of the land and RCN of the improvements (\$28,205,164) produces a \$1,861,541 external obsolescence deduction. (Ex. at 74)

Valbridge's cost approach reconciliation is as follows:

RCN	\$20,705,164
Physical Deterioration	(-\$14,334,447)
External/Economic Obsolescence	(-\$1,861,541)
Total Depreciation	(-\$16,195,988)
Depreciated Improvement Cost	\$4,509,176
Land Value	\$7,500,000
Total Estimated Value as of January 1, 2019	\$12,010,000

(Ex. A at 75)

**Gustavson Associates Appraisal: Mineral Interests**

Gustavson appraised “the mineral estate” consisting of economically recoverable “ores of lead, zinc and copper ... owned or controlled under private leases by” Complainant. (Ex. C at 6) Gustavson did not value “mine improvements such as development shafts, exploration, haulage, and development drifts” because these items “generate income to the mineral estate” and a separate valuation would “constitute double counting.” (Id.) Gustavson also did not appraise Complainant's BLM leases. (Id. at 14). Gustavson noted Complainant was “paying a market rent in the form of a NSR royalty” and “[t]his indicates there is no bonus value associated

with [Complainant's] leasehold interest.” (Id. at 48) Gustavson concluded the highest and best use of the subject properties “is production of metallic ore and concentrates within the constraints of cutoff grades.” (Id. at 28)

Gustavson estimated the value of Complainant's mineral interests by capitalizing the royalty income.<sup>6</sup> Gustavson utilized the analysis presented in the Beck Report to estimate the remaining economic lives the Viburnum and Casteel mines. (Ex. C at 32; *see also* Beck Report at 26) Gustavson, however, also recognized Complainant “continues to explore and define the resource” including “within areas of the operations[.]” (Ex. C at 20; *see also* Beck Report at 30) To account for the projected decrease in income over the estimated remaining mine life, Gustavson utilized a discounted cash flow model to estimate the fair market value of Complainant's privately owned and privately leased mineral interests was \$6,000,000 as of January 1, 2019. (Ex. C. at 31-32; 67)<sup>7</sup>

Gustavson's value estimate is premised on a discount rate based on the weighted average cost of capital (WACC). The WACC “accounts for the cost of financing.” (Ex. C at 51) To determine the WACC, Gustavson reviewed data from “eight publicly traded companies whose business involves royalty and other financial streams.” (Id. at 52) The surveyed companies have mineral interests in North America, South America, Australia, Europe, and Africa. (Id. at

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<sup>6</sup> Gustavson noted “generally accepted appraisal procedure” provides the market royalty rate generated by leased mineral interests is imputed to “the portions that are in fee ownership.” (Ex. C at 36-37) Respondent's appraiser utilized the same income-based approach to value all of Complainant's Iron County mineral interests, including those arising from the BLM leases.

<sup>7</sup> Gustavson estimated the aggregate value of Complainant's mineral estate in Iron County due to a lack of data permitting separate valuation of each tax parcel. (Ex. C at 12)

52-55) The companies have interests in mines in both the operating and development stages and derive income from minerals including gold, silver, copper, uranium, vanadium, palladium cobalt, and nickel. (Id.) Some of the surveyed companies also have interests in energy production and other mine products such as iron ore and potash. (Id.) The median pre-tax WACC for these companies was 11.1%, (Id. at 55), which Gustavson used as the market discount rate. (Id. at 60) Applying the 11.1% discount rate to the revenue forecasts from Complainant's privately owned and leased mineral interests yielded an estimated TVM of \$6,000,000 as of January 1, 2019. (Id. at 64; 68-69)

For comparison, Gustavson also estimated a direct capitalization rate of 15.4% for the Viburnum mine and 14.5% for the Casteel mine. Gustavson divided the royalty income from each mine by the estimated capitalization rates to estimate the market value of Complainant's privately owned or leased mineral interests was \$5,557,000 (rounded to \$5,600,000) as of January 1, 2019. (Ex. C at 63).

#### **4. Respondent's Evidence.** Respondent introduced Exhibits 1 through 4 and Rebuttal

Exhibit 1. Respondent's exhibits are summarized as follows:

- |           |   |
|-----------|---|
| Exhibit 1 | Appraisal Report prepared by Bradley Ross, a licensed Missouri appraiser and certified professional geologist. Ross estimated the fair market value of the subject properties was \$103,300,000 as of January 1, 2019.                            |
| Exhibit 2 | Appraisal Report prepared by Michael Brawley, a certified Missouri residential trainee. Brawley estimated the market value of Complainant's 7,707.83 acres of Iron County surface lands was \$950 per acre, or \$7,322,439 as of January 1, 2019. |
| Exhibit 3 | WDT of Bradley Ross   |
| Exhibit 4 | Review Appraisal Report prepared by Bradley Ross. Ross concluded the Valbridge Property Advisors appraisal was unreliable because it states Complainant's mines are primarily   |

copper mines, excludes real property fixtures, and employs an unreliable cost approach analysis.

Rebuttal Exhibit 1 Ross Rebuttal Testimony

### **Ross Appraisal**

Ross concluded the aggregate TVM of the subject properties as of January 1, 2019, was \$103,300,000. (Ex. 1 at 59) Like Gustavson and Valbridge, Ross concluded the highest and best use of the subject properties is for mining. (Ex. A at 22) Ross further explained the significance of his highest and best use conclusion, stating “[t]he current value-in-exchange is the same as the value-in-use because the buildings and improvements are currently being used at their highest and best use of mining and would be exchanged as such for as long as there is a remaining orebody.” (Id. at 22-23)

### **Surface Land**

Ross concluded the TVM of Complainant's Iron County surface lands was \$950 per acre, or \$7,185,800 as of January 1, 2019. (Ex. 1 at 39) Respondent, however, agrees the TVM of the surface lands was \$7,500,000 as of January 1, 2019. (Resp. Br. at 4)

### **Office Buildings**

Ross emphasized the sales comparison approach to value Complainant's three office buildings. The three office buildings ranged from 8,151 to 16,550 square feet, with a total area of 35,419 square feet. (Ex. 1 at 34) Ross compared Complainant's office buildings to sales of five commercial office buildings located near intersections in the towns of Potosi, Bonne Terre, Festus, Jackson, and Rolla. (Ex. 1 at 35) Unlike the subject office buildings, there is no indication the highest and best use of the five comparable office buildings is for continued



support of mining operations.

Ross made qualitative adjustments accounting for “superior” and “inferior” characteristics in terms of size, date of sale, location, utility, quality, size, and amenities. The individual qualitative adjustments are not quantified. Ross relied on the qualitative adjustments to conclude overall adjustments of “up” or “down.” (Ex. 1. at 34) The range of adjusted sale prices per square foot ranged from \$24.13 per square foot to \$52.29 per square foot. (Id.) Ross concluded an “estimated sales comparison approach indicator of value for the office space is \$25 per square foot.” (Id.) Multiplying \$25 per square foot by 35,419 square feet yields an indicated value of \$885,475.

Ross also developed the cost approach to value the office buildings. Ross utilized the MVS Calculator Costs effective January 2019 to estimate the RCN. (Ex. 1 at 44) Unlike Valbridge, Ross' report does not include a detailed explanation of the RCN estimate. Ross estimated the depreciated value of the office buildings was \$241,696. (Id. at 48, 57) Ross relied on the sales comparison approach to estimate the value of the office buildings. (Id. at 56)

#### Industrial Shells

Ross relied on the sales comparison approach to value several “industrial shells” totaling 101,092 square feet. (Ex. 1 at 36-37) Ross compared the industrial shells to the sales of four industrial buildings and the listing price of another. The comparable sales were located in or near the towns of Catawissa, Waynesville and Van Buren, with the fourth sale located in Bollinger County, near the intersection of Highway 34 West and County Road 808. The listed building was located in Ironton, Missouri. (Id. at 35-37)

As with the office buildings, Ross made qualitative adjustments accounting for “Superior” and “Inferior” characteristics in terms of size, date of sale, location, utility, quality, size, and amenities. Ross relied on the qualitative adjustments to conclude overall adjustments of “Up” or “Down.” (Id. at 36) None of the individual qualitative adjustments are quantified. The range of adjusted sale prices per square foot ranged from \$19.73 per square foot to \$53.69 per square foot. (Id.) Ross concluded the value of the industrial shells was \$20 per square foot, resulting in an estimated value of \$2,021,840. Ross also estimated these buildings had a value of \$771,634 under the cost approach. (Id. at 55)

#### CWIP

Ross included a single item of CWIP referred to as the “Rail-Veyor” valued at \$6,065,556. (Ex. 1 at 52-53)

#### Industrial Buildings and Improvements

Ross valued the remaining industrial buildings and improvements by splitting them into two categories: (1) buildings and improvements constructed by Complainant; and (2) buildings and improvements pre-dating Complainant's acquisition of the land. (Ex. 1 at 55) Ross defined “improvements” as those “assets that are affixed to the land, a foundation, a building, or a structure[,]” including “mills, hoists, and crushers, that are affixed to concrete foundations.” (Id. at 43)

##### 1. Complainant-Constructed Buildings and Improvements

Ross used reproduction cost less depreciation to value the newer Complainant-constructed buildings and improvements. The reproduction cost estimates are based on

historical costs reported by Complainant in conjunction with MVS cost multipliers. Ross asserted the “replacement cost and reproduction cost are essentially the same for the [Complainant] constructed assets” because “[a]ny replacement asset would need to be constructed using the same specifications and requirements of the current assets.” (Id.) The cost approach conclusions for the individual buildings and improvements constructed by Complainant are included in Tables A1 and A3. (Ex. 1 at 48, 50)

Unlike Valbridge, which estimated depreciation according to the remaining economic life of the buildings according to their age, construction type, and condition, Ross tied his depreciation analysis to the remaining economic life of the mines. (Ex. 1 at 45-46) Ross concluded “[t]he mining industry is generally more concerned with remaining economic life instead of the remaining physical life because the orebody is the primary source of value.” (Id. at 45) Consistent with this conclusion, Ross depreciated the reproduction cost with a “% Good” reflecting the percentage of remaining economic life relative to the total economic life.<sup>8</sup>

Ross' “% Good” calculation is similar to a standard straight-line depreciation calculation in which the effective age is divided by the economic life. For instance, the “Water Treatment Plant” building at the Viburnum Mine was constructed in 2016. The estimated “Orebody end of life” for the Viburnum Mine is 2038. (Ex. 1 at 50) Thus, the water treatment plant building has an estimated economic life of 22 years ( $2038 - 2016 = 22$ ). Based on Ross' analysis, the building would have an estimated remaining economic life of 19 years ( $2038 - 2019 = 19$ ) as of

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<sup>8</sup> Ross does not explain the “% Good” in his appraisal report, but provides an explanation in his review appraisal. (Ex. 4 at 13-14)

January 1, 2019. The 19 years of remaining economic life is 86.36% of the total economic life of 22 years ( $19/22 = 0.8636$ ). The 86.36% is the “% Good” and accounts for “the external obsolescence on the assets that results from the physical depletion of the natural resource.” (Ex. 4 at 14)

Based on the foregoing analysis, Ross estimated the TVM of the Complainant-constructed industrial buildings was \$11,855,819 and that the TVM of the Complainant-constructed real property improvements was \$24,047,805. (Id. at 56)

## 2. Older Buildings and Improvements

Ross estimated the RCN of the buildings and improvements pre-dating Complainant's acquisition of the land by using the MVS Calculator Costs effective January 2019 in conjunction with Complainant's cost data and sales data for similar assets. (Ex. 1 at 44) Unlike Valbridge, Ross' summation of his RCN estimates does not use MVS multipliers to adjust for divergences from standard height, floor area, local construction costs, and increased construction costs over time. ■

Ross deducted two forms of obsolescence from the older buildings and improvements, the “% Good” and a functional obsolescence “inutility” adjustment. (Ex. 1 at 48-49) Ross attributed “9% Good” to the RCN of the buildings and improvements older than the MVS life expectancy guidelines. (Id. at 44) The “9% Good” accounted for the MVS 8% salvage factor plus 1% to “reflect minimal useful life.” (Id.)

The inutility adjustment accounts for the fact that as of January 1, 2019, the average annual mine production was less than what the buildings were constructed to accommodate.

(Ex. 1 at 51)<sup>9</sup> Ross estimated the inutility adjustment by dividing the “Current Production” by the “Rated Production” and multiplying that quotient by an “efficiencies of scale factor of 0.60[.]” (Id. at 52) Ross asserts the efficiencies of scale factor, referred to as the “rule of six-tenths,” is typically “used in industrial engineering, especially for the design of industrial chemical manufacturing plants ... which if applied to the subject property would result in a measure of inutility.” (Id.) Ross asserts “research” indicates the rule of six-tenths is reasonable when applied to the subject property. (Id.)

Ross did not apply the inutility adjustment to the newer buildings and improvements constructed by Complainant because those assets “are assumed to have been designed to meet the production levels that (Complainant) has maintained since acquiring the subject.” (Id. at 52)

Ross estimated the inutility adjustment at 58.75%. (Ex. 1 at 48-49) Using the Casteel Mine “Substation” as an example, the RCN of \$11,383 is multiplied by the “% Good” (0.3333) and the inutility adjustment (0.5875), resulting in an estimated depreciated value of \$2,228. (Id. at 48) Ross estimated the value of the industrial buildings and improvements pre-dating Complainant's acquisition of the land was \$664,227 and \$1,499,540, respectively. (Ex. 1 at 56)

#### Mineral Interest

Ross estimated the value of Complainant's mineral interest by direct capitalization of the market-based royalty income for all of Complainant's Iron County mineral interests. Ross estimated the capitalization rate by considering the 8.5% capitalization rate utilized by the STC

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<sup>9</sup> Ross' inutility formula is derived from an appraisal text pertaining to personal property and titled “Valuing Machinery and Equipment.”

in the 2011 Reynolds County appeals, the decline in long-term Treasury yields since 2011, the WACC for mining corporations, reported discount rates for interests in orebodies containing lead and zinc, and his personal knowledge mining industry capitalization rates. (Ex. 1 at 29-33) Ross noted the 20-year Treasury yield declined by 1.32% from 2011 through the end of 2018, indicating a corresponding downward adjustment of 1.32% from the 8.5% capitalization rate used by the STC in the 2011 Reynolds County appeals. Ross also noted the median pre-tax WACC for mining corporations declined from approximately 18% in 2011 to approximately 12% in 2018. (Id. at 31) Next, Ross noted public filings of nine mining companies involved in lead and zinc mining indicated an average “8.0% discount rate for the working interest[.]” (Id. at 32) Ross qualified the 8% discount rate by observing “the royalty position assumes less risk than the working position because the royalty position is not subject to operating cost fluctuations and is typically protected by minimum payment obligations from the working position.” (Id.) In addition to the market data, Ross stated his “personal knowledge of the capitalization rates used in the marketplace also indicates that the trend has been downwards in recent years.” (Id.) Ross concluded a pre-tax capitalization rate of 7.25% should applied to the royalty income generated by Complainant's mineral interests. (Id. at 33, 56; Ex. 3 at 19)

To estimate royalty income, Ross utilized production and lead equivalency data supplied by Complainant, the US Geological Survey Mineral Commodity Summary regarding 2018 lead prices, and the market royalty rate (5%). (Ex. 1 at 24-25) Ross estimated the TVM of Complainant's mineral interests was \$49,089,828. (Id. at 25)

Ross allocated the \$49,089,828 value estimate between Complainant's private mineral

interests and the BLM leases. Ross estimated 13% of Complainant's ore production came from privately held reserves, with an estimated value of \$6,381,677 [0.13 x \$49,089,828 = \$6,381,677]. (Ex. 1 at 27) Notably, Ross' conclusion the TVM of the privately owned and privately leased mineral interests was \$6,381,677 is only 6.36% higher than Complainant's proposed value of \$6,000,000 for those same interests.

Ross' valuations are summarized as follows:

Surface Land	\$7,185,800
CWIP	\$6,065,556
Buildings and Improvements	\$40,974,706
Orebody	\$49,089,828
<b>Total</b>	<b>\$103,315,890</b>

(Ex. 1 at 56)

### **Ross Review Appraisal**

Ross' review appraisal offered five main critiques of the Valbridge and Gustavson appraisal reports. (Ex. 4 at 1-2) Ross' first, second, and fourth critiques fault the Valbridge appraisal for referring to copper as the primary mineral produced in Complainant's Iron County mines. Ross also notes the Valbridge appraisal estimated economic obsolescence in part by analyzing Complainant's gross profit margin for the Iron County facilities. Complainant's gross profit is based on the revenues and operating costs associated with the subject property's real property and personal property, including business intangibles. (Ex. 4 at 11)

Ross' third critique asserts the Valbridge appraisal omits real property fixtures. Ross asserts his site visits and photographs in the Valbridge appraisal show assets that "have been welded or bolted to the buildings, resulting in the annexation and adaptation of the assets to the

realty so that they would have to be cut into pieces to be removed, which would constitute a major modification and likely be economically prohibitive.” (Ex. 4 at 12) Ross asserts it would be cost prohibitive to remove and sell assets such as crushers, hoists, cranes, mills, flotation circuits, truck scales, ore bins, thickeners, and water treatment fixtures because they have been annexed and adapted to the ongoing mining operations. Moreover, removal of these assets “would constitute a major modification” because the highest and best use of mining “is due in large part to the real property fixtures that have been annexed to the individual buildings.” (Id. at 12) Ross concluded that “[f]or the real property at the subject to be exchanged based on true value in money, the realty fixtures are essential to the marketability of the subject property at its current highest and best use.” (Id. at 12-13)

Finally, Ross asserts the total economic life analysis used to estimate depreciation should be based on the remaining economic life of the mineral resource rather than the individual improvements because their value is a function of the mineral value. (Ex. 4 at 11-13)

**5. Value.** The aggregate TVM of the subject properties on January 1, 2019, was \$18,391,677, rounded to \$18,392,000.

## **CONCLUSIONS OF LAW**

**1. Assessment and Valuation.** Commercial real property is assessed at 32% of its TVM as of January 1 of each odd-numbered year. Section 137.115.5(1)(c). “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). “True value in money is defined in terms of value in exchange not value in use.” *Tibbs v. Poplar Bluff Assocs. I, L.P.*, 599 S.W.3d 1, 7 (Mo. App. S.D. 2020) (internal quotation omitted). “Determining the true value in money is an issue of fact for the STC.” *Cohen v. Bushmeyer*, 251 S.W.3d 345, 348 (Mo. App. E.D. 2008).

“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. The STC has wide discretion in selecting the appropriate valuation method but “cannot base its decision on opinion evidence that fails to consider information that should have been considered under a particular valuation approach.” *Id.*, at 348.

**2. Evidence.** “Although technical rules of evidence are not controlling in administrative hearings, fundamental rules of evidence are applicable.” *Mo. Church of Scientology v. State Tax Comm'n*, 560 S.W.2d 837, 839 (Mo. banc 1977). 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).

**3. Burden of Proof.** The value set by the BOE is presumptively correct. *Tibbs*, 599 S.W.3d at 7. The “taxpayer may rebut this presumption by presenting

substantial and persuasive evidence that the valuation is erroneous.” *Id.* (internal quotation omitted). The taxpayer also must prove “the value that should have been placed on the property.” *Id.* An assessor advocating a value different than that set by the BOE must also produce substantial and persuasive evidence of his or her proposed value. *See Drury Chesterfield, Inc. v. Muehlheausler*, 347 S.W.3d 107, 112 (Mo. App. E.D. 2011) (noting “[t]he burden of overcoming [the BOE] presumption lies with the party challenging the tax assessment”).

“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 v. State Tax Comm'n*, 722 S.W.2d 72, 77 (Mo. banc 1986) (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”). The preponderance of the evidence standard applies. *Westwood P’ship v. Gogarty*, 103 S.W.3d 152, 161 (Mo. App. E.D. 2003); *see also Spencer v. Zobrist*, 323 S.W.3d 391, 399 (Mo. App. W.D. 2010) (holding the “preponderance of the evidence standard” applied to an administrative proceeding). While both parties can produce substantial evidence, “only one can meet the preponderance of the evidence standard.” *Fujita v. Jeffries*, 714 S.W.2d 202, 206 (Mo. App. 1986).

**4. Surface Land.** The parties agree the TVM of Complainant's Iron County surface

land was \$7,500,000 as determined in Complainant's Exhibit A. (Resp. Br. at 4; Compl. Reply Br. at 1; Ex. A at 62) The TVM of Complainant's 7,707.83 acres of surface land as of January 1, 2019, was \$7,500,000.

**5. Real Property Improvements.** Respondent asserts the value of “Real Property Improvements” as of January 1, 2019, was \$25,547,345. (Resp. Br. at 4; Ex. 1 at 56) Complainant asserts the alleged real property improvements are in fact personal property consisting machinery and equipment previously declared and taxed as personal property. (Compl. Br. at 21 – 25) Respondent asserts Complainant's personal property declarations are not dispositive and that Ross valued only the land, buildings, and fixtures comprising Complainant's taxable real property. (Resp. Reply Br. at 7-8)

Taxpayers generally bear the burden of proof in an STC appeal because the taxpayer is generally the party seeking “affirmative relief.” *Cupples Hesse Corp. v. State Tax Comm'n*, 329 S.W.2d 696, 702 (Mo. 1959). Here, in response to Complainant's appeal, Respondent proposes a value different than that set by the BOE. Respondent's proposed value is, in part, based upon Respondent's assertion certain property declared and taxed as personal property now must be taxed as real property with a market value in excess of \$25,000,000. Therefore, like Complainant, Respondent is challenging the BOE's presumptively correct value and bears the burden of proving its proposed value. *See Drury Chesterfield*, 347 S.W.3d at 112 (noting “[t]he burden of overcoming [the BOE] presumption lies with the party challenging the tax assessment”). This is consistent with the general rule that the party asserting an item to be a fixture bears “the burden of showing that the circumstances of the annexation are such as to

make an article a fixture[.]” *Herron v. Barnard*, 390 S.W.3d 901, 909 (Mo. App. W.D. 2013).<sup>10</sup>

### Fixtures

In pertinent part, Section 137.010(4) defines “real property” as including the “land itself, whether laid out in town lots or otherwise, and all growing crops, buildings, structures, improvements and fixtures of whatever kind thereon[.]” “Property permanently affixed to the real estate, or which has become a part thereof, generally speaking, becomes taxable to the owner as a part of the real estate, at least until its removal (if permitted as between the lessor and lessee).” *Greene Cty. v. Hermel, Inc.*, 511 S.W.2d 762, 771 (Mo. 1974). Consequently, if the items at issue are in fact real property fixtures, then they must be assessed as real property.

“A fixture is property annexed to the realty, adapted to the location, and that the annexor intended the property to be a fixture at the time it was annexed.” *Cuivre River Elec. Co-op., Inc. v. State Tax Comm'n*, 769 S.W.2d 431, 435–36 (Mo. banc 1989). “Each of the elements ... must be present to some degree, however slight.” *Herron*, 390 S.W.3d at 909 (internal quotation omitted). Determining whether a specific item is a fixture is a question of fact that “depends

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<sup>10</sup> *Herron* is procedurally distinguishable but instructive. In *Herron*, the defendant landlord asserted certain items were real property fixtures as an affirmative defense to a former tenant's action for replevin of alleged personal property. *Herron*, 390 S.W.3d at 909. Here, Respondent is attempting to alter the status quo and assess as real property items previously declared and taxed as personal property. Consistent with the general rule stated in *Herron*, Respondent bears the burden of proving the items are in fact real property fixtures. See also *Bedford v. Audrain Cty. Motor Co., Inc.*, 631 S.W.3d 663, 670 (Mo. App. E.D. 2021) (noting “the burden is on the party asserting the existence of a fixture to prove the elements” of the fixture analysis); *Curry Inv. Co. v. Santilli*, 494 S.W.3d 18, 29 (Mo. App. W.D. 2016); *Wisdom v. Rollins*, 664 S.W.2d 37, 39 (Mo. App. S.D. 1984).

upon the facts and circumstances of a particular case. *Id.* at 911. (Internal quotation omitted). The latter two elements – adaptation and intent – are the most important. *Id.* at 913.

“The adaptation element refers to the characteristics of fitness or suitability for the building or premises in question.” *Bedford*, 631 S.W.3d at 670 (internal quotation omitted). The adaptation element is satisfied if an item is “peculiarly adapted to the real property.” *Id.* Stated differently, when “the alleged fixture [is] necessary for the particular use to which the premises are devoted, the element of adaptation is satisfied.” *Herron*, 390 S.W.3d at 912.

The substantial and persuasive evidence in the record shows the subject properties include buildings and improvements, which the appraisers for both parties refer to as “special purpose” or “special use.” (Ex. A at 20; Ex. 1 at 38, 41) Ross reported his annual inspections of the subject properties led him to conclude the machinery and equipment affixed to the realty is part of an “interconnected and integrated structure” that is “adapted to the location” and intended “to be fixed in place for the life of the mine.” (Ex. 4 at 13; *see also* Rebuttal Ex. 1 at 4) Both parties' appraisal reports include photographs depicting machinery and equipment that appears to be physically attached to the realty. (Ex. 1 at 53; 66-75; Ex. A at 25, 28, 34)

Ross' general narrative explanation and the photographs in both appraisal reports demonstrate Complainant's machinery and equipment can be annexed and adapted to the realty so as to become real property fixtures. This general proposition is not in dispute. The dispute centers on Ross' conclusion that the all of the approximately 70 items listed as “Real Property Improvements” – each of which was previously declared and taxed as personal property – are in fact real property fixtures. This conclusion is not supported by substantial and persuasive

evidence.

Neither Ross' general narrative explanation nor the photographs explain or depict with specificity how any of the approximately 70 individual “improvements” listed on pages 49 and 50 of Exhibit 1 are in fact “peculiarly adapted to the real property.” *Bedford*, 631 S.W.3d at 670 (internal quotation omitted).<sup>11</sup> None of Ross' general narrative is tied to any specific item listed as a real property improvement. Ross generally references types of equipment that may be fixtures, but offers no specific testimony pertaining to the annexation or adaptation of any listed item. Similarly, the photographs do not depict every item and none cross-reference any individual items on Ross' improvements list to enable factual confirmation of annexation or adaptation.

Ross' assertion the 70 listed improvements are in fact fixtures is further undermined by the fact that some mining equipment, such as “concentrating equipment,” is generally considered personal property within the mining industry because it “can be readily removed and sold, and frequently is moved and sold in the mining industry.” (Ex. C at 6) The fact mining equipment is frequently moved and sold undermines Ross' general assertion the items at issue are uniquely adapted to a particular building or property. *See Rothermich v. Union Planters Nat. Bank*, 10 S.W.3d 610, 617 (Mo. App. E.D. 2000) (holding bowling alley pinspotters were not fixtures in part because they were sold and used in a different facility).

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<sup>11</sup> The lack of factual specificity distinguishes this case from *Thomas v. Davis*, 76 Mo. 72 (Mo. 1882), in which the Missouri Supreme Court held a steam engine, boiler, and water pump affixed to the foundation of a building used for lead smelting were fixtures. *Id.* at 74, 79. Unlike this case, *Thomas* involved specific testimony applicable to each of the few items at issue. *Id.* at 74-75.

On this record, the only way to conclude each of the approximately 70 items Respondent asserts is in fact a real property fixture is to assume Ross' general assertions and testimony apply specifically and accurately to each listed item. For instance, the listed improvements include “Buick Row 1 Roughers,” an “East Vibrating Screen” and “BUICK WATER TREATMENT EQUIP.” (Ex. 1 at 50) The record does not show with specificity what these items are, how or if they are affixed to the realty, or whether they are specifically adapted to or necessary for the building to function. Thus, concluding that Ross' general observations apply to each of the approximately 70 specific items rests on an item-by-item series of speculative inferences than substantial and persuasive evidence specific to each disputed item.<sup>12</sup> Respondent's evidence does not persuasively demonstrate the listed items previously declared and taxed as personal property now must be taxed as real property with a market value in excess of \$25,000,000.

This conclusion is reinforced when compared to the facts of cases holding that specific items of machinery or equipment were shown to be fixtures. Unlike Ross' general narrative explanation and non-specific photographs, the cases holding an item was shown to be a fixture typically involve a specific item that is the subject of a trial or hearing involving evidence specific to the item of property at issue.<sup>13</sup> As established, that evidence is lacking in this case.

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<sup>12</sup> Ross' list also includes paving and a road. Valbridge included paving and roads in its cost approach.

<sup>13</sup> See *eg.*, *Bedford*, 631 S.W.3d at 671 (affirming a judgment following a bench trial and holding the “overwhelming” evidence showed six outdoor lights at car lot were fixtures); *Freeman v. Barrs*, 237 S.W.3d 285, 290 (Mo. App. S.D. 2007) (affirming a judgment following a bench trial and holding specific testimony regarding a 6,500-pound mobile cattle scale was substantial evidence supporting the court's judgment finding the scale was a fixture); *Oberjuerge Rubber Co. v. State Tax Comm'n*, 674 S.W.2d 186, 188 (Mo. App. E.D. 1984) (holding two overhead cranes with a “useful life” of 15 years were fixtures because they were annexed and adapted to

The final element is intent, which refers to whether the annexation was intended to make the item “a permanent accession to the land.” *Bedford*, 631 S.W.3d at 670. This is an objective test of whether, at the time of the annexation, the annexor's actions indicate an intent to make the property a fixture or retain its status as personal property. *Oberjuerge*, 674 S.W.2d at 188; *see also Cuivre River*, 769 S.W.2d at 436 (holding intent is gauged “at the time of the annexation”).

The machinery and equipment included in Ross' appraisal either pre-dates Complainant's acquisition of the mines, (Ex. 1 at 49), or was acquired prior to 2018. (Ex. 1 at 50)<sup>14</sup> Complainant's 2019 and 2020 personal property declarations post-date any annexation of the machinery and equipment at issue and, while relevant, are not dispositive of Complainant's intent “at the time of the annexation.” *Cuivre River*, 769 S.W.2d at 436; *Oberjuerge*, 674 S.W.2d at 188.

While Complainant's post-annexation declarations are not dispositive, the record also shows Respondent never contested Complainant's multiple personal property declarations that included the same items Respondent now asserts are personal property. (Rebuttal Ex. L at 19) The law recognizes “[t]he assessor has a job to do [and] he should not be compelled to make a laborious inquiry into the possible real or personal nature of annexations.” *Oberjuerge*, 674

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a warehouse).

<sup>14</sup> The fact Complainant acquired some machinery and equipment upon acquisition of the Iron County mines could support an inference these items were real property, rather than the personal property of the previous owner. It is equally possible, however, that Complainant's acquisition included personal property. There is no substantial and persuasive evidence resolving this question.



S.W.2d at 188 (quoting V American Law of Property section 19.13 (1952)). This rule of expediency, however, does not negate Complainant's statutory obligation to accurately report its business personal property pursuant to Section 137.122 or the necessity of evidence showing that items previously declared and taxed as personal property are in fact real property fixtures.

There is no persuasive evidence establishing the items Complainant declared as personal property, which Respondent accepted as personal property, and upon which Complainant paid personal property taxes are now real property fixtures worth over \$25,000,000.

**6. Construction Work in Progress (CWIP).** Respondent asserts the “Rail-Veyor” installed within the Casteel Mine is CWIP taxable as real property. (Resp. Br. at 10-11) Respondent's appraiser, Ross, concluded the TVM of the Rail-Veyor was \$6,035,556 as of January 1, 2019, based on the value reported by Complainant. (Ex. 1 at 52, 56)

Complainant asserts its appraiser, Valbridge, properly excluded CWIP because the value of these items is implicit in “the capitalization of the royalty income stream.” (Compl. Br. at 8) Complainant also asserts it reported the RailVeyor as personal property and paid personal property taxes accordingly. (Compl. Reply Br. at 7)

In Complainant's appeal of the 2011 Reynolds county assessment, the STC concluded “the appraiser should have included such items as the construction work in progress and presented a supportable position as to their market value, or stated why those items do not have a market value.” *Doe Run Co. v. Parker*, No. 11-82500 (Mo. State Tax Comm'n, June 28, 2016, at 15) (affirmed in *Parker v. Doe Run Co.*, 553 S.W.3d 356, 362 (Mo. App. S.D. 2018)). In the decision and order regarding the 2011 appeals, the STC did not analyze whether the items

denominated as “construction works in progress” were in fact real property fixtures. Further, there is no indication the items at issue in the 2011 appeals are the same as the item characterized as CWIP in this case.

In these appeals, Complainant and its appraiser assert the Rail-Veyor is personal property and should not be included in the real property assessment. As with the other items Respondent asserts are fixtures, Complainant declared the Rail-Veyor as personal property and paid taxes accordingly. (Rebuttal Ex. J at 12, 26) As with the other alleged fixtures, there is no specific, persuasive evidence establishing the Rail-Veyor is in fact a real property fixture that must be included in the assessment.

**7. Office and Industrial Buildings.** Complainant's appraiser, Valbridge, relied on the cost approach to estimate an aggregate building and improvement value of \$4,509,176. (Ex. A at 75) Respondent's appraiser, Ross, relied on the sales comparison and cost approaches to estimate an aggregate building value of \$15,427,361. (Ex. 1 at 56) Valbridge's estimated building and improvement value is persuasive.

Respondent's Sales Comparison Approach is Unpersuasive

Ross valued Complainant's office buildings and “industrial shells” with the sales comparison approach. Ross' sales comparison approach is unpersuasive.

Like Complainant's appraiser, Ross concluded the highest and best use of the subject properties is for mining. Ross also noted “[t]he current value-in-exchange is the same as the value-in-use because the buildings and improvements are currently being used at their highest and best use of mining and *would be exchanged as such* for as long as there is a remaining

orebody.” (Ex. 1 at 22-23) (emphasis added). Ross' observation is consistent with the principle that a “subject property's highest and best use provides the basis for the research and analysis of comparable sales,” including the identification of “comparable properties [that] match the highest and best use of the subject property[.]” Appraisal Institute, *The Appraisal of Real Estate* (14<sup>th</sup> ed. 2013) 379-80; *see also Snider*, 156 S.W.3d at 346 (noting “[e]ach valuation approach is applied with reference to a specific use of the property—its highest and best use”). It follows that identifying the highest and best use “set[s] the stage for the selection of appropriate comparable sales.” *The Appraisal of Real Estate* at 381. Ross' comparable sales approach fails at this juncture.

Ross compared Complainant's office buildings to five commercial office buildings located at intersections in the towns of Potosi, Bonne Terre, Festus, Jackson, and Rolla. (Ex. 1 at 35) Unlike the subject office buildings, there is no indication the highest and best use of Ross' comparable properties is in support of mining or any similar industrial activity. Because Ross' comparable properties do not share the highest and best use of the subject properties, they are subject to different market dynamics and may not have the same range of financially feasible or maximally productive uses. Ross' five sales are not sufficiently comparable subject office buildings to develop a persuasive value estimate.<sup>15</sup>

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<sup>15</sup> Respondent asserts criticizing Ross' sales comparison approach on this basis confuses “building types with highest and best use” because “[a]n office building type can have a highest and best use of mining, or as a doctor's office, or as a lawyer's office, etc.” (Resp. Reply Br. at 5) While a generic “office building type” can have various highest and best uses, Ross concluded the highest and best use for the subject office buildings is in support of the ongoing mining operation upon which they are located. (Ex. 1 at 22) Respondent's attempt to save Ross' sales comparison analysis incorrectly focuses on generic building types rather than the market

The persuasiveness of Ross' sales comparison approach is further undermined by the lack of quantified adjustments based on market data. Rather than quantifying the effect of different characteristics, Ross made unquantified, qualitative adjustments for “Superior” and “Inferior” characteristics resulting in adjustments of “Up” or “Down.” (Ex. 1 at 34-35) For instance, Ross does not provide a quantified, market-based adjustment accounting for the fact subject office buildings are located in a relatively less populous area and at a greater distance from interstate highways. (See Ex. C at 7) The fact Ross concluded the office buildings fell near the bottom of the range of adjusted sales prices does not change the analysis because the range of adjusted prices lacks persuasive, market-based support. The STC “cannot ignore a lack of support in the evidence for adjustments made by the expert witnesses in the application of a particular valuation approach.” *Snider*, 156 S.W.3d at 348.

Ross' sales comparison analysis of the “industrial shell” or “light manufacturing” buildings is unpersuasive for the same reasons. Ross compared Complainant's light industrial buildings to sales of five industrial buildings located in Franklin, Pulaski, Iron, Carter, and Bollinger counties. (Ex. 1 at 36) Like the office building valuation, Ross' sales comparison approach does not yield a persuasive value estimate for the industrial buildings. There is no indication the comparable sales share the highest and best use of the subject properties and there are no persuasive market-based adjustments.

As established below, the best evidence of the value of Complainant's buildings comes from Valbridge's cost approach utilizing a detailed, transparent application of the Marshall

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realities expressly stated in Ross' highest and best use conclusion.

Valuation Service Calculator Method.

Complainant's Cost Approach is Persuasive

A critical step in the cost approach is estimating the replacement or reproduction cost from which depreciation is deducted. *Snider*, 156 S.W.3d at 347; *The Appraisal of Real Estate*, at 569. Valbridge utilized the replacement cost new (RCN). Ross utilized the RCN for buildings pre-dating Complainant's acquisition (Ex. 1 at 44) and the reproduction cost for approximately 12 buildings constructed by Complainant. (Ex. 1 at 45, 48) Valbridge's RCN estimates are more persuasive than Ross' blended use of RCN and reproduction cost estimates.

First, unlike Ross's RCN estimates, Valbridge's RCN estimates are prefaced by a clear explanation of the MVS Calculator Method and include detailed, step-by-step descriptions of the data and calculations utilized to estimate the RCN for each building. (Ex. A at 64-67) Ross' summation of RCN estimates includes no evident use of MVS multipliers to adjust for divergences from standard height, floor area, local construction costs, and increased construction costs over time. Valbridge's RCN estimates are persuasive.

Second, Ross' reproduction cost estimates are relatively unpersuasive. Although replacement cost is often lower than reproduction cost, *The Appraisal of Real Estate*, at 570, reproduction cost is often “the best indicator of value for newer properties where the actual costs of construction are available[.]” *Snider*, 156 S.W.3d at 347. Ross, however, concluded “[a]ny replacement asset would need to be constructed using the same specifications and requirements of the current assets, which means that in the case of the unique, special use subject property that replacement cost and reproduction cost are essentially the same for the [Complainant]

constructed assets.” (Ex. 1 at 45) The record does not support this assumption.

First, Ross' reproduction cost estimates include unexplained inconsistencies. For instance, two buildings at the Buick Mine are denominated as “Truck Wash 1” and “Truck Wash 2.” (Ex. 1 at 48) Both were built in 2007, have 3,000 square feet, have the same perimeter, and are constructed of steel and with metal siding. Both buildings have the same average height and the same “% finish w/ A/C.” (Id.) Per Ross' description, the buildings are identical. Yet, Ross concludes “Truck Wash 1” has a pre-depreciation reproduction cost of \$865,305 while “Truck Wash 2” has a cost of \$394,214. (Id.) By contrast, Valbridge used the same building data as Ross to estimate the RCN of each Buick Mine truck wash building was \$174,462.89. (Ex. A at 67) Even if Ross was relying on Complainant's reported costs, this unexplained inconsistency undermines confidence in the accuracy of the reproduction cost estimates.

Second, Ross' assumption that reproduction and replacement costs are essentially the same is refuted by Valbridge's persuasive RCN estimates. For instance, Ross estimated the aggregate pre-depreciation *reproduction* cost of Complainant's 7,395 square foot water treatment plant building at the Viburnum Mine was \$4,677,277 (\$4,259,816 reported cost x 1.098 MVS multiplier = \$4,677,277). (Ex. 1 at 48) Ross described the building as constructed of steel, with metal siding. (Id.) Valbridge estimated the RCN of this same “light manufacturing” building was \$619,084. (Ex. A at 67) The \$4,058,193 difference in pre-depreciation cost estimates undermines Ross' assumption the replacement and reproduction costs are the same. The discrepancy between Ross' higher reproduction cost estimates and Valbridge's persuasive RCN estimates is persistent and undermines Ross' operating assumption

that reproduction and replacement costs are essentially the same.

Finally, in light of Valbridge's persuasive RCN estimates, some of Ross' reproduction cost estimates strain credulity. Using the Viburnum Mine water treatment plant as example, Ross' estimated pre-depreciation reproduction cost of \$4,677,277 equates to ***\$632 per square foot*** for a 7,395 square-foot steel light manufacturing building with metal siding. (Ex. 1 at 48) On this record, given Valbridge's persuasive RCN estimates and Ross' assumption that “replacement cost and reproduction cost are essentially the same,” Ross' extraordinary reproduction cost estimate is plausible only if – consistent with Respondent's position – it includes machinery and equipment within the building. Ross, however, separately values the water treatment plant machinery and equipment as real property. (Id. at 50) If the alleged improvements are included in the reproduction cost estimate and also valued as real property fixtures, then they are double-counted. If not, then Ross' operating assumption that replacement cost and reproduction cost are essentially the same is incorrect. Either way, the validity of Ross' reproduction cost estimates are undermined and rendered unpersuasive.

After estimating the RCN or reproduction cost, “a proper deduction must be made for depreciation” to properly apply cost approach. *Union Elec. Co. v. Estes*, 534 S.W.3d 352, 370 (Mo. App. W.D. 2017). Again, Valbridge's approach is more persuasive.

Valbridge estimated a different economic life and effective age for each building based on the year of construction, the type of construction, and the building condition. This is a typical approach. *The Appraisal of Real Estate* at 600-601.

Ross determined the remaining economic life of improvements by reference to the

remaining mine life because the remaining mineral reserve is the primary source of value. (Ex. 1 at 45) Ross' observation is consistent with the principle that an improvement's economic life begins when it is built and “ends when the improvement no longer contributes value for the use for which it was originally intended and is no longer the highest and best use of the underlying land.” *The Appraisal of Real Estate* at 601.

While Ross' decision to tie the economic life of the buildings and improvements to the remaining economic life of the mine is plausible, the depreciation analysis is undermined by the “inutility” adjustment applied to the older assets. Ross estimated the inutility adjustment by dividing the “Current Production” by the “Rated Production” and multiplying that quotient by an “efficiencies of scale factor of 0.60[.]” (Ex. 1 at 52) Ross asserts this “rule of six-tenths” is typically “used in industrial engineering, especially for the design of industrial chemical manufacturing plants” and that “research” indicates the rule of six-tenths is reasonable when applied to the subject property. (Id.) This appeal does not involve a chemical manufacturing plant. The subject properties are part of a lead mining operation. The research supporting use of a rule-of-thumb used for designing chemical plants as a guide for valuing lead mines in Missouri is not disclosed. The inutility adjustment is unpersuasive.

Ross' RCN and reproduction cost estimates provide an unpersuasive starting point for estimating value. The unpersuasive “inutility” adjustment further undermines Ross' cost approach. Valbridge's cost approach is persuasive. The TVM of the subject buildings and improvements was \$4,509,176 as of January 1, 2019.

### **Mineral Interests**



Respondent asserts the TVM of Complainant's mineral interests was \$49,089,828 as of January 1, 2019. This value estimate is based on the direct capitalization of royalty income generated by the mineral interests.

Complainant uses a discounted cash flow analysis of royalty income to estimate the TVM of its fee simple mineral interests and privately leased mineral interests was \$6,000,000 as of January 1, 2019. Complainant excludes the BLM leases because they have no taxable bonus value. The \$43,089,828 difference in proposed values results primarily from the fact Respondent included the BLM leases in its proposed value while Complainant did not.

#### BLM Leases

The income approach is the preferred method for valuing mineral interests for *ad valorem* taxation. (Ex. 1 at 24; Ex. C at 1) Capitalizing the market-based estimate of royalty income yields a value estimate based on the mineral interest rather than the business value created by handling, milling, and concentrating the ore. For mineral interests owned in fee simple, the market royalty rate generated by leased mineral interests is imputed to the fee simple interest. (Ex. C at 41)

Although the income-based royalty approach is typically used to value mineral interests, Missouri law requires use of the bonus value method to value leasehold interests in tax-exempt property. *Frontier Airlines, Inc. v. State Tax Comm'n*, 528 S.W.2d 943, 947 (Mo. banc 1975); *see also Avis Rent A Car Sys., Inc. v. State Tax Comm'n*, 716 S.W.2d 871, 875 (Mo. App. W.D. 1986) (noting that “[i]n *Frontier*, the court **held** that a lease of tax exempt property does not have a value that can be assessed for ad valorem taxes unless the lease has a bonus value”)

(emphasis added). “The bonus value, sometimes referred to as the leasehold savings or profit, is the difference between the economic rental and the contract rental.” *Frontier Airlines*, 528 S.W.2d at 947 (quoting *Land Clearance for Redevelopment Corp. v. Doernhoefer*, 389 S.W.2d 780, 784 (Mo. 1965)). Therefore “[a] leasehold interest will have value under the bonus value method of valuation only where the rent to be paid under the terms of the lease is less than the market rents being paid for comparable properties[.]” *City of Riverside v. Progressive Inv. Club of Kansas City, Inc.*, 45 S.W.3d 905, 911 (Mo. App. W.D. 2001) (citing *Doernhoefer*, 389 S.W.2d at 784).

Ross and Gustavson both concluded Complainant's 5% royalty is analogous to rent and reflects the market rate. (Ex. 1 at 29; Ex. C at 49) Both appraisers concluded the BLM leases have no bonus value. (Id.) Because Complainant's BLM leases have no bonus value, they have no taxable value. *Frontier Airlines*, 528 S.W.2d at 947.<sup>16</sup> The TVM of the BLM leases was \$0

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<sup>16</sup> Respondent does not cite *Frontier Airlines* but asserts the bonus value method is inapplicable because the proper valuation method is an income-based approach. (Resp. Reply Br. at 3) Unlike the leases in *Frontier Airlines*, which granted the use of office and hangar space, the BLM leases literally entitle Complainant to extract the constituent elements of the real property, convert them to personal property, and sell them for profit. The tax-exempt status of the lessor does not necessarily dictate a particular valuation method when valuing the lessee's taxable interest. Necessarily, the tax is imposed solely on the lessee's interest and “[t]he tax-exempt status of the fee owner does not ... extend to a leasehold interest in the same land, granted to another for a term of years.” *St. Charles Cty. v. Curators of Univ. of Missouri*, 25 S.W.3d 159, 161 (Mo. banc 2000); cf. *United States v. City of Detroit*, 355 U.S. 466, 470 (1958) (affirming the constitutionality of a state statute authorizing taxation of a private party's use of tax-exempt federal property and noting “[o]ther things being the same, it seems obvious enough that use of exempt property is worth as much as use of comparable taxed property during the same interval”). Nonetheless, even if Respondent's argument was persuasive, STC's “adjudicative power extends only to the ascertainment of facts and the application of existing law thereto in order to resolve issues within the given area of agency expertise.” *State Tax Comm'n v. Admin. Hearing Comm'n*, 641 S.W.2d 69, 75 (Mo. banc 1982). The “existing law” requires the STC to

as of January 1, 2019.

### Privately Owned and Privately Leased Mineral Interests

Complainant asserts the TVM of its privately owned and privately leased mineral interests was \$6,000,000 as of January 1, 2019. (Compl. Br. at 1-2) Ross concluded the TVM of Complainant's privately owned and leased mineral interests was \$6,381,677 as of January 1, 2019. (Ex. 1 at 28) The \$381,677 difference results largely from Ross' use of direct capitalization with a 7.25% capitalization rate and Gustavson's use of a DCF model with an 11.1% discount rate. Ross' approach is more persuasive.

Complainant utilized direct capitalization in its appeal of the 2011 Reynolds County assessment and successfully defended that approach on appeal. *Parker*, 553 S.W.3d at 364. Complainant produced no persuasive evidence requiring use of a method different than the direct capitalization method Complainant previously advocated and successfully defended on appeal.

Respondent's proposed 11.1% capitalization rate is based on the same type of WACC estimate the STC rejected in Complainant's 2011 appeal. The STC concluded the WACC “may not accurately reflect the royalty position” because “[t]he royalty position has a lower risk.” *Doe Run Co. v. Parker*, Appeal Nos. 11-82500, 11-82502 - 82505 (Mo. St. Tax Comm'n, June 28, 2016). This observation is crucial because determining the appropriate discount rate is primarily a function of investment risk. *Equitable Life Assur. Soc. of U.S./Marriott Hotels, Inc.*

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value the BLM leases by the bonus value method. *Frontier Airlines*, 528 S.W.2d at 947; *Avis Rent A Car*, 716 S.W.2d at 875.

*v. State Tax Comm'n*, 852 S.W.2d 376, 380 (Mo. App. E.D. 1993); see also *The Appraisal of Real Estate* at 514 (noting the yield rate utilized in a discounted cash flow analysis is “primarily a function of perceived risk”).

Gustavson's 11.1% discount rate is based on the median WACC of eight companies with interests in operating and developing mines in North America, South America, Australia, Europe, and Africa. (Ex. C at 52-56) The WACC “accounts for the cost of financing.” (Ex. C at 51) The surveyed companies produce minerals other than lead; namely, gold, silver, copper, uranium, vanadium, palladium cobalt, and nickel. (Id. at 52-55) Some of these companies have also have interests in energy production and other mine products such as iron ore and potash. (Id.) Gustavson's 11.1% discount rate, therefore, is based on the median financing costs for companies operating on five different continents, with mineral interests other than lead, and holding positions in market sectors other than mineral production.<sup>17</sup> The risk profile represented by the WACC of the surveyed companies is different than the royalties generated by Complainant's Iron County mineral interests. On this record, as in the 2011 Reynolds County appeals, the “WACC may not accurately reflect the royalty position” because “[t]he royalty position has a lower risk.” *Parker*, (Mo. St. Tax Comm'n June 28, 2016). Complainant's

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<sup>17</sup> Financing costs may factor into capitalization rate estimates. *The Appraisal of Real Estate*, at 457-458. In this case, however, both appraisers agree Complainant's mineral interests should be valued by capitalizing royalty income to isolate the value of mineral interests from the business value. The WACC reflects the overall corporate capital structure and reflects a different risk profile than the risks specific to the contractual royalty payments underlying both experts' value estimates. Consequently, even if the WACC is emphasized, the substantial and persuasive evidence in this case indicates this is a case where there is “reason to select a yield rate ... below the indicated range.” *Id.* at 513.

proposed 11.1% discount rate is unpersuasive.

Ross' approach is more persuasive. Ross followed the direct capitalization approach utilized by the STC in the 2011 Reynolds County appeals and affirmed by the court of appeals. Ross began with the 8.5% capitalization rate utilized by the STC in the 2011. As Complainant notes, the remaining mine life as of January 1, 2019, is less than in 2011, thus indicating a higher capitalization rate. Ross, however, relied on a number of other factors indicating a decreased capitalization rate as of January 1, 2019. Specifically, Ross noted the decline in long-term Treasury yields since 2011, the decline in the WACC for mining corporations from 2011 through 2018, and the average 8% discount rate for the “working interest” in orebodies containing lead and zinc based on reports from nine mining companies. (Ex. 1 at 29-33)

The decline in long-term Treasury yields is relevant because the discount rate must reflect the return required to attract investment capital. *The Appraisal of Real Estate*, at 457; *see also Equitable Life*, 852 S.W.2d at 380 (noting capitalization rates are a function of investment risk).

Long-term Treasury yields set a reasonable minimum level of risk-free return and often serve as a starting point for determining capitalization rates. *The Appraisal of Real Estate*, at 458.

Ross noted that between 2011 and 2019, the 20-year and 30-year Treasury yields exhibited respective declines of 1.32% and 1.38%, warranting a corresponding downward adjustment from the 8.5% capitalization rate utilized in the 2011 Reynolds County appeal. (Ex. 1 at 29)

Considered in conjunction with the decline in the WACC for mining companies between 2011 and 2019, the downward trend in long-term Treasury rates supports a lower capitalization rate.

Ross' capitalization rate estimate is further supported by his conclusion the “working

interest” in orebodies containing lead and zinc exhibits an average 8% discount rate. Because “the royalty position assumes less risk than the working position,” (Ex. 1 at 32), the contractual royalty position indicates a lower capitalization rate than that applied to the working interest. Of course, the economics of the surveyed mines may not be identical to Complainant's Reynolds County mines, but they provide additional market-based data points supporting Ross' estimated 7.25% capitalization rate. Respondent's proposed 7.25% capitalization rate, though not free from critique, is based on substantial and persuasive evidence.

Applying Respondent's 7.25% capitalization rate to Complainant's privately owned and privately leased mineral interests results in an estimated value of \$6,381,677. (Ex. 1 at 28) The TVM of Complainant's privately owned and privately leased mineral interests was \$6,381,677 as of January 1, 2019.

### CONCLUSION AND ORDER

The BOE's decisions finding the aggregate TVM of subject properties on January 1, 2019, was \$114,411,901 are set aside. The aggregate TVM of the subject properties on January 1, 2019, was \$18,392,000.<sup>18</sup> The allocation is as follows:

Surface Land (7,707.83 acres)	\$7,500,000
Buildings and Improvements	\$4,510,000
Mineral Interests	\$6,381,677
Total	\$18,391,677
<b>TVM (rounded)</b>	<b>\$18,392,000</b>

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<sup>18</sup> The parties have not provided an adequate basis to allocate the TVM among the 231 subject properties and have not requested the STC to do so. *See Parker*, 553 S.W.3d at 368 (holding “[w]e cannot convict the Commission of error for failure to allocate among the 234 parcels when it was not asked to do so”).

## **Application for Review**

A party may file 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 of Missouri, 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 the Iron County, and 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 the disputed taxes have been disbursed pursuant to a court order under the provisions of section 139.031.

SO ORDERED February 25, 2022.

Eric S. Peterson  
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 February 25, 2022, to:

Counsel for Complainant, Thomas Caradonna and Sarah Milunski, [tcaradonna@lewisrice.com](mailto:tcaradonna@lewisrice.com) and [smilunski@lewisrice.com](mailto:smilunski@lewisrice.com)

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Elaina Mejia  
Legal Coordinator

**APPENDIX**

19-62000	04-4.0-19-00-00-000-002.0000
19-62001	04-4.0-19-00-00-000-001.01MO
19-62002	04-4.0-19-00-00-000-001.MOOO
19-62003	04-4.0-19-00-00-000-002.01MO
19-62004	04-4.0-19-00-00-000-002.MOOO
19-62005	04-4.0-19-00-00-000-003.01LM
19-62006	04-4.0-19-00-00-000-003.02LM
19-62007	04-4.0-19-00-00-000-003.LMOO
19-62008	04-9.0-30-00-00-000-002.0000
19-62009	04-9.0-30-00-00-000-003.MOOO
19-62010	04-9.0-30-00-00-000-009.MOOO
19-62011	04-9.0-31-00-00-000-002.MOOO
19-62012	05-6.0-23-00-00-000-001.01LM
19-62013	05-6.0-23-00-00-000-001.02LM
19-62015	05-6.0-23-00-00-000-002.MOOO
19-62016	05-6.0-23-00-00-000-003.01LM
19-62017	05-6.0-23-00-00-000-003.02LM
19-62018	05-6.0-23-00-00-000-003.SOOO
19-62019	05-6.0-24-00-00-000-001.0000
19-62020	05-6.0-24-00-00-000-001.MOOO
19-62021	05-6.0-24-00-00-000-002.01LM
19-62022	05-6.0-24-00-00-000-003.MOOO
19-62023	05-7.0-25-00-00-000-001.0000
19-62024	05-7.0-25-00-00-000-002.MOOO
19-62025	05-7.0-25-00-00-000-004.0000
19-62026	05-7.0-25-00-00-000-004.01LM
19-62027	05-7.0-25-00-00-000-004.02MO
19-62028	05-7.0-25-00-00-000-004.02SO
19-62029	05-7.0-25-00-00-000-004.03SO
19-62030	05-7.0-25-00-00-000-004.04LM



19-62031	05-7.0-25-00-00-000-008.sooo
19-62032	05-7.0-26-00-00-000-001.0000
19-62033	05-7.0-26-00-00-000-001.MOOO
19-62034	05-7.0-26-00-00-000-002.MOOD
19-62035	05-7.0-26-00-00-000-003.MOOO
19-62036	05-7.0-26-00-00-000-004.01MO
19-62037	05-7.0-26-00-00-000-004.MODO
19-62038	05-7.0-26-00-00-000-004.SOOO
19-62039	05-7.0-26-00-00-000-005.LMOO
19-62040	05-7.0-26-00-00-000-005.S000
19-62041	05-7.0-26-00-00-000-006.M000
19-62042	05-7.0-26-00-00-000-006.S000
19-62043	05-7.0-26-00-00-000-007.MODO
19-62044	05-7.0-26-00-30-001-001.0000
19-62045	05-7.0-26-00-30-001-001.01MO
19-62047	05-7.0-26-00-30-001-001.02MO
19-62048	05-7.0-26-00-30-001-002.MOOO
19-62049	05-7.0-26-00-30-002-001.MOOO
19-62050	05-7.0-26-00-30-003-001.MOOO
19-62051	05-7.0-26-00-30-004-001.MOOO
19-62052	05-7.0-26-00-30-004-012.S000
19-62053	05-7.0-26-00-30-005-001.MOOO
19-62056	05-7.0-26-00-30-005-034.MOOO
19-62057	05-7.0-26-00-30-005-034.S000
19-62058	05-7.0-26-00-30-006-001.MOOO
19-62059	05-7.0-26-00-30-006-007.0000
19-62060	05-7.0-35-00-00-000-001.01LM
19-62061	05-7.0-35-00-00-000-001.02LM
19-62062	05-7.0-35-00-00-000-001.SOOO
19-62063	05-7.0-35-00-00-000-003.LMOO
19-62064	05-7.0-35-00-00-000-003.S000
19-62065	05-7.0-35-00-00-000-004.MOOO
19-62066	05-7.0-35-00-00-000-005.MOOD
19-62068	05-7.0-35-00-20-001-001.MOOO
19-62071	05-7.0-35-00-20-002-001.MOOO
19-62075	05-7.0-35-00-20-002-011.MOOO
19-62077	05-7.0-36-00-00-000-001.0000
19-62078	05-7.0-36-00-00-000-003.01LM
19-62079	05-7.0-36-00-00-000-003.LMOO
19-62080	05-7.0-36-00-00-000-003.SOOO
19-62081	05-7.0-36-00-00-000-004.SOOO

19-62082	05-8.0-27-00-00-000-006.02MO
19-62083	05-8.0-27-00-00-000-006.03MO
19-62180	05-8.0-27-00-00-000-100.SOOO
19-62181	05-8.0-27-00-10-001-014.MOOO
19-62182	05-8.0-27-00-10-001-016.MOOO
19-62183	05-8.0-27-00-10-001-062.0000
19-62184	05-8.0-27-00-10-001-062.01MO
19-62185	05-8.0-27-00-10-001-062.01S0
19-62186	05-8.0-27-00-10-001-062.02MO
19-62187	05-8.0-27-00-10-001-063.0000
19-62188	05-8.0-27-00-10-005-008.MOOO
19-62189	05-8.0-27-00-10-005-010.01MO
19-62191	05-8.0-27-00-40-001-002.MOOO
19-62194	05-8.0-27-00-40-002-001.MOOO
19-62195	05-8.0-27-00-40-002-002.MOOO
19-62196	05-8.0-27-00-40-003-001.MOOO
19-62197	05-8.0-27-00-40-004-001.MOOO
19-62198	05-8.0-27-00-40-005-001.MOOO
19-62200	05-8.0-27-00-40-006-001.MOOO
19-62201	05-8.0-27-00-40-007-001.0000
19-62202	05-8.0-27-00-40-007-001.02MO
19-62203	05-8.0-27-00-40-007-002.MOOO
19-62204	05-8.0-27-00-40-008-001.MOOO
19-62206	05-8.0-27-00-40-009-001.MOOO
19-62207	05-8.0-27-00-40-010-001.MOOO
19-62208	05-8.0-27-00-40-010-021.0000
19-62209	05-8.0-27-00-40-011-001.MOOO
19-62210	05-8.0-27-00-40-012-001.MOOO
19-62213	05-8.0-27-00-40-013-001.MOOO
19-62214	05-8.0-27-00-40-014-001.MOOO
19-62217	05-8.0-34-00-00-000-001.03MO
19-62218	05-8.0-34-00-00-000-003.LMOO
19-62219	05-8.0-34-00-00-000-004.MOOD
19-62220	05-8.0-34-00-00-000-005.S000
19-62221	05-8.0-34-00-10-001-001.0000
19-62222	05-8.0-34-00-10-001-002.MOOO
19-62228	05-8.0-34-00-10-002-001.MOOO
19-62230	05-8.0-34-00-10-003-001.MOOO
19-62236	05-8.0-34-00-10-004-001.MOOO
19-62237	06-1.1-01-00-00-000-001.0000
19-62238	06-1.1-01-00-00-000-002.01LM

19-62239	06-1.1-01-00-00-000-002.01S0
19-62240	06-1.1-01-00-00-000-002.02LM
19-62241	06-1.1-01-00-00-000-002.LMOO
19-62242	06-1.1-01-00-00-000-003.SOOO
19-62243	06-1.1-01-00-00-000-005.0000
19-62244	06-1.1-02-00-00-000-001.01LM
19-62245	06-1.1-02-00-00-000-001.02MO
19-62246	06-1.1-02-00-00-000-001.03SO
19-62247	06-1.1-02-00-00-000-001.04SO
19-62248	06-1.1-02-00-00-000-001.LMOO
19-62249	06-1.1-02-00-00-000-004.MOOO
19-62250	06-1.2-01-00-00-000-001.LMOO
19-62251	06-1.2-01-00-00-000-003.0000
19-62252	06-1.2-01-00-00-000-004.MOOO
19-62253	06-1.2-01-00-00-000-006.SOOO
19-62254	06-1.2-01-00-00-000-010.MOOO
19-62255	06-1.2-01-20-30-001-001.MOOO
19-62256	06-1.2-01-20-30-001-019.0000
19-62257	06-1.2-01-20-30-001-020.MOOO
19-62258	06-1.2-01-20-30-001-023.LMOO
19-62260	06-1.2-01-20-30-001-025.MOOO
19-62261	06-1.2-01-20-30-001-028.MOOO
19-62262	06-1.2-01-20-30-001-030.0000
19-62263	06-1.2-01-20-30-001-031.LMOO
19-62264	06-1.2-01-20-30-001-032.LMOO
19-62265	06-1.2-01-20-30-001-034.MOOO
19-62266	06-1.2-02-00-00-000-001.02SO
19-62267	06-1.2-02-00-00-000-001.LMOO
19-62268	06-1.2-02-00-00-000-004.LMOO
19-62269	06-1.2-02-00-00-000-00S.MOOO
19-62270	06-1.2-02-00-00-000-014.0000
19-62271	06-1.2-02-00-00-000-015.0000
19-62272	06-1.2-02-00-00-000-016.LMOO
19-62273	06-1.2-11-00-00-000-001.01MO
19-62274	06-1.2-11-00-00-000-001.LMOO
19-62275	06-1.2-11-00-00-000-001.LOOO
19-62276	06-1.2-11-00-00-000-002.MOOO
19-62277	06-1.2-11-00-00-000-002.SOOO
19-62278	06-1.2-11-00-00-000-003.LMOO
19-62279	06-1.2-11-00-00-000-003.SOOO
19-62280	06-1.2-11-00-00-000-004.0100

19-62281	06-1.2-11-00-00-000-004.01MO
19-62282	06-1.2-11-00-00-000-004.LMOO
19-62283	06-1.2-11-00-00-000-004.MOOO
19-62284	06-1.2-11-00-00-000-005.LMOO
19-62285	06-1.2-12-00-00-000-001.01LM
19-62286	06-1.2-12-00-00-000-001.LMOO
19-62287	06-1.2-12-00-00-000-013.MOOO
19-62288	06-1.2-12-00-00-000-014.MOOO
19-62289	06-1.2-12-00-00-000-018.MOOO
19-62290	06-1.2-12-00-00-000-019.MOOO
19-62291	06-2.1-03-00-00-000-004.LMOO
19-62292	06-2.1-03-00-00-000-006.01LM
19-62293	06-2.2-03-00-00-000-002.01LM
19-62294	06-2.2-03-00-00-000-003.MODO
19-62295	06-2.2-03-00-00-000-006.MODO
19-62296	06-2.2-03-00-00-000-00S.MOOO
19-62297	06-2.2-10-00-00-000-001.01S0
19-62298	06-2.2-10-00-00-000-001.MODO
19-62299	06-2.2-10-00-00-000-002.MOOO
19-62300	06-2.2-10-00-00-000-004.01LM
19-62301	06-2.2-10-00-00-000-005.MODO
19-62302	06-2.2-10-00-00-000-012.S000
19-62303	06-2.2-10-00-00-000-015.MOOO
19-62304	06-2.2-10-00-00-000-016.MOOO
19-62305	06-6.0-13-00-00-000-003.MOOO
19-62306	06-6.0-13-00-00-000-004.MODO
19-62307	06-6.0-14-00-00-000-001.02LM
19-62308	06-6.0-14-00-00-000-001.03LM
19-62309	06-6.0-14-00-00-000-002.MOOO
19-62310	06-6.0-14-00-00-000-004.MODO
19-62311	06-6.0-14-00-00-000-005.MOOO
19-62312	06-6.0-14-00-00-000-006.MOOO
19-62313	06-6.0-23-00-00-000-002.01LM
19-62314	06-6.0-23-00-00-000-003.01LM
19-62315	06-6.0-23-00-00-000-003.02LM
19-62316	06-6.0-23-00-00-000-003.04LM
19-62317	06-6.0-23-00-00-000-003.05LM
19-62318	06-6.0-23-00-00-000-003.06SO
19-62319	06-6.0-23-00-00-000-004.01MO
19-62320	06-6.0-23-00-00-000-004.MOOO
19-62321	06-6.0-24-00-00-000-001.01LM

19-62322	06-6.0-24-00-00-000-003.0000
19-62323	06-6.0-24-00-00-000-005.0000
19-62324	06-6.0-24-00-00-000-006.MOOO
19-62325	06-6.0-24-00-00-000-006.SOOO
19-62326	06-7.0-25-00-00-000-001.02LM
19-62327	06-7.0-25-00-00-000-001.02SO
19-62328	06-7.0-25-00-00-000-001.03LM
19-62329	06-7.0-25-00-00-000-001.03SO
19-62330	06-7.0-25-00-00-000-001.04LM
19-62331	06-7.0-25-00-00-000-001.LMOO
19-62332	06-7.0-25-00-00-000-002.0000
19-62333	06-7.0-26-00-00-000-001.LMOO
19-62334	06-7.0-26-00-00-000-002.0000
19-62335	06-7.0-26-00-00-000-003.0000
19-62336	06-7.0-26-00-00-000-004.LMOO
19-62337	06-7.0-26-00-00-000-004.SOOO
19-62338	06-7.0-26-00-00-000-005.LMOO
19-62339	06-7.0-26-00-00-000-005.S000
19-62340	06-7.0-26-00-00-000-006.LMOO
19-62341	06-7.0-35-00-00-000-001. S000
19-62342	06-7.0-35-00-00-000-001.0100
19-62343	06-7.0-35-00-00-000-001.01LM
19-62344	06-7.0-35-00-00-000-001.LMOO
19-62345	06-7.0-35-00-00-000-002. S000
19-62346	06-7.0-36-00-00-000-001.LMOO
19-62347	06-7.0-36-00-00-000-001.SOOO
19-62348	06-7.0-36-00-00-000-003.0000
19-62349	06-8.0-27-00-00-000-001.MOOO
19-62350	06-8.0-27-00-00-000-002.MOOD
19-62351	06-8.0-27-00-00-000-003.MOOD
19-62352	06-8.0-34-00-00-000-001.01S0
19-62353	07-3.3-07-00-00-000-002.MODO
19-62354	07-4.2-18-00-00-000-002.01MO
19-62355	07-4.2-18-00-00-000-002.MOOO
19-62356	07-9.1-30-00-00-000-001.01MO
19-62357	07-9.2-31-00-00-000-002.SOOO