



STATE TAX COMMISSION OF MISSOURI

THOMAS LEE CHANEY,)
)
Complainant,)
) Appeal No. 23-32518
v.) Parcel No. 427410A000
)
TRAVIS WELGE, ASSESSOR,)
ST. CHARLES COUNTY, MISSOURI,)
)
Respondent.)

DECISION AND ORDER

Thomas Lee Chaney (Complainant) appeals the St. Charles County Board of Equalization's decision valuing the subject residential property at \$347,454 as of January 1, 2023. Complainant alleges overvaluation and asserts the true value in money (TVM) of the subject property as \$275,000 as of January 1, 2023. The BOE decision is affirmed.¹

The evidentiary hearing was held on June 20, 2024, via Webex. Complainant appeared pro se. Respondent was represented by counsel, Michael Mueth. The appeal was heard and decided by Senior Hearing Officer Todd D. Wilson.

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, sec. 14; Section 138.430.1, RSMo 2000. All statutory citations are to RSMo 2000, as amended.

1. The Subject Property. The subject residential property consists of a 1.02 acre lot improved with a single family home and a detached 32x56 building located at 1110 St. Theresa Lane, Dardenne Prairie, Missouri. The house is approximately 36 years old and has 1,465 square feet of above grade living space. The property has 1,465 square feet of basement area of which it is uncertain the square footage of finished area. Complainant testified regarding comparable home sales.

2. Assessment and Valuation. Respondent determined that the subject property's value as of January 1, 2023, was \$347,454. The BOE determined the subject property's appraised value as of January 1, 2023, was \$347,454.

3. Complainant's Evidence. Complainant introduced the following Exhibits which were admitted without objection:

Exhibit	Description
A	5 pages of 12 comparable property sales

Complainant introduced Exhibit A consisting of 12 comparable property sales. Complainant explained that while he is not an appraiser, he works in the mortgage industry and has reviewed thousands of appraisals, understands the process and used the same methodology in his comparison of sales. Upon cross examination, Complainant admitted that he is not a licensed real estate appraiser and did not make any adjustments to the sales for time of the sale. Exhibit A was received without objection.

4. Respondent's Evidence. Respondent introduced Exhibit 1, an Appraisal Report prepared by Jeff Duecker, a Missouri Certified Residential Real Estate Appraiser. Mr. Duecker testified that he had prepared the Appraisal in accordance with his experience and training. Mr.

Duecker stated that the Income approach was considered but because of the nature of the property and lack of rental information, it was not developed.

Mr. Duecker developed the Cost approach to value for the property. After accrued depreciation of the property, the value of the property in accordance with the cost approach was: the residence was estimated to be \$172,381 plus the site value of \$75,000 for a total indicated value by the Cost approach of \$247,381. Mr. Duecker set out in his report that the cost approach does not support the Sales Comparison Grid and local sales in the market. Several factors can affect this including quality rating, condition rating, effective age, basement finish, quality of build of the detached building, condition of the detached building, and extent of interior finish of the detached building.

Mr. Duecker further developed the Sales Comparison approach. He stated that an extraordinary assumption had to be made regarding the condition of the property as the home owner did not allow an interior inspection. The interior condition of the property was assumed to be consistent with the conditions of the exterior of the property and, therefore, in average condition. Two conditions of the property set it apart from other properties and required adjustments and consideration of multiple properties, they are the size of the lot, which is considered to be about twice the size of most other lots in the area and the detached building. Mr. Duecker valued the property in average condition at \$440,000.

The cost approach and sales comparison approach were then reconciled with a final opinion of value of the property at \$440,000. Mr. Duecker gave no weight to the cost approach for the reasons set out above. Exhibit 1 was admitted without objection.

Mr. Duecker further testified that time adjustments need to be made in a Sales Comparison Approach. This is especially true in a market that is changing rapidly. Mr. Duecker explained that

during 2022, the value of real estate in St. Charles County, Missouri was increasing rapidly. He had applied time adjustments to the sales used by Complainant in Exhibit A, which was not done by Complainant, and found that the median sale price of the properties was \$343,243 and the average sale price was \$340,683. Mr. Duecker explained that the values of the comparable sales with the time adjustment fully supported the value of the BOE of \$347,454.

5. Value. The TVM of the subject property as of January 1, 2023, was \$347,454.

CONCLUSIONS OF LAW

1. Assessment and Valuation. Residential real property is assessed at 19% of its TVM as of January 1 of each odd-numbered year. Sections 137.115.1; 137.115.5(1)(a). The TVM is "the fair market value of the property on the valuation date[.]" *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). The TVM "is a function of [the property's] highest and best use[.]" *Snider*, 156 S.W.3d at 346. "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).

The TVM of a property is typically determined by the sales comparison approach, the income approach, or the cost approach. *Snider v. Casino Aztar/Aztar Missouri Gaming Corp.*, 156 S.W.3d at 346-48.

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

111 (Mo. App. W.D. 2015). "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).

3. Complainant's Burden of Proof. The taxpayer bears the burden of proof and must show by a preponderance of the evidence the property is overvalued. *Westwood P'ship v. Gogarty*, 103 S.W.3d 152, 161 (Mo. App. E.D. 2003). The BOE's valuation 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.* "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").

Property owners are competent to testify to the reasonable fair market value of their property. *Cohen*, 251 S.W.3d at 348. However, if owner's testimony is based on "improper elements or an improper foundation[.]" it is not substantial and persuasive evidence rebutting the presumptively correct BOE value. *Id.* at 349.

4. Complainant Did Not Produce Substantial and Persuasive Evidence of Overvaluation.

Complainant proposes a value of \$275,000 in his Complaint for Review and \$310,000 in Exhibit A. Complainant did not adjust the sales in Exhibit A for the time prior to the valuation

date, therefore, the evidence is not persuasive. “The comparable sales approach uses prices paid for similar properties in arms-length transactions and adjusts those prices to account for differences between the properties.” *Snider*, 156 S.W.3d at 347-48 (internal quotation omitted). Complainant did not produce substantial and persuasive evidence rebutting the presumptively correct BOE value. Complainant did not produce substantial and persuasive evidence showing the BOE overvalued the subject property and "the value that should have been placed on the property." *Tibbs*, 599 S.W.3d at 7.

CONCLUSION AND ORDER

Complainant did not produce substantial and persuasive evidence of overvaluation. The BOE decision is affirmed. The TVM of the subject property as of January 1, 2023, was \$347,454.

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 St. Charles 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 August 19, 2024.
STATE TAX COMMISSION OF MISSOURI

Todd D. Wilson
Senior Hearing Officer

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 23, 2024, to:

Thomas Lee Chaney, Complainant(s), at tomeygun@gmail.com

Michael Mueth, Attorney for Respondent, mmueth@sccmo.org

Stacy M. Ingle
Legal Assistant