# STATE TAX COMMISSION OF MISSOURI

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| JDHQ HOTELS LLC, ET AL., | ) | Appeal No. 21-33020 through |
| Complainant(s), | ) | 21-33023 |
| | ) | |
| | ) | |
| | ) | |
| | ) | |
| v. | ) | |
| | ) | |
| BRENT JOHNSON, ASSESSOR, | ) | |
| GREENE COUNTY, MISSOURI, | ) | |
| Respondent. | ) | |

## ORDER AFFIRMING HEARING OFFICER DECISION UPON APPLICATION FOR REVIEW

## HOLDING

On August 11, 2023, State Tax Commission (STC) hearing officer (Hearing Officer) entered a Decision and Order (Decision) affirming the valuations of the subject properties as of January 1, 2021, set by the Greene County Board of Equalization (BOE). JDHQ Hotels LLC, JDHQ Hotels LLC, John Q Hammons Fall 2006 LLC, and JDHQ Hotels LLC (collectively referred to as Complainants) timely filed an Application for Review of the Decision and Order of the Hearing Officer.

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

The subject properties are hotels operated as University Plaza (21-33020 & 21-33021), The Q Hotel (21-33022) and Residence Inn (21-33023). For administrative efficiency, the appeals were consolidated. All of the subject properties are hotels located in Springfield, Greene County, Missouri.

***21-33020 – 21-33021*** The site is a combined 10.73 acres of land improved with a 267-room hotel and convention center. The hotel was built in 1983 with meeting rooms, a fitness area, a restaurant, and an indoor swimming pool. The total area of the building is 233,445 square feet. Additional improvements include approximately 286,400 square-feet of asphalt paving, an outdoor swimming pool, concrete walkways, and a 552 square-foot brick shed. The convention center has 33,606 square-feet of meeting space and a kitchen. The exterior has 51,000 square-feet of asphalt parking lot.

***21-33022*** The site is 2.42 acres. It is improved with a 120-room hotel built in 2005 with two meeting rooms, a dining room, outdoor and indoor pools, a covered outdoor hot tub, a fitness center, patios, and a business center. The total area of the building is 79,586 square- feet. Additional improvements include a 1,410 square-foot drive through canopy, 45,500 square feet of asphalt paving, and 8,400 square-feet of concrete walkways and patios.

***21-33023*** The site is 3.6148 acres. It is improved with a 136-room hotel built in

2001, with meeting rooms, a fitness area, a tennis court, and an outdoor swimming pool. Additional improvements include approximately 14,080 square-feet of concrete paving, 60,800 square-feet of asphalt paving, and a 168 square-foot shed.

The BOE classified the subject properties as commercial and independently determined the TVM on January 1, 2021, of each parcel was:

| Appeal Nos. | BOE VALUES |
|---|---|
| 21-33020 | $2,697,000 |
| 21-33021 | $14,100,000 |
| 21-33022 | $7,844,100 |
| 21-33023 | $13,016,700 |

Respondent requested that the Hearing Officer take official notice of *In Re Marriage of Patrick*, 201 S.W.3d. 591 (2006) (regarding expert testimony and reliance on approved valuation methodology in Missouri) and two prior STC decisions, *Crown Center Hotel Complex Inc. v. Boley*, Appeal No. 92- 32760, 1994 WL 386411, at 14, (Mo. St. Tax Comm'n 1994) (noting "A close reading of the Rushmore article reveals that Rushmore does not advocate trending based solely on the trailing year's performance") and *Yogijikrupa Hospitality-C LLC, v. Assessor, Taney County, Mo.*, Appeal No. 19-89506, 2021 WL 4977443, at 5 (Mo. St. Tax Comm'n 2021) noting "[t]he STC has long recognized the Rushmore Method under the income approach for the valuation of hotel properties"). Agencies shall take official notice of all matters of which the courts take judicial notice. Section 536.070(6).

Following an evidentiary hearing in which both parties were represented by counsel and presented testimony of witnesses and exhibits, the Hearing Officer entered a thorough and detailed Decision finding the TVM of the subject properties as follows:

| Appeal No. | TVM |
|---|---|
| 21-33020 | $2,697,000 |
| 21-33021 | $14,100,000 |
| 21-33022 | $7,844,100 |
| 21-33023 | $13,016,700 |

In affirming the BOE's decisions, the Hearing Officer found Complainants' evidence supporting their opinions of value not persuasive. The Hearing Officer found Respondent's evidence persuasive even though Respondent was not required to present evidence. Complainants subsequently filed their Application for Review.

## CONCLUSIONS OF LAW

### Complainants' Points on Review

In their Application for Review, Complainants assert that the Hearing Officer's Decision was erroneous because:

1. The Hearing Officer did not find the Complainants presented substantial and persuasive evidence to rebut the presumption that the BOE Decision is correct. Specifically, the Hearing Officer did not find that the treatment of the COVID-19 deductions taken by Complainant's appraiser were persuasive.

2. The decision is inconsistent with a previous decision of the STC.

### 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 City. v. State Tax Comm'n*, 515 S.W.2d 446, 450 (Mo. 1974).

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 70*2.* 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). "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.

**Commission's Ruling**

We find that Complainants' points on review are without merit.

Regarding Complainants' first point on review, the Hearing Officer correctly applied the substantial and persuasive evidence standard to the evidence presented in an appeal before the STC. The taxpayer in a STC appeal bears the burden of proof. The taxpayer is the moving party seeking affirmative relief. Complainants had the burden of proving that the valuations placed on the subject properties were erroneous and of establishing what should be the values of the subject property. The Hearing Officer found that the evidence presented by Complainant was not persuasive and, therefore, did not prove that the valuation placed on the subject property was erroneous. Specifically, we agree with the Hearing Officer's analysis that the Rushmore method is the appropriate methodology for valuing hotels. We further agree with the Hearing Officer's findings that:

> Complainants' opinions of value are ultimately not persuasive due to Complainants' appraiser's deductions related to COVID-19 in his approaches. A stabilized net income excludes from consideration any abnormal relation of supply and demand and any transitory or nonrecurring conditions that may result in unusual revenues or expenses of the property. *See The Valuation of Hotels and Motels for Assessment Purposes,* p. 275-277. Complainant's final conclusions of the TVM of the subject properties were affected by the addition to expenses of a nonrecurring condition in COVID-19, thereby undermining the credibility and persuasiveness of Complainant's evidence. Respondent's appraisal reports, Exhibit 1, did not make such deductions.

Regarding Complainant's second point on review arguing that the Hearing Officer's Decision is inconsistent with the ruling in *Lodge of the Four Seasons, LLC v. Marty McGuire, Assessor, Camden County, Missouri*, Appeal No. 21-47000; 2022 WL 1493597, May 6, 2022, we note that previous STC decisions and orders are non-binding persuasive authority that aid in the consistent disposition of factually analogous cases. *See Tuba v. Zimmerman,* Appeal No. 21-18285, 2022 WL 16841480 at 6 (Mo. St. Tax Com. Nov. 4, 2022); *see also Laclede Gas Co. 's Verified Application to Re-Establish & Extend the Fin. Auth. Previously Approved By the Commission v. Mo. Pub. Serv.*

*Commission,* 526 S.W.3d 245, 252 (Mo. Ct. App. W.D. 2017) (an administrative agency, such as the STC, "is not bound by its previous decisions, so long as its current decision is not otherwise unreasonable or unlawful."). "While practical uniformity is the constitutional goal, absolute uniformity is an unattainable ideal." *Savage v. State Tax Commission* 722 S.W.2d at 72, 79.

In any event, Complainant's reliance upon the *Lodge of the Four Seasons* decision referenced above is misplaced. The analysis in that case revealed that the occupancy rates in the subject property increased from 2019 (43.7%) to 2020 (45.8%) and the Average Daily Rate also increased. Even though the group demand decreased, the transient leisure travel demand increased, and the room rates for transient leisure travel are higher than group rates. This clearly does not support Complainants' contention in this case that the COVID-19 pandemic caused a decrease in occupancy rates and profitability of hotels.

The Commission, having thoroughly reviewed the whole record and having considered the Hearing Officer's Decision and the application for review of Complainant, affirms the Hearing Officer's decision. The record supports the Hearing Officer's findings. The Commission finds 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 affirming the BOE's determinations of value and finding the TVMs of the subject properties as shown in the table above.

## ORDER

The Decision of the Hearing Officer is AFFIRMED. Segments of the Decision and Order of the Hearing Officer, including the findings of fact and conclusions of law therein, may be incorporated herein, 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 decision 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 decision and order is deemed final and the Collector of Greene 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 July 9, 2024
STATE TAX COMMISSION OF MISSOURI

Gary Romine, Chairman

Debbi McGinnis, Commissioner

Greg Razer, Commissioner

Certificate of Service

I hereby certify that a copy of the foregoing has been sent electronically or mailed postage prepaid July 12, 2024, 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

| | | |
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| JDHQ HOTELS LLC, ET AL., | ) | Appeal Nos. 21-33020 through 21-33023 |
| Complainant(s), | ) | |
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| | ) | |
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| BRENT JOHNSON, ASSESSOR, | ) | |
| GREENE COUNTY, MISSOURI, | ) | |
| Respondent. | ) | |

**DECISION AND ORDER**

JDHQ Hotels LLC, JDHQ Hotels LLC, John Q Hammons Fall 2006 LLC, and JDHQ Hotels LLC (collectively referred to as Complainants) appeal the Greene County Board of Equalization's (BOE) decisions determining the true value in money (TVM) of the subject commercial properties as of January 1, 2021. Complainants did not produce substantial and persuasive evidence of overvaluation. The BOE's decisions are affirmed.[1]

Complainants were represented by counsel, Apollo Carey. Respondent was represented by counsel, Aaron Klusmeyer. The evidentiary hearing was conducted on May 12, 2022, via WebEx.

**FINDINGS OF FACT**

[1] Complainant timely filed a complaint for review of assessment. The State Tax Commission (STC) has authority to hear and decide Complainant's appeal. Mo. Const. art. X, Section 14; section 138.430.1, RSMo 2000. All statutory citations are to RSMo 2000, as amended.

**1. Subject Property.** The subject properties are listed below:

| Appeal No. | Taxpayer Name | Parcel Locator Number |
|---|---|---|
| 21-33020 | JDHQ Hotels LLC | 1324107042 |
| 21-33021 | JDHQ Hotels LLC | 1324107043 |
| 21-33022 | John Q Hammons Fall 2006 LLC | 1324122030 |
| 21-33023 | JDHQ Hotels LLC | 19070301108 |

**2. Property Descriptions.** The subject properties are hotels, which are operated as University Plaza (21-33020 & 21-33021), The Q Hotel (21-33022) and Residence Inn (21-33023). For ease of analysis and administrative efficiency, Appeal Nos. 21-33020 and 21-33021 are reviewed together.

***21-33020 – 21-33021*** The subject is located at 333 South John Q Hammons Parkway, Springfield, Greene County, Missouri. The site is 8.17 acres of land. It is improved with a 267 room hotel built in 1983 with meeting rooms, a fitness area, a restaurant, and an indoor swimming pool. The total area of the building is 233,445 square-feet. Additional improvements include approximately 286,400 square-feet of asphalt paving, an outdoor swimming pool, concrete walkways, and a 552 square-foot brick shed. The adjacent site located at 730 East St. Louis Street, Springfield, Missouri is 2.56 acres. It is improved by a single level convention center with 33,606 square-feet of meeting space and a kitchen. The exterior has 51,000 square-feet of asphalt parking lot.

***21-33022*** The subject is located at 1117 East St. Louis Street, Springfield, Greene County, MO. The site is 2.42 acres. It is improved with a 120 room hotel built in 2005 with two meeting rooms, a dining room, outdoor and indoor pools, a covered outdoor hot tub, a fitness center, patios, and a business center. The total area of the building is 79,586 square-feet. Additional improvements include a 1,410 square-foot drive through canopy, 45,500 square feet of asphalt paving, and 8,400 square-feet of concrete walkways and patios.

***21-33023*** The subject is located at 1303 E Kingsley Street, Springfield, Greene County, Missouri. The site is 3.6148 acres. It is improved with a 136 room hotel built in 2001, with meeting rooms, a fitness area, a tennis court, and an outdoor swimming pool. Additional improvements include approximately 14,080 square-feet of concrete paving, 60,800 square-feet of asphalt paving, and a 168 square-foot shed.

**3. BOE.** The BOE classified the subject properties as commercial and independently determined the TVM on January 1, 2021, of each parcel was:

| Appeal Nos. | BOE VALUES |
|---|---|
| 21-33020 | $2,697,000 |
| 21-33021 | $14,100,000 |
| 21-33022 | $7,844,100 |
| 21-33023 | $13,016,700 |

**4. Official Notice Request by Respondent.** Respondent requests the State Tax Commission take official notice of *In Re Marriage of Patrick*, 201 S.W.3d. 591 (2006) (regarding expert testimony and reliance on approved valuation methodology in Missouri) and two prior STC decisions, *Crown Center Hotel Complex Inc. v. Boley*, Appeal No. 92-32760, 1994 WL 386411, at 14, (Mo. St. Tax Comm'n 1994) (noting "A close reading of the Rushmore article reveals that Rushmore does not advocate trending based solely on the trailing year's performance") and *Yogijikrupa Hospitality-C LLC, v. Assessor, Taney County, Mo.*, Appeal No. 19-89506, 2021 WL 4977443, at 5 (Mo. St. Tax Comm'n 2021) (noting "[t]he STC has long recognized the Rushmore Method under the income approach for the valuation of hotel properties”). Agencies shall take official notice of all matters of which the courts take judicial notice. Section 536.070(6).

**5. Complainants’ Evidence.** Complainant submitted the TVMs of the subject properties on January 1, 2021, as follows:

| Appeal Nos. | OPINION OF VALUE |
|---|---|
| 21-33020 & 21-33021 | $7,400,000 |
| 21-33022 | $1,600,000 |
| 21-33023 | $6,900,000 |

Complainants presented Written Direct testimony (WDT) and the following exhibits:

| Appeal No. | Exhibits | Description | Ruling |
|---|---|---|---|
| 21-33020 & 21-33021 | A | Appraisal Report Becker | Admitted |
| | WDT | Robert Becker | |
| 21-33022 | A | Appraisal Report Becker | Admitted |
| | WDT | Becker | |
| 21-33023 | A | Appraisal Report Becker | Admitted |
| | WDT | Becker | |

Respondent’s written objections regarding question 12 in the WDT, were taken with the case and are overruled. Complainants’ exhibits are admitted to be given the weight deemed appropriate. Complainants presented testimony from expert witness Robert Becker, an MAI designated commercial real estate appraiser licensed in Missouri. Mr. Becker composed three appraisal reports for Complainants, in which he developed the income and cost approaches to value to estimate the TVM in fee simple of the subject properties on January 1, 2021. He did not develop the sales comparison approach. Mr. Becker determined the income approach was a reliable indicator of value and given primary weight. (Exhibits A)

It is uncertain whether Mr. Becker used the Rushmore method or if he found it was ultimately unnecessary in these appeals due to the lack of franchising for one or more of the subject properties. For the subject properties, franchise fees were "not provided" (21-33020-33021), listed as $0 (21-33022) or removed as an expense (21-33023). (Exhibits A at 90, 87, 86; respectively) He testified the FF&E return was removed as an expense. (Exhibits A at 98, 95, 94; respectively) He clarified in his testimony that he used the methodology required by the State of Missouri, but he also stated that Rushmore doesn't always apply.

Mr. Becker testified COVID-19 impacts on the economy were a vital component of adjustments in both the cost and income methods. Within the "Summary and Conclusion" section of each appraisal Mr. Becker concludes he calculated rates based on national data projections (CBRE and HVS), "occupancy for 2021 is projected at 50% by CBRE or 19.7% above 2020 levels. HVS suggest an occupancy of 53.5%, or 27% above 2020 levels. […] An occupancy of 50% is appropriate and supported by all four providers. ADR for the subject property is projected to be 5% above 2020 levels. […] As it relates to the subject, these projections will develop the 2021 proforma." (Exhibits A at 66, 65, 64; respectively) A rate of 40% was utilized for Q Hotel, explained in the report by Mr. Becker "as this provides superior analysis specific to the subject property". (Exhibit A at 65)

Mr. Becker developed the cost approach by calculating replacement cost new, applying adjustments for functional and external obsolescence and land values to develop a TVM. His appraisal reports concluded "depreciation is difficult to measure due to the economic obsolescence currently present in the market […] directly related to the COVID-

19 pandemic" (Exhibits A). He testified within his appraisals he "estimated external obsolescence based on the income shortfall of the property due to the COVID-19 impact." (Tr. 20:32) Mr. Becker testified that the majority of the economic loss calculated was COVID-19 related. (Tr. at 43:00) Mr. Becker utilized the cost approach to provide secondary weight in the income capitalization approach.

Regarding the income approach, Mr. Becker used a combination of national hotel studies and actual income and expense data, specifically using the last three years' income from the subject properties. (Exhibits A) Mr. Becker concluded that the "income approach is the only approach that effectively removes business value, FF&E and accurately supports obsolescence currently in the market". (Exhibits A) Mr. Becker's appraisals conclude the information available for analysis is current and accurate indicating the income approach to value is a reliable indicator of value and deserves primary weight in the final reconciliation. (Exhibits A)

***University Plaza (21-33020 & 21-33021)***

Regarding cost, Mr. Becker used Marshall Valuation Services (MVS) for replacement cost new and physical depreciation calculations. Mr. Becker testified that MVS estimates life expectancy of a full-service hotel at 50 years and the subject is 37 years old as of January 1, 2021. He calculated the subject's physical depreciation of 74% (37-year age / 50-year life = 0.74, 0.74 x 100 = 74%). (Exhibit A at 87)

Mr. Becker's "Summary of the Cost Approach" as outlined on page 88 of Exhibit A, is as follows:

| | |
|---|---|
| Replacement Cost New of the Improvements | $52,218,749 |

| | |
|---|---|
| Less Physical Depreciation | $<u>38,641,874</u> |
| Total | $13,576,875 |
| Less Functional Loss | $<u>1,357,687</u> |
| Total | $12,219,187 |
| Less Economic Loss | $<u>7,100,000</u> |
| Total Value of the Improvements | $5,119,187 |
| Plus Market Value of the Land | <u>$2,300,000</u> |
| Equals Market Value of the Subject | $7,419,187 |
| | *Rounded $7,400,000* |

*(Emphasis added).*

Mr. Becker relied most heavily on the income approach, and calculated an average daily rate of $83.88 for 257 rooms. (Exhibit A) Relying on the data from his cost approach and data from Complainant to create a reconstructed income and expense statement spanning from 2018 to 2020, he concluded 267 keys x 365 day = 97,455 Room Nights, $83.88 ADR x 97,455 Room Nights = $8,174,525. (Exhibit A at 90-91) He then multiplied that amount (and other revenues) by 50% explaining the "proforma occupancy was reconciled in the COVID-19 Hotel Recovery Estimate section of this report (page 63-66). The proforma occupancy reconciles at 50%" to determine the effective gross income. (Exhibit A at 92-93) Regarding expenses, of note is the franchise fees were not provided for this appraisal. He testified the FF&E return was calculated and removed as an expense. (Exhibit A at 98) After expenses, Mr. Becker found an NOI of $853,764. (Exhibit A) Mr. Becker estimated an adjusted capitalization rate of 11.58%. (Exhibit A at 101) Mr. Becker's overall conclusion of TVM for the subject under both approaches to value was $7,400,000.

***The Q Hotel (21-33022)***

Regarding cost, Mr. Becker used Marshall Valuation Services (MVS) for replacement cost new and physical depreciation calculations. Mr. Becker testified that MVS estimates life expectancy of a limited-service hotel at 45 years. The subject is 16 years old as of January 1, 2021. He calculated the subject's physical depreciation of 35.56% (16-year age / 45-year life = 0.3556, 0.3556 x 100 = 35.56%). (Exhibit A at 84) Mr. Becker's "Summary of the Cost Approach" as outlined on page 85 of Exhibit A, is as follows:

| | |
|---|---|
| Replacement Cost New of the Improvements | $8,881,533 |
| Less Physical Depreciation | $3,158,273 |
| Total | $5,723,260 |
| Less Functional Obsolescence | $572,326 |
| Total | $5,150,934 |
| Less External Obsolescence | $4,500,000 |
| Total Value of the Improvements | $650,934 |
| Plus Market Value of the Land | $950,000 |
| Equals Market Value of the Subject | $1,600,934 |
| | *Rounded $1,600,000* |

*(Emphasis added).*

Mr. Becker relied most heavily on the income approach, and calculated an average daily rate of $82.98 for 120 rooms. (Exhibit A) Relying on the data from his cost approach and data from Complainant to create a reconstructed income and expense statement spanning from 2018 to 2020, he concluded 120 keys x 365 day = 43,800 Room Nights, $82.98 ADR x 43,800 Room Nights = $3,634,524. (Exhibit A at 87-88) He then multiplied that amount (and other revenues) by 40% explaining the proforma occupancy was reconciled in the COVID-19 Hotel Recovery Estimate section of this report (page 62-65). The proforma occupancy reconciles at 40%" to find effective gross income. (Exhibit A at 89) Regarding expenses, of note is the franchise fees were $0 for this appraisal. He testified the FF&E return was calculated and removed as an expense. (Exhibit A at 93-95) After expenses, Mr. Becker found an NOI of $188,550. (Exhibit A) Mr. Becker estimated an adjusted capitalization rate of 12.08%. (Exhibit A at 98) Mr. Becker's overall conclusion of TVM for the subject property under both approaches to value was $1,600,000.

***Residence Inn (21-33023)***

Regarding cost, Mr. Becker used Marshall Valuation Services (MVS) for replacement cost new and physical depreciation calculations. Mr. Becker testified that MVS estimates life expectancy of a full-service hotel at 45 years and the subject is 20 years old as of January 1, 2021. He calculated the subject's physical depreciation of 44.44% (20-year age / 45-year life = 0.4444, 0.4444 x 100 = 44.44%). (Exhibit A at 83) Mr. Becker's "Summary of the Cost Approach" as outlined on page 84 of Exhibit A, is as follows:

| | |
|---|---|
| Replacement Cost New of the Improvements | $16,758,923 |
| Less Physical Depreciation | 7,447,665 |
| Total | $9,311,258 |
| Less Functional Obsolescence | 465,563 |
| Total | $8,845,695 |
| Less Economic Loss | 3,400,000 |
| Total Value of the Improvements | $5,445,695 |
| Plus Market Value of the Land | $1,400,000 |
| Equals Market Value of the Subject | $6,845,695 |
| | *Rounded $6,800,000* |

*(Emphasis added).*

Mr. Becker relied most heavily on the income approach, and calculated an average daily rate of $119.79 for 136 rooms. (Exhibit A) Relying on the data from his cost approach and data from Complainant to create a reconstructed income and expense statement spanning from 2018 to 2020, he concluded 136 keys x 365 day = 49,640 Room Nights $119.79 ADR x 49,640 Room Nights = $5,946,599. (Exhibit A at 86-87) He then multiplied that amount (and other revenues) by 50% explaining the "proforma occupancy was reconciled in the COVID-19 Hotel Recovery Estimate section of this report (page 61-64). The proforma occupancy reconciles at 50%" to determine the effective gross income. (Exhibit A at 88) After expenses, Mr. Becker found an NOI of $793,345. (Exhibit A) Regarding expenses, of note is the franchise fees were utilized for this appraisal. He testified the FF&E return was calculated and removed as an expense. (Exhibit A at 92-94) Mr. Becker estimated an adjusted capitalization rate of 11.58%. (Exhibit A at 97) Mr. Becker's overall conclusion of TVM for the subject under both approaches to value was $6,900,000.

**6. Respondent's Evidence.** Respondent submitted the TVMs of the subject properties on January 1, 2021, as follows:

| Appeal No. | OPINION OF VALUE |
|---|---|
| 21-33020 | $4,090,000 |
| 21-33021 | $17,000,000 |
| 21-33022 | $8,800,000 |
| 21-33023 | $13,016,700 |

Respondent submitted the WDT of Andrea Burton and Melissa Davidson. Ms. Davidson testified she has been a Greene County employee since 2019 as a commercial appraiser. Ms. Davidson testified she is a member of IAAO and the Missouri State Assessors Association Designee Level I. (WDT) Ms. Burton testified she has been a full-time employee within the Greene County Assessor's Office since 2002 and has been a Commercial Appraiser in that office since 2016. (WDT) She testified she is a member of IAAO and the Missouri State Assessors Association. (WDT)

Respondent submitted the following Exhibits:

| Appeal No. | Exhibit | Description | Ruling |
|---|---|---|---|
| 21-33020 | WDT | Melissa Davidson | Admitted |
| | 1 | Appraisal Report of University Plaza Convention Center | |
| 21-33021 | WDT | Melissa Davidson | Admitted |
| | 1 | Appraisal Report of University Plaza Hotel | |
| 21-33022 | WDT | Melissa Davidson | Admitted |
| | 1 | Appraisal of the Q Hotel & Suites | |
| 21-33023 | WDT | Andrea Burton | Admitted |
| | 1 | Appraisal Report for a Hotel Residence Inn by Marriott | |

Exhibit 1 for each appeal number is the appraisal report, which utilize the income, cost, and sales comparison approaches to estimate the market value of the subject properties.

***Convention Center (21-33020)***

To value the Convention Center property, Ms. Davidson testified she relied on the cost approach and sales comparison approaches and the income approach was not developed. (WDT and Exhibit 1) She testified her two developed approaches indicated a similar value to the current assessment. She testified her TVM was $4,090,000.

***University Plaza (21-33021)***

For the University Plaza hotel, Ms. Davidson testified the most significant consideration was given to the income approach and was the "best indication of the hypothetical market value", with the sales comparison approach given the least amount of weight. (Exhibit 1 at 29) Her report includes a reconciled conclusion that the three approaches to value support the current market value determined by Respondent and affirmed by the BOE. (Exhibit 1 at 29)

Regarding the income approach, Ms. Davidson explained she utilized Pro Forma. She defined Pro Forma, (citing Investopedia.com) as "a method of calculating financial results using certain projections or presumptions." (Exhibit 1 at 28) She stated in her report "expenses used in calculating this approach have been gathered from the market using CoStar and income and expense reports sent into the Assessor's office." (Exhibit 1 at 28) Ms. Davidson used the average daily rate (ADR), additional income, and reserves from Complainant's provided income information. (Exhibit 1) Ms. Davidson testified she needed to update her report to arrive at an adjusted opinion of value of $17,000,000 (rounded). (Tr at 1:15:00 also Exhibit 1 at 3)

In the cost approach, Ms. Davidson used land comparables to find a land value and used the Greene County Assessor's office CAMA System to value the improvements. Ms. Davidson testified the cost tables within CAMA are updated per MVS manuals for every reassessment year. (WDT) She testified she estimated replacement cost of the improvements, deducting the estimated depreciation to arrive at a depreciated building value as $20,040,100, with a square-foot value of $85.85. (Tr. at 1:16:00 and Exhibit 1 at 22) She then added the market value of the land to find a total square-foot value of $93.99. (Tr. at 1:16:00 and Exhibit 1 at 22) Ms. Davidson testified she needed to update her report to arrive at an adjusted opinion of value of $21,941,300 (rounded). (Tr. at 1:16:00 and Exhibit 1 at 22)

She testified the sales comparison approach was given the least amount of weight due to the limited availability of sales data for similar properties. Ms. Davidson used four sales comparables, choosing hotels or motels that had the same or very similar highest and best use as the subject property. (Exhibit 1) She testified she relied on recent sales data in the Springfield market area for comparison. (WDT and Exhibit 1) She made adjustments to those sales regarding quality, land, price per room, and square-footage, etc. to compare with the subject property to arrive at a TVM.

***The Q Hotel (21-33022)***

In the cost approach, Ms. Davidson used land comparables to find a land value and used the Greene County Assessor's office CAMA System to value the improvements. Ms. Davidson testified the cost tables within CAMA are updated per MVS manuals for every reassessment year. (WDT and Exhibit 1 at 22) She testified she estimated replacement cost of the improvements, deducting the estimated depreciation and adding the market value of the land to find a total square foot value of $98.56, when multiplied by 79,586 square-foot, arrives at a total property value of $7,844,100. (Exhibit 1 at 15)

Regarding the income approach, Ms. Davidson used the ADR, additional income, and reserves from Complainant's provided income information. (Exhibit 1) Ms. Burton utilized a reduced ADR of $100, which was less than the $117 rate provided by Complainant, multiplied by 365 days per year and 120 rooms within the subject property, with 63% occupancy rate, reduced by expenses to arrive at a NOI of $893,520. (Exhibit 1 at 27) She calculated a total loaded capitalization rate of 10.15%, and subtracted the FF&E from the total, to arrive at an adjusted rounded value of $8,800,000 (rounded). (Exhibit 1 at 28)

Ms. Davidson used four recent sales in the sales comparison approach. Ms.

Davidson testified she chose motels or hotels comparables with a similar higher and best use as the subject property. (WDT and Exhibit 1) She used comparable sales data in the Springfield, Missouri market area for comparison. (WDT and Exhibit 1) She concluded that limited sales of similar quality, age, and room size, etc. support her conclusion that this approach was the least reliable approach to value. (Exhibit 1) Ms. Davidson's overall conclusion of TVM for the subject under all approaches to value was $8,800,000

***Residence Inn (21-33023)***

Ms. Burton testified she relied most heavily on the income and cost approaches to derive an indicated value of this property, with least support from the sales comparison approach.

In the cost approach, Ms. Burton used land comparables to find a land value and Greene County Assessor's office CAMA System, to value the improvements. Ms. Burton testified the cost tables within CAMA are updated per MVS manuals for every reassessment year. (WDT and Exhibit 1 at 15) She testified she estimated replacement cost of the improvements, deducting the estimated depreciation and adding the market value of the land to find a total square foot value of $119.55, when multiplied by 108,880 square-foot, arrived at a total property value of $13,016,700. (Exhibit 1 at 15)

Regarding the income approach, Ms. Burton used the average daily rate, additional income, and reserves from Complainant's provided income information. (Exhibit 1) Ms. Burton utilized the ADR of $117.49, which was provided by Complainant, multiplied by 365 days per year and 136 rooms within the subject property, with 62.2% occupancy rate, minus expenses to arrive at a NOI of $1,535,663. (Exhibit 1 at 22) She calculated a total loaded capitalization rate of 11%, and subtracted the FF&E from the total, to arrive at an adjusted rounded value of $13,400,000. (Exhibit 1 at 22)

Ms. Burton used three recent sales in the sales comparison approach. Ms. Burton testified she chose motels or hotels comparables with a similar higher and best use as the subject property. (WDT and Exhibit 1) She used comparable sales data in the Springfield Missouri market area for comparison. (WDT and Exhibit 1) She concluded that limited sales of similar quality, size, and location made this the least reliable approach to value. (Exhibit 1) Ms. Burton's overall conclusion of TVM for the subject under all approaches to value was $13,016,700.

**7. Value.** The TVM of the subject properties was:

| Appeal No. | TVM |
|---|---|
| 21-33020 | $2,697,000 |
| 21-33021 | $14,100,000 |
| 21-33022 | $7,844,100 |
| 21-33023 | $13,016,700 |

## CONCLUSIONS OF LAW

### 1. Assessment and Valuation

Pursuant to Article X, Sections 4(a) and 4(b), Mo. Const. of 1945 real property and tangible personal property is assessed at its value or such percentage of its value as may be fixed by law for each class and for each subclass. Article X, Sections 4(a) and 4(b), Mo. Const. of 1945. 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). Determining the TVM is a factual issue for the STC. *Cohen v. Bushmeyer*, 251 S.W.3d 345, 348 (Mo. App. E.D. 2008). The "proper methods of valuation and assessment of property are delegated to the Commission." *Savage v. State Tax Comm'n*, 722 S.W.2d 72, 75 (Mo. banc 1986).

The income approach "is most appropriate in valuing investment-type properties and is reliable when rental income, operating expenses and capitalization rates can reasonably be estimated from existing market conditions." *Snider*, 156 S.W.3d at 347. "The income approach determines value by estimating the present worth of what an owner will likely receive in the future as income from the property." *Id*. "The income approach is based on an evaluation of what a willing buyer would pay to realize the income stream that could be obtained from the property when devoted to its highest and best use." *Id*. (internal quotation omitted). "When applying the income approach the valuing business property for tax purposes, it is not proper to consider income derived from the business and personal property; only income derived from the land and improvements should be considered." *Id*.

The State Tax Commission utilizes the "Rushmore Method" to estimate the TVM of hotels. *Yogijikrupa Hospitality-C LLC, v. Assessor, Taney County, Mo.*, Appeal No. 19-89506, 2021 WL 4977443, at *5 (Mo. St. Tax Comm'n 2021) (noting "[t]he STC has long recognized the Rushmore Method under the income approach for the valuation of hotel properties").[2] The Rushmore Method enables a valuation of hotel real estate by deducting the value of a franchise affiliation and the FF&E required to operate a hotel.

The Rushmore Method deducts the contributory value of the FF&E by estimating both the replacement cost and the return generated by the FF&E. The replacement cost is typically reflected in a reserve for replacement. The return on the FF&E is typically estimated by (1) using the market value of the personal property as shown on the assessment rolls; (2) an appraisal of the personal property; or (3) using the depreciated book value of the personal property. *Prestige Hotels v. Cox*, Appeal No. 20-79023 (Mo. St. Tax Comm'n, Feb. 25, 2022).

**2. Evidence**

The hearing officer is the finder of fact and determines the credibility and weight of the evidence. *Kelly v. Mo. Dep't of Soc. Servs., Family Support Div.*, 456 S.W.3d 107,

[2] The Rushmore Method is also widely accepted by courts across the country. *Glenpointe Assoc. et al. v. Township of Teaneck*, 31 N.J. Tax 596, 645 (2020) (holding the Rushmore method is generally used to value hotels); *Wisconsin & Milwaukee Hotel, LLC v. City of Milwaukee*, 936 N.W.2d 403 (Wis. App. 2019) (holding the "Rushmore approach to value hotels" complied with state law); *CHH Cap. Hotel Partners, LP v. D.C.*, 152 A.3d 591, 597 (D.C. 2017) (the Rushmore method is a "well-established and broadly accepted" method "well-conceived to yield a fair and accurate estimate of market value"); *RRI Acquisition Co. v. Supervisor of Assessments of Howard Cty.*, 2006 WL 925212, at *5 (Md. Tax Feb. 10, 2006) (applying Rushmore and holding a deduction for return on FF & E from income is required); *Marriott Corp. v. Bd. of Cty. Comm'rs of Johnson Cty.*, 972 P.2d 793, 796 (Kan. App. 1999) (holding the Rushmore method was the appropriate method to value a hotel and noting it "has been accepted in a number of litigated matters and rejected in none that have been brought to our attention"); *In re J.F.K. Acquisitions Group*, 166 B.R. 207, 209 (Bankr.E.D.N.Y.1994) (utilizing the Rushmore method and noting the appraiser who developed the method is an "eminent expert in the field of hotel appraisers.")

111 (Mo. App. W.D. 2015). The finder of fact in an administrative hearing determines the credibility and weight of expert testimony. *Hornbeck v. Spectra Painting, Inc.*, 370 S.W.3d 624, 632 (Mo. banc 2012). "It is within the purview of the hearing officer to determine the method of valuation to be adopted in a given case." *Tibbs v. Poplar Bluff Assocs. I, L.P.*, 599 S.W.3d 1, 9 (Mo. App. S.D. 2020). The hearing officer "may inquire of the owner of the property or of any other party to the appeal regarding any matter or issue relevant to the valuation, subclassification or assessment of the property." Section 138.430.2. The Hearing Officer's decision regarding the assessment or valuation of the property may be based solely upon his inquiry and any evidence presented by the parties, or based solely upon evidence presented by the parties. *Id.*

**3. Complainant's Burden of Proof**

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

**4. Valuing Hotel or Motel Property**

The STC has long recognized the Rushmore Method under the income approach for the valuation of hotel properties. The methodology has been recognized by state and federal courts, and by hotel owners and assessors' offices, as the most appropriate approach for valuing hotel properties. The Rushmore methodology has been the leading standard for valuation of hotels for over 20 years. The Rushmore methodology excludes the value of any income derived from FF&E, and adjustments are made for replacement of the property and for a return on the FF&E. The Rushmore Method also deducts the expenses for items such as management fees, franchise fees, and marketing to address the value derived from the business component.

In the real estate appraisal industry, the market value of a hotel is considered to consist of four components (1) value of the land; (2) value of the improvements; (3) value of the business or going concern and franchise affiliation; and (4) value of the furniture, fixtures and equipment (i.e. personal property). *John Hancock Mutual Life v. Stanton*, 1996 WL 663128 (Mo.St.Tax.Com.); Lesser and Rubin, *Understanding the Unique Aspects of Hotel Property Tax Valuation,* The Appraisal Journal, January, 1993, p. 17. For appraisal purposes, fixtures such as bathtubs and sinks are valued as part of the real property. *Property Appraisal and Assessment Administration*, International Association of Assessing Officers, 1990, p. 76.

The return on FF&E to be deducted from a hotel's income and expense statements can be calculated by (1) using the market value of the personal property as shown on the assessment rolls; (2) actual appraisal of the personal property; or (3) using the depreciated book value of the personal property. Return on FF&E is determined by adding the capitalization rate for the real property to the tax load or effective tax rate per $100 of the personal property and multiplying same by the assessed value of the personal property. In attempting to segregate personal property from real estate, the primary consideration in valuing the personal property is its actual contributory value, not its hypothetical replacement cost new less depreciation. Lesser and Rubin, *Understanding the Unique Aspects of Hotel Property Tax Valuation*, The Appraisal Journal, January 1993, P. 33, *Crown Center,* supra, p. 439*, John Hancock,* supra, p. 396.

Periodic replacement of furniture, fixtures and equipment is essential to maintain the quality, image, and income potential of a lodging facility. An appraisal should reflect these expenses in the form of an appropriate reserve for replacement. Industry experience indicates that a reserve for replacement of 3% to 5% of total revenue generally is sufficient to provide for timely replacement of furniture, fixtures and equipment. The deduction of a reserve for replacement from the stabilized statement of income and expense can therefore be used to account for the return of personal property. Lesser and Rubin, *Understanding the Unique Aspects of Hotel Property Tax Valuation*, The Appraisal Journal. January, 1993, p. 21, 22. *Crown Center*, supra, p. 440.

Management companies generally offer their brand names, corporate identities, and reservation systems solely in conjunction with their management expertise. The process of isolating the value of a hotel's business is based on the premise that by employing a professional management agent to handle the day-to-day operation of the property, an owner maintains only a passive interest, while income attributed to the business has been taken by the managing agent in the form of a management fee. Therefore, deduction of a management fee from the stabilized net income removes a portion of the business component from the stabilized income stream. Additionally, lodging facilities operated with a franchise affiliation provided by a third party are subject to the payment of franchise fees. Deducting the franchise fees from the stabilized net income removes the remaining business component from the income stream. Lesser and Rubin, *Understanding the Unique Aspects of Hotel Property Tax Valuation*, The Appraisal Journal, April 1984, p. 280-291; *Crown Center*, supra at p. 438. *John Hancock*, supra at p. 397.

The business value component of a hotel is accounted for through the franchise fee and the management fee. If these two items are calculated as expense items, no additional calculation is necessary to remove their impact from net operating income. Going concern value can be treated in one of two ways: The appraisers can leave the management and franchise fees in the expenses calculations, in which case no further calculation is necessary *OR* alternatively, they may remove those fees from the expenses and treat them separately. J*ohn Hancock*, supra. p. 397. Leaving management and franchise fees in the expense calculations and then making further adjustments for business value results in stating business value twice and understating the value of the real property.

Hotels and motels generally are valued by an income capitalization approach that takes the property's stabilized net income and capitalizes it into an estimate of market value.

The stabilized net income is intended to reflect the anticipated operating results of the hotel over its remaining economic life, given any or all applicable stages of buildup, plateau, and decline in the life cycle. Therefore such stabilized net income excludes from consideration any abnormal relation of supply and demand and any transitory or nonrecurring conditions that may result in unusual revenues or expenses of the property. The process of deriving the stabilized net income for a lodging facility requires the appraiser to look into the future and estimate operating revenues and expenses. This is accomplished by forecasting or predicting trends in historical performance based on the hotel's current position in an economic life cycle. Most types of real estate exhibit a pattern or life cycle in their ability to generate income over a period of time. Usually a property's net income will start low and rise quickly, reaching a plateau before slowly declining. By determining a hotel's position in its life cycle the appraiser is able to forecast future income based on historical operating results.

Midlife hotels that show a historical operating performance which oscillates up and down is considered to be at the peak or plateau portion of its life cycle. With hotels which are in such a plateau, the historic net income does not significantly understate what can be considered a stabilized level of income. In hotels with oscillating income, the stabilized income will fall into a range between the highest income reported and the lowest income reported. These divergences cannot be considered unacceptable, particularly over a period of time where the smoothing impact of averaging tends to minimize the differences. Rushmore and Rubin, *The Valuation of Hotels and Motels for Assessment Purposes*, The Appraisal Journal, April 1984, p. 275-277. *Crown Center Hotel Complex, Inc. v. Robert*

*Boley*, 49 Proceedings and Decisions, State Tax Commission, 423-435-436.

**5. Complainants Did Not Prove Overvaluation.**

Complainants' opinions of value are ultimately not persuasive due to Complainants' appraiser's deductions related to COVID-19 in his approaches. A stabilized net income excludes from consideration any abnormal relation of supply and demand and any transitory or nonrecurring conditions that may result in unusual revenues or expenses of the property. *See The Valuation of Hotels and Motels for Assessment Purposes,* p. 275-277. Complainant's final conclusions of the TVM of the subject properties were affected by the addition to expenses of a nonrecurring condition in COVID-19, thereby undermining the credibility and persuasiveness of Complainant's evidence. Respondent's appraisal reports, Exhibit 1, did not make such deductions. Exhibit 1 for each respective subject property, supported by Respondent's Appraisers' testimony, supported the BOE's determination of TVMs for the subject properties after management and franchise fees were deducted and the return of and return on FF&E were accounted for. Although not required given the burden of proof, Respondent presented exhibits and testimony that supported the BOE's valuation of the subject property.

**CONCLUSION AND ORDER**

The BOE decisions are AFFIRMED. The TVMs of the subject properties, as of January 1, 2021, were:

| Appeal No. | TVM |
|---|---|
| 21-33020 | $2,697,000 |
| 21-33021 | $14,100,000 |
| 21-33022 | $7,844,100 |
| 21-33023 | $13,016,700 |

## Application for Review

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

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

## Disputed Taxes

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

SO ORDERED August 11, 2023.
STATE TAX COMMISSION OF MISSOURI

Erica M. Gage
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 August 11, 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