



STATE TAX COMMISSION OF MISSOURI

North Lights Properties LLC) Appeal No. 21-17015, 21-17016,
Complainant(s),) 21-17017, and 21-17018
)
v.)
)
)
JAKE ZIMMERMAN, ASSESSOR,)
ST. LOUIS COUNTY, MISSOURI,)
Respondent.)

DECISION AND ORDER

North Lights Properties LLC, (Complainant) appeals the St. Louis County Board of Equalization's (BOE) decision determining the true value in money (TVM) of the subject residential properties as of January 1, 2021, alleging overvaluation and discrimination. The appeals were consolidated for the purpose of hearing. The hearing also included 253 commercial properties, that will be the subject of a separate Decision. Complainant did not produce substantial and persuasive evidence of overvaluation or discrimination. The BOE's decision is affirmed.¹

Complainant was represented by counsel, Brian Mueller. Respondent was represented by counsel, Steve Robson. The evidentiary hearing was conducted on January 26, 2023, via WebEx before Senior Hearing Officer (SHO), Benjamin Slawson. These matters were assigned to SHO Todd D. Wilson for decision on October 29, 2024.

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.

PRELIMINARY MATTERS

Complainant's counsel had filed these matters alleging overvaluation and discrimination. Complainant's counsel then withdrew the discrimination claims on all residential matters he was representing in St. Louis County for the 2021 assessment year. Counsel then moved to reinstate the discrimination claims on these four appeals. The STC had not ruled on the Motion to Reinstate prior to or at the hearing. It is hereby found and ordered that the Motion to Reinstate is granted and that the discrimination claims shall be allowed to proceed in this matter for decision.

Complainant filed a Motion for Judgment as a Matter of Law that was not ruled upon prior to the Hearing regarding these appeals and one commercial appeal. The basis for the Motion is that the Assessor valued property correctly, the BOE initially recommended no change, but then reconsidered and increased the value of the property. Complainant alleges that this was done without evidence and without the BOE setting forth a written finding of fact. Through the testimony of Al Lincoln, Supervisor of the Commercial Department of the St. Louis County Assessor's Office, it was shown that all the members of the BOE are real estate professionals, either brokers or appraisers; and all have access to the MLS and other resources commonly used by real estate professionals to value property. In accordance with the statutory authority granted to the Board in RSMo. Section 138.100, the Board had the authority to raise the value of the property. The Motion is overruled.

FINDINGS OF FACT

1. Subject Property. The subject properties are residential in nature located in St. Louis County. The attached table lists the Appeal number, Taxpayer Name, Parcel #, Assessor's value, and the BOE Value.

2. BOE. The BOE classified the subject properties as residential and determined the TVM of each property on January 1, 2021 as follows:

Appeal #	Complainant	Parcel ID	Assessor value	BOE Value
21-17015	North Lights Properties LLC	14L422501	\$ 1,243,700	\$1,480,000
21-17016	North Lights Properties LLC	14L422510	\$ 471,500	\$538,000
21-17017	North Lights Properties LLC	14L422521	\$ 346,800	\$403,500
21-17018	North Lights Properties LLC	14L422543	\$ 340,100	\$403,500

3. Complainant' Evidence. Complainant submitted Exhibits 1(A) through 79 (AAAA) as set out below; all of which were received and given the weight due:

EXHIBIT	TITLE
1 (A)	Viewpoint 2020 St. Louis, MO Industrial Annual Report
2 (B)	Outlook for the Hotel Industry - November 2020
3 (C)	St. Louis, MO Q1 2020 Multifamily Market Overview
4 (D)	CBRE Marketview - St. Louis Industrial Q2 2020
5 (E)	St. Louis Industrial 2Q 2020-Colliers
6 (F)	Marketbeat St. Louis Industrial Q2 2020 Cushman & Wakefield
7 (G)	Marketbeat St. Louis Office Q2 2020 Cushman & Wakefield
8 (H)	Marketbeat St. Louis Retail Q2 2020 Cushman & Wakefield
9 (I)	Q2 2020 Industrial Market Report Gershman Commercial
10 (J)	Q2 2020 Office Market Report Gershman Commercial
11 (K)	Q2 2020 Retail Market Report Gershman Commercial
12 (L)	2Q 2020 St. Louis Industrial Trends Gundaker Commercial Group
13 (M)	2Q 2020 St. Louis Office Trends Gundaker Commercial Group
14 (N)	2Q 2020 St. Louis Retail Trends Gundaker Commercial Group
15 (O)	Q2 2020 Gundaker Commercial Analytic Summary
16 (P)	Q2 2020 JLL St. Louis Industrial Insight
17 (Q)	Q2 2020 JLL St. Louis Office Insight
18 (R)	Research 2Q 2020 St. Louis Office Market Newmark Grubb Zimmer
19 (S)	Research 2Q 2020 St. Louis Retail Report Newmark Grubb Zimmer
20 (T)	CBRE Marketview - St. Louis Industrial Q3 2020
21 (U)	CBRE Marketview - St. Louis Office Q3 2020
22 (V)	St. Louis Industrial 3Q 2020-Colliers
23 (W)	Marketbeat St. Louis Industrial Q3 2020 Cushman & Wakefield
24 (X)	Marketbeat St. Louis Office Q3 2020 Cushman & Wakefield
25 (Y)	Q3 2020 Industrial Market Report Gershman Commercial
26 (Z)	Q3 2020 Office Market Report Gershman Commercial
27 (AA)	Q3 2020 Retail Market Report Gershman Commercial
28 (BB)	3Q 2020 St. Louis Industrial Trends Gundaker Commercial Group
29 (CC)	Q3 2020 Retail Market Report Gershman Commercial

30 (DD) Q3 2020 JLL St. Louis Industrial Insight

31 (EE) Q3 2020 JLL St. Louis Office Insight

32 (FF) Lee & Assoc Q3 2020 Market Reports

33 (GG) Research 3Q 2020 St. Louis Industrial Market Newmark Grubb Zimmer

34 (HH) Research 3Q 2020 St. Louis Office Market Newmark Grubb Zimmer

35 (II) Research 3Q 2020 St. Louis Retail Report Newmark Grubb Zimmer

36 (JJ) The Net Lease Market Report Q4 2020 The Boulder group

37 (KK) CBRE Marketview - St. Louis Industrial Q4 2020

38 (LL) CBRE Marketview - St. Louis Office Q4 2020

39 (MM) St. Louis Industrial 4Q 2020-Colliers

40 (NN) Marketbeat St. Louis Office Q4 2020 Cushman & Wakefield

41 (OO) Q4 2020 Retail Market Report Gershman Commercial

42 (PP) 4Q 2020 St. Louis Industrial Trends Gundaker Commercial Group

43 (QQ) 4Q 2020 St. Louis Retail Trends Gundaker Commercial Group

44 (RR) Q4 2020 JLL St. Louis Industrial Insight

45 (SS) Q4 2020 JLL St. Louis Office Insight

46 (TT) Research 4Q 2020 St. Louis Capital Markets Newmark Grubb Zimmer

47 (UU) Viewpoint 2021 St. Louis, MO Retail Annual Report

48 (VV) Viewpoint 2021 St. Louis, MO Industrial Annual Report

49(WW) Viewpoint 2021 St. Louis, MO Multifamily Annual Report

50 (XX) Viewpoint 2021 St. Louis, MO Office Annual Report

51 (YY) CBRE Research 2020 North America Industrial Big Box

52 (ZZ) Hospitality Market Report St. Louis - CoStar

53 (AAA) Industrial Capital Markets Report St. Louis - CoStar

54 (BBB) Industrial Market Report St. Louis CoStar

55 (CCC) Multi-Family Capital Markets Report St. Louis - CoStar

56 (DDD) Multi-Family Market Report St. Louis - CoStar

57 (EEE) Office Capital Markets Report St. Louis - CoStar

58 (FFF) Office Market Report St. Louis - Costar

59 (GGG) Retail Capital Markets Report St. Louis - CoStar

60 (HHH) Retail Market Report St. Louis - CoStar

61 (III) US Real Estate Market Outlook ink - CBRE Research

62 (JJJ) Email between Amanda Fender (Costar) & Brian Mueller (Lexstop)

63 (KKK) Land Sales

64 (LLL) CBRE North America Cap Rate Survey 2nd Half 2018

65 (MMM) County Cap Rate Issue

66 (NNN) Email between Joseph Craven (STLCo) & Brian Mueller (Lexstop)

67 (OOO) Statement with reasons for a change

68 (PPP) Recording of BOE Hearing

69 (QQQ) Property Record Cards

70 (RRR) XLS Spreadsheet

71 (SSS) BOE appeal form

72 (TTT) Response to Sunshine Law request

73 (UUU) Microsoft Word Icon

74 (VVV) BOE appeal form

- 75 (WWW) Notice of BOE Hearing
- 76 (XXX) Property Record Cards
- 77 (YYY) Comparable Sales Report
- 79 (AAAA) Response to Sunshine Law request

Complainant presented testimony from Shawn Morrison White, manager of property tax services at Brennan Group. Complainant inquired of Ms. White regarding the BOE Hearings of St. Louis County specifically for increasing values by the BOE over the value proposed by the Assessor.

Complainant then presented testimony of Al Lincoln, Supervisor of the Commercial Department of the St. Louis County Assessor's Office. Mr. Lincoln testified about the process of commercial valuation and changes in valuation by an appraiser on a property.

4. Respondent's Evidence. Respondent had previously filed Exhibit 1 in each of the appeals consisting of the decision of value of the BOE. Complainant objected to receipt of Exhibit 1 in each appeal. Exhibit 1 of Respondent is received in each appeal. Respondent did not present any other evidence.

5. Value. The TVM of the subject property as of January 1, 2021 was the value as determined by the BOE set out previously.

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).

"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

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

regarding any matter or issue relevant to the valuation, subclassification or assessment of the property." Section 138.430.2. The Hearing Officer's decision regarding the assessment or valuation of the property may be based solely upon 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 factfinder 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. Discrimination.

Discrimination can be either intentional or unintentional also known as "ratio discrimination". *Crown Diversified Indus. Corp. v. Zimmerman*, 683 S.W.3d 273, 276 (Mo. banc 2024). To show unintentional discrimination, the Complainant must show 1) the Fair Market

Value (FMV) of their property and 2) that their property was assessed at a greater percentage of FMV than the common assessment level generally applicable to similar properties. *Ashby Road Partners LLC v. State Tax Com'n*, 297 S.W.3d 80, 85 (Mo. banc 2009). If the actual assessment level applied to a specific property is “grossly excessive” compared to the common assessment level, the assessment is discriminatory. *Savage v. State Tax Com'n of Missouri*, 722 S.W.2d 72, 78-19 (Mo. banc 1986).

5. Complainant Did Not Prove Overvaluation or Discrimination.

Complainant’s Exhibits consisted of sales data, research, articles, recordings of BOE hearings, and property record cards. The Hearing Officer is not in a position to analyze sales data, research and articles and apply that analysis to the subject property. It is the responsibility of the Complainant to provide an analysis of data and present an opinion of value of the subject property. Complainant provided no analysis in accordance with any of the three recognized valuation approaches and presented no statistical model showing discrimination. Simply alleging that sales show that the values determined by the Respondent are all higher than actual sale prices without testimony from an expert invites the Hearing Officer to speculate as to how the data presented, articles, and research apply to a particular property. Complainant provided no opinion of a proposed valuation for each of the properties listed. Complainant has the burden to both show that the value set by the county is incorrect and what the value should be by substantial and persuasive evidence. No such evidence was provided to the hearing officer.

Complainant’s discrimination claim was an allegation that the BOE increased value of these properties only because their values were appealed. This is taken as an intentional discrimination claim. There was no testimony or other evidence that these were the only residential properties in St. Louis County for which the BOE raised their value in 2021. As Al Lincoln stated

in his testimony, “It is a Board of Equalization, not a Board of Reduction,” meaning that the BOE may raise as well as lower the assessed values of properties in the County. There is no showing that the sole reason for the increase was that an appeal was filed with the STC. Complainant did not prove discrimination by substantial and persuasive evidence.

CONCLUSION AND ORDER

The BOE decision is Affirmed in each of the listed appeals. The TVM of the subject property, as of January 1, 2021 was as determined by the BOE as follows:

Appeal #	Complainant	Parcel ID	Assessor value	BOE Value
21-17015	North Lights Properties LLC	14L422501	\$ 1,243,700	\$1,480,000
21-17016	North Lights Properties LLC	14L422510	\$ 471,500	\$538,000
21-17017	North Lights Properties LLC	14L422521	\$ 346,800	\$403,500
21-17018	North Lights Properties LLC	14L422543	\$ 340,100	\$403,500

Application for Review

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

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

Disputed Taxes

The Collector of St. Louis County, as well as the collectors of all affected political subdivisions therein, shall continue to hold the disputed taxes pending the possible filing of an

application for review, unless said taxes have been disbursed pursuant to a court order under the provisions of section 139.031.

So ordered February 19th, 2025.

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 February 21st, 2025, 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