

**INDIANA BOARD OF TAX REVIEW**  
**Small Claims**  
**Final Determination**  
**Findings and Conclusions**

**Petition No.:** 35-005-20-1-5-00672-20  
**Petitioners:** Douglas A. & Alyce L. Watkins  
**Respondent:** Huntington County Assessor  
**Parcel:** 35-05-03-300-745.735-005  
**Assessment Year:** 2020

The Indiana Board of Tax Review (Board) issues this determination in the above matter, and finds and concludes as follows:

**Procedural History**

1. The Petitioners initiated their 2020 assessment appeal with the Huntington County Assessor on April 29, 2020.
2. On October 9, 2020, the Huntington County Property Tax Assessment Board of Appeals (PTABOA) issued a Notification of Final Assessment Determination (Form 115) denying the Petitioners relief.
3. The Petitioners timely filed a Petition for Review of Assessment (Form 131) with the Board, electing the Board's small claims procedures.
4. On February 2, 2021, Dalene McMillen, the Board's Administrative Law Judge (ALJ) held the Board's administrative hearing telephonically. Neither the Board nor the ALJ inspected the property.
5. Douglas Watkins appeared *pro se* via telephone. Huntington County Assessor Terri Boone and county employee Julie Newsome appeared for the Respondent via telephone. All participants were sworn.

**Facts**

6. The property under appeal is a single-family home located at 702 Bellingham Drive in Huntington.
7. The PTABOA determined the total assessment was \$197,700 (land \$32,100 and improvements \$165,600).
8. The Petitioners requested a total assessment of \$186,100 (land \$28,900 and improvements \$157,200).

## Record

9. The official record for this matter is made up of the following:

a) A digital recording of the hearing.

b) Exhibits:

- Petitioner Exhibit 1: Taxpayer’s Notice to Initiate an Appeal (Form 130) and Notice of Assessment of Land and Structures / Improvements (Form 11),
- Petitioner Exhibit 1A: Letter from Douglas & Alyce Watkins to Terri Boone dated June 29, 2020,
- Petitioner Exhibit 1B: Notice of Hearing on Petition – Real Property (Form 114); Petitioners’ written presentation; Indiana Market Overview from Zillow; and four “mapbox” maps of Huntington County,
- Petitioner Exhibit 1C: Property record cards for the subject property, 606 Keswick Drive, 703 Keswick Drive, and 708 Keswick Drive,
- Petitioner Exhibit 2: Email from Julie Newsome to Douglas Watkins dated June 19, 2020,
- Petitioner Exhibit 3: Petitioners’ written presentation and four exterior photographs of the subject property,
- Petitioner Exhibit 4: Respondent’s sales comparison analysis and Beacon property information sheets for 3003 Hampton Court, 600 Britannia Drive, 407 Carlisle Drive, and 602 Britannia Drive,<sup>1</sup>
- Petitioner Exhibit 5: Letter to Residents of Carlisle from Christopher Shortridge; Carlisle Crossing neighborhood newsletter; and Carlisle Crossing Community Association, Inc., 2021 budget.
- Respondent Exhibit 1: Form 130 and exterior photograph of the subject property,
- Respondent Exhibit 2: Joint Report by Taxpayer / Assessor to the County Board of Appeals of a Preliminary Informal Meeting (Form 134),
- Respondent Exhibit 3: Form 114,
- Respondent Exhibit 4: Form 115,
- Respondent Exhibit 5: Form 131,
- Respondent Exhibit 6: Subject property record card,

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<sup>1</sup> Petitioners’ Exhibit 4 was presented by the Assessor at the PTABOA hearing.

- Respondent Exhibit 7: Aerial photograph of the subject property,
- Respondent Exhibit 8: Respondent's written presentation,<sup>2</sup>
- Respondent Exhibit 10: Respondent's sales comparison analysis and aerial photograph of the neighborhood,
- Respondent Exhibit 11: Property record cards and sales disclosure forms for 3003 Hampton Court, 600 Britannia Drive, and 602 Britannia Drive,
- Respondent Exhibit 12: "Time analysis using resales,"
- Respondent Exhibit 12A: Contributory value of extra half-bathroom,
- Respondent Exhibit 12B: Contributory value of a 3-car garage vs. 2-car garage,
- Respondent Exhibit 12C: Abstraction of depreciation from sales,
- Respondent Exhibit 12D: Land sales analysis,
- Respondent Exhibit 13: Email exchange between Miranda Snelling and Julie Newsome dated December 16, 2020.

- c) The record also includes the following: (1) all pleadings and documents filed in this appeal; (2) all orders, and notices issued by the Board or ALJ; and (3) these findings and conclusions.

### Contentions

#### 10. Summary of the Petitioners' case:

- a) The subject property is over-assessed. The property under appeal is a three-bedroom, two-bathroom, single story home measuring 1,817 square feet. The assessment increased from \$185,800 in 2019 to \$197,700 in 2020, roughly 6.4%.<sup>3</sup> According to Zillow, the average 2019 property value increase in Indiana was 5.5%. Mr. Watkins has "run appraisals" for American Financial in the past, and based on his experience, he knows how to use comparable properties to establish values. *Watkins testimony; Pet'r Ex. 1B.*
- b) In support of their position, the Petitioners offered assessment information for three comparable properties in their neighborhood. The properties are located at 606, 703, and 708 Keswick Drive.<sup>4</sup> All of the homes are three-bedroom ranch style measuring 1,787, 1,778, and 1,934 square feet, respectively. The property at 703 Keswick Drive has a third bathroom and 708 Keswick Drive is located on a corner lot. The three properties are assessed at \$166,800, \$185,000, and \$188,500 for an average assessment of \$180,100. The subject property is currently assessed at \$197,700. Based on these comparable assessments and a "small amount of logic," the 2020

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<sup>2</sup> The Respondent's exhibit coversheet lists Respondent's Exhibit 9 as a "market comparable sales/aerial." This exhibit was not submitted into the record.

<sup>3</sup> Petitioners' Exhibit 1 lists the 2019 assessed value as \$185,500. The subject property record card indicates the 2019 assessed value was \$185,800.

<sup>4</sup> In response to questioning, the parties agree 708 Keswick Drive sold on February 20, 2020, for \$205,000. *Watkins testimony; Newsome testimony.*

assessment of the subject property should be reduced to \$186,100. *Watkins testimony; Pet'r Ex. 1, 1C.*

- c) The subject property also suffers from flooding. According to Mr. Watkins, there is a man-made swale in the rear of the property that is inadequate. There is also a “stone bank” with a six foot drop off that is planted in prairie grass to prevent erosion. These issues render the property approximately 60% inhabitable.<sup>5</sup> *Watkins testimony.*
- d) Mr. Watkins also presented the land assessments of two comparable lots in the same neighborhood. The first lot, 506 Carlisle Drive, has a land assessment of \$21,300. The second lot, 509 Carlisle Drive, has a land assessment of \$29,900. The subject property has a land assessment of \$32,100. *Watkins testimony.*
- e) The land assessment should be valued utilizing the Respondent’s formula found in Respondent’s Exhibit 12D. According to this formula, the price per square foot is determined by dividing the sale price of the lot by the “given lot size.” The subject property was purchased on October 11, 2013, for \$25,000. When the sale price is divided by the “given lot size” it equals an average price per square foot of \$1.08. Applying the \$1.08 per square foot to the subject property’s lot size of 19,305 square feet, yields a lot value of \$20,850. *Watkins testimony (referencing Resp’t Ex. 12D).*
- f) The Respondent presented a flawed sales comparison analysis. The Respondent erred in stating the subject property was built in 2013. According to the Petitioners, in 2013 only the slab had been poured, the framing was not approved until January 2014. The analysis also incorrectly lists the subject property as a one-story over a crawl space, the home is situated on a slab. *Watkins argument (referencing Resp’t Ex. 10, 11).*
- g) The Respondent’s sales comparison analysis incorrectly indicates that 3003 Hampton Court has a two-car garage. According to the property record card, this property has a three-car garage. The properties located at 600 and 602 Britannia Drive were built in 2017, making them newer than the subject property. Newer properties are normally at the “top end” of the “value scale.” These properties have C+2 quality grade and design factor, while the subject property has a grade and design factor of C+1. The Respondent failed to make any adjustments to account for the difference in grade and design factor. The Respondent also made a mathematical error in calculating the adjustments on 602 Britannia Drive. Because the Respondent used flawed data in her value calculations, her sales comparison analysis should be given little probative weight. *Watkins argument (referencing Resp’t Ex. 10, 11).*

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<sup>5</sup> Mr. Watkins referred to photographs from the summer of 2019 flooding as exhibits 7 and 8 provided at the “initial county hearing.” Exhibits 7 and 8 were not submitted into evidence at the Board hearing.

11. Summary of the Respondent's case:

- a) The subject property is currently under-assessed. This three-bedroom, two bath, single story home was built in 2013 and has 1,817 square feet of living space. The property also features a 748 square foot attached garage. The property is adequately maintained and is in average condition. *Newsome testimony; Resp't Ex. 6, 8.*
- b) To support her position, the Respondent performed a sales comparison analysis selecting three comparable properties in the Carlisle Crossing neighborhood. The three comparable homes sold between March 16, 2018, and October 31, 2019. The Respondent developed adjustments of substitution, contribution, and time by applying a paired sales analysis to estimate the adjustments for physical characteristics. The Respondent selected the following comparable properties:
  - 3003 Hampton Court – a one-story home on a slab built in 1994. The home has 1,432 square feet of living space, with two full bathrooms, a two-car garage, and is in average condition. The lot measures 9,688 square feet. This property sold on March 16, 2018, for \$195,500.
  - 600 Britannia Drive – a one-story home on a slab built in 2017. The home has 2,074 square feet of living space, two full and one-half bathrooms, a two-car garage, and is in average condition. The lot measures 11,410 square feet.<sup>6</sup> This property sold on November 13, 2018, for \$223,000.
  - 602 Britannia Drive – a one-story home on a slab built in 2017. This home has 1,774 square feet of living space, two full bathrooms, a three-car garage, and is in average condition. The lot measures 11,830 square feet. This property sold on October 31, 2019, for \$231,000.

*Newsome testimony; Resp't Ex 8, 10, 11.*

- c) The Respondent adjusted the sale prices to account for the time difference between sale dates and the valuation date for the subject property. She analyzed the “resale” method of three properties in Carlisle Crossing and quantified the time adjustment at 0.3% per month. *Newsome testimony; Resp't Ex. 12.*
- d) The Respondent had to make an age adjustment because the subject property was built in 2013, while the comparable properties were built in 1994 and 2017. One comparable property was 19 years older than the subject property, and the remaining two comparable properties were 4 years newer. The depreciation per year is 0.3%, so

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<sup>6</sup> Ms. Newsome testified the lot size of 3003 Hampton Court was “12,500” and 600 Britannia Drive was “10,263.” However, her sales comparison analysis indicates these amounts were the lot size adjustments. *See Resp't Ex. 10.*

she adjusted the sale prices with a positive adjustment of 5.7% and a negative adjustment of 1.2%. *Newsome testimony; Resp't Ex. 12C, 13.*

- e) Next, adjustments were made for half-bathrooms, garage size, and lot size. After adjustments were made to the comparable properties, the adjusted sale prices ranged from \$239,600 to \$252,300. The Respondent placed the most weight on the 602 Britannia Drive sale. Therefore, based on the sales comparison approach and “current actions of buyers” the value of the subject property should be \$240,000. Although the sales comparison approach indicates the property is currently undervalued, the Respondent is not requesting an increase in the assessment. *Newsome testimony; Resp't Ex. 8, 10, 12A, 12B, 12D.*

### **Burden of Proof**

12. Generally, the taxpayer has the burden to prove that an assessment is incorrect and what the correct assessment should be. *See Meridian Towers East & West v. Washington Twp. Ass'r*, 805 N.E.2d 475, 478 (Ind. Tax Ct. 2003); *see also Clark v. State Bd. of Tax Comm'rs*, 694 N.E.2d 1230 (Ind. Tax Ct. 1998). The burden-shifting statute creates two exceptions to that rule.
13. First, Ind. Code § 6-1.1-15-17.2 “applies to any review or appeal of an assessment under this chapter if the assessment that is the subject of the review or appeal is an increase of more than five percent (5%) over the assessment for the same property for the prior tax year.” Ind. Code § 6-1.1-15-17.2(a). “Under this section, the county assessor or township assessor making the assessment has the burden of proving that the assessment is correct in any review or appeal under this chapter and in any appeal taken to the Indiana board of tax review or to the Indiana tax court.” Ind. Code § 6-1.1-15-17.2(b).
14. Second, Ind. Code § 6-1.1-15-17.2(d) “applies to real property for which the gross assessed value of the real property was reduced by the assessing official or reviewing authority in an appeal conducted under IC 6-1.1-15.” Under those circumstances, “if the gross assessed value of real property for an assessment date that follows the latest assessment date that was the subject of an appeal described in this subsection is increased above the gross assessed value of the real property for the latest assessment date covered by the appeal, regardless of the amount of the increase, the county assessor or township assessor (if any) making the assessment has the burden of proving that the assessment is correct.” Ind. Code § 6-1.1-15-17.2(d).
15. Here, the parties agree the assessed value of the subject property increased by more than 5% from 2019 to 2020. The property record card shows the assessment increased from \$185,800 in 2019 to \$197,700 in 2020. Accordingly, the burden shifting provisions of Ind. Code § 6-1.1-15-17.2 apply and the Respondent has the burden to prove the 2020 assessment is correct.

## Analysis

16. The Respondent failed to make a prima facie case that the 2020 assessment is correct.
- a) Real property is assessed based on its market value-in-use. Ind. Code § 6-1.1-31-6(c); 2011 REAL PROPERTY ASSESSMENT MANUAL at 2 (incorporated by reference at 50 IAC 2.4-1-2). The cost approach, the sales comparison approach, and the income approach are three generally accepted techniques to calculate market value-in-use. Assessing officials primarily use the cost approach, but other evidence is permitted to prove an accurate valuation. Such evidence may include actual construction costs, sales information regarding the subject property or comparable properties, appraisals, and any other information compiled in accordance with generally accepted appraisal principles.
  - b) Regardless of the method used, a party must explain how the evidence relates to the relevant valuation date. *O'Donnell v. Dep't of Local Gov't Fin.*, 854 N.E.2d 90, 95 (Ind. Tax Ct. 2006); *see also Long v. Wayne Twp. Ass'r*, 821 N.E.2d 466, 471 (Ind. Tax Ct. 2005). For a 2020 assessment, the valuation date was January 1, 2020. *See* Ind. Code § 6-1.1-2-1.5.
  - c) Here, the Respondent has the burden to prove the 2020 assessment is correct. To support the current assessed value of \$197,700, the Respondent presented a sales comparison analysis. To effectively use a sales comparison approach in a property tax assessment appeal, the proponent must establish the comparability of the properties being examined. Conclusory statements that a property is “similar” or “comparable” to another property do not constitute probative evidence of the comparability of the properties. *Long*, 821 N.E.2d at 470. The proponent must identify the characteristics of the subject property, explain how those characteristics compare to the characteristics of the purportedly comparable properties, and explain how any differences affect the relevant market value-in-use of the properties. *Id.* at 471.
  - d) The Respondent relied on three purportedly comparable properties. According to the Respondent, adjustments were made to account for differences in date of sale, bathroom count, garage count, year built, and lot size. The Respondent developed “adjustments of substitution, contribution, and time by applying a paired sales analysis to estimate the adjustments for physical characteristics.” A paired sales analysis can be used to estimate a time adjustment, but properties included in the analysis should be similar to the subject property in terms of location, age, and physical characteristics. This ensures that they are generally representative of the subject property’s market, and therefore, are an accurate reflection of the pricing pressures affecting the subject property’s market value-in-use. Here, the Respondent failed to establish that any of the paired sales were actually similar to the subject property. While the three purportedly comparable properties are from the subject property’s neighborhood, the Board can at least infer that the properties used in the

paired sales analysis are similarly located, although a home's location in one part of a neighborhood may have more value than another area in the neighborhood. Nevertheless, the Respondent failed to offer any evidence regarding the various differences in the amenities included in the properties. Moreover, without supporting documentation there is no way of knowing whether the properties used in the paired sales analysis have been remodeled, upgraded, renovated, or what the interior condition was at the time of the sales. The Respondent also failed to provide any supporting documentation for the paired sales, such as property record cards or sales disclosure forms that would reveal whether the properties have similar ages or physical characteristics. This lack of evidence leaves the Board with insufficient information to discern even the most basic characteristics of the properties. Furthermore, the Respondent failed to explain how this rather basic paired sales analysis complies with generally accepted appraisal principles.

- e) While the Respondent pointed to some differences between the subject property and the three comparable properties, she failed to offer sufficient evidence relating the specific features and amenities to the subject property.<sup>7</sup> Moreover, it is not clear if the Respondent's analysis considers all relevant differences between the properties, for example the gross living area or the type of sale. The Respondent's presentation therefore falls short of providing the level of analysis contemplated by *Long*.
- f) For these reasons, the Respondent failed to make a prima facie case that the 2020 assessment is correct. The Petitioners are therefore entitled to have the 2020 assessment reduced to its 2019 level of \$185,800. However, the Petitioners requested the property be assessed at \$186,100. Thus, the Board will accept the Petitioners' concession and set the 2020 assessment at \$186,100.

### **Conclusion**

17. The Board finds for the Petitioners.

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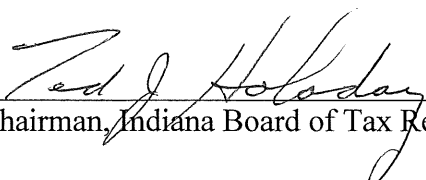
<sup>7</sup> The Respondent's sales comparison analysis includes several errors in the grid. 3003 Hampton Court has a three-car garage not a two-car garage, therefore the \$21,500 adjustment should be removed. 600 Britannia Drive should have a net adjustment of \$37,063, not \$16,600. And 602 Britannia Drive should have a net adjustment of \$8,400 instead of \$11,900. These errors further render the sales comparable analysis insufficient.

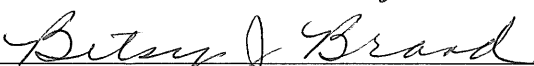



## Final Determination

In accordance with the above findings and conclusions, the 2020 assessment must be reduced to \$186,100.

ISSUED: April 23, 2021

  
Chairman, Indiana Board of Tax Review

  
Commissioner, Indiana Board of Tax Review

  
Commissioner, Indiana Board of Tax Review

### - APPEAL RIGHTS -

You may petition for judicial review of this final determination under the provisions of Indiana Code § 6-1.1-15-5 and the Indiana Tax Court's rules. To initiate a proceeding for judicial review you must take the action required not later than forty-five (45) days after the date of this notice. The Indiana Code is available on the Internet at <http://www.in.gov/legislative/ic/code>. The Indiana Tax Court's rules are available at <http://www.in.gov/judiciary/rules/tax/index.html>