



State of Tennessee
Department of State
Administrative Procedures Division
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243-1102
Phone: (615) 741-7008/Fax: (615) 741-4472

February 5, 2024

Anderson & Margarita Young
20 Natchez Place
Jackson, TN 38305
Sent via email only to:
phonemanandy@yahoo.com

Madison County Assessor's Office
100 E. Main Street, Suite 304
Jackson, TN 38301
Sent via email only to:
kmills@madisoncountyttn.gov

Robin Pope
Executive Director, State Board of
Equalization
Cordell Hull Building
425 Rep. John Lewis Way North
Nashville, TN 37243
Sent via email only to: Address on File

**RE: ANDERSON & MARGARITA YOUNG V. MADISON COUNTY ASSESSOR'S
OFFICE, APD Case No. 53.01-237049J**

Enclosed is an *Initial Order*, including a *Notice of Appeal Procedures*, rendered in this case.

Administrative Procedures Division
Tennessee Department of State

Enclosure(s)

**BEFORE THE ADMINISTRATIVE JUDGE ON BEHALF OF
THE TENNESSEE BOARD OF EQUALIZATION**

IN THE MATTER OF:

ANDERSON & MARGARITA YOUNG,
Petitioners,

v.

**MADISON COUNTY ASSESSOR'S
OFFICE,**
Respondent.

APD Case No. 53.01-237049J

Nos./Parcels:

142748 / 056O B 01000 000

142747 / 065A C 02500 000

Tax Year 2023

INITIAL DECISION AND ORDER

The Madison County Board of Equalization (“local board”) valued the subject properties for tax year 2023 as follows:

Parcel 065A C 02500 000 (Appeal 142747)

<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Value</u>	<u>Assessment</u>
\$10,800	\$365,600	\$376,400	\$94,100

Parcel 056O B 01000 000 (Appeal 142748)

<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Value</u>	<u>Assessment</u>
\$15,000	\$137,500	\$152,500	\$38,125

The Taxpayers, Mr. Anderson Young and Mrs. Margarita Young timely filed an appeal with the State Board of Equalization (“state board”) for tax year 2023. On January 31, 2024, the undersigned administrative judge conducted a telephone hearing with the parties. Mr. Young participated in the hearing and testified on his own behalf. Mr. Kevin Mills participated in the hearing and testified on behalf of the Madison County Assessor’s Office (“the Assessor”). Ms. Brandy Goodman was also present on behalf of the Assessor but did not testify. Six (6) exhibits were entered into evidence: Exhibit 1 – Photos of Natchez Place and Comparable Properties; Exhibit 2 – Map Showing the Location of Natchez Place Comparable Sales; Exhibit 3 – Natchez

Place Adjustment Grid; Exhibit 4 - Photos of Hiawatha Drive and Comparable Properties; Exhibit 5 – Map Showing the Location of Hiawatha Drive Comparable Sales; Exhibit 6 – Hiawatha Drive Adjustment Grid.

ISSUE FOR DETERMINATION

The issue presented is whether Taxpayer has proven, by a preponderance of the evidence, that the valuation of the subject properties should be lowered from the value adopted by the local board. Based upon the following findings of fact and conclusions of law, it is determined that Taxpayer failed to meet his burden of proof for a lower valuation.

FINDINGS OF FACT

1. Parcel 065A C 02500 000 is a 4,707 square-foot residence situated on a double lot located at 20 Natchez Place in Jackson, Tennessee. The residence has an actual age of 40 years and is in average condition based on its age and construction. The residence has a porch, garage, and storage building.

2. Taxpayer contends the Natchez Place property is worth approximately \$235,000 because that value is close to what Taxpayer paid for the property a few years ago. Taxpayer contends that his purchase shows the value agreed upon between a willing buyer and a willing seller.

3. Parcel 056O B 01000 000 is a 1,863 square-foot residence located at 5 Hiawatha Drive in Jackson, Tennessee. The residence has an actual age of 59 years and is in average condition based on its age and construction. The residence has a garage, two patios/stoops, a fireplace, and a wood deck.

4. Taxpayer purchased the property next door to the Hiawatha Drive property approximately two years ago for \$72,000; however, that property was a private sale as it was not placed on the market. Taxpayer contends that his \$85,000 purchase of the adjacent property shows

the approximate value a willing buyer and a willing seller might pay for the Hiawatha Drive property.

5. Taxpayer offered no comparable sales or properly adjusted analysis of comparable sales with regard to either property at issue. Rather, Taxpayer noted that the assessed value of both properties increased by approximately 45% from 2022 to 2023, which Taxpayer contends is a speculative increase in value.

6. Regarding the Natchez Place property, the Assessor relied on four nearby, properly adjusted comparable sales to support a valuation of \$448,000 for the property. The adjusted values for the three comparable sales ranged from \$432,922 to \$469,695. However, the Assessor asked only that the value of the local board - \$376,400 – be affirmed.

7. Regarding the Hiawatha Drive property, the Assessor relied on three nearby, properly adjusted comparable sales to support a valuation of \$177,000 for the property. The adjusted values for the three comparable sales ranged from \$156,430 to \$202,852. However, the Assessor asked only that the value of the local board - \$152,500 – be affirmed.

APPLICABLE LAW

A party challenging the current assessment of a property bears the burden of proof. STATE BOARD RULE 0600-1-.11(l). To meet the burden of proof, the party seeking to change the assessed value must show that a preponderance of the evidence supports that change. A preponderance of the evidence means that, considering all relevant evidence, a party's contention of value is more likely than not.

Pursuant to TENN. CODE ANN. § 67-5-601(a) “[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values” Merely disproving assumptions underlying the current valuation or pointing out “the likelihood

that a more accurate value is possible” - without more – neither invalidates the levy or judgment under appeal nor constitutes a prima facie case for a change. *Coal Creek Company* (Final Decision & Order, Anderson, Campbell, and Morgan counties, Tax Years 2009-2013, issued June 25, 2015).

Pursuant to TENN. CODE ANN. § 67-5-504(a), “[a]ll assessments of real property and of personal property shall be made annually and as of January 1 for the year to which the assessment applies....” Accordingly, the value at issue for assessment purposes is the property’s value “as of January 1 for the year to which the assessment applies.” *Id.*

ANALYSIS and CONCLUSIONS OF LAW

Taxpayer contends that the Assessor’s valuation is speculative in violation of TENN. CODE ANN. § 67-5-601(a) because it is based on square footage rather than the “value for purposes of sale between a willing buyer and a willing seller....” *Id.* Taxpayer contends that the most recent sale of each subject property is a more accurate reflection of the value for purposes of sale between a willing buyer and seller. Taxpayer’s argument overlooks the fact that the value at issue for assessment purposes is the property’s value “as of January 1 for the year to which the assessment applies.” TENN. CODE ANN. § 67-5-504(a). Accordingly, because tax year 2023 is at issue, the relevant value for assessment purposes is the value for purposes of sale as of January 1, 2023. Sales that occurred a few years prior do not reflect the value of the properties as of January 1, 2023. Therefore, the Assessor looked to recent sales of similar, nearby properties and properly adjusted those comparable sales to determine the value for purposes of sale for the subject properties as of January 1, 2023. In contrast, Taxpayer offered no comparable sales or properly adjusted analysis of comparable sales with regard to the January 1, 2023, value of either property at issue.

Upon a thorough review of the evidence submitted, the undersigned administrative judge finds that Taxpayer did not meet the burden of proof to justify a decrease in the local board’s value

for tax year 2023. As noted in *Delano Carroll* (Initial Decision and Order, Washington County, Tax Year 2015, issued September 17, 2015), “When the appealing party fails to carry the burden of proof the administrative judge simply affirms the ruling of the county board of equalization based upon a presumption of correctness.” Therefore, the undersigned finds that evidence supports a value of \$376,400 for the Natchez Place property and \$152,500 for the Hiawatha Drive property.

DETERMINATION

It is, therefore, **ORDERED** that the following valuation be and adopted for tax year 2023:

Parcel 065A C 02500 000 (Appeal 142747)


<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Value</u>	<u>Assessment</u>
\$10,800	\$365,600	\$376,400	\$94,100

Parcel 056O B 01000 000 (Appeal 142748)

<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Value</u>	<u>Assessment</u>
\$15,000	\$137,500	\$152,500	\$38,125

It is so **ORDERED**.

This INITIAL ORDER entered and effective this the **5th day of February, 2024**.


MARK GARLAND
ADMINISTRATIVE JUDGE
ADMINISTRATIVE PROCEDURES DIVISION
OFFICE OF THE SECRETARY OF STATE

Filed in the Administrative Procedures Division, Office of the Secretary of State, this the **5th day of February, 2024**.

NOTICE OF APPEAL PROCEDURES

REVIEW OF INITIAL ORDER

The Administrative Judge's decision in your case **BEFORE THE ADMINISTRATIVE JUDGE ON BEHALF OF THE TENNESSEE BOARD OF EQUALIZATION (the State Board)**, called an Initial Order, was entered on **February 5, 2024**. The Initial Order is not a Final Order but shall become a Final Order unless:

1. **A party files a Petition for Reconsideration of the Initial Order:** You may ask the Administrative Judge to reconsider the decision by filing a Petition for Reconsideration with the Administrative Procedures Division (APD). Your Petition should include your name, the above APD case number, and state the specific reasons why you think the decision is incorrect. APD must **receive** your written Petition no later than 15 days after entry of the Initial Order, which is **February 20, 2024**. A new 15 day period for the filing of an appeal to the State Board of Equalization (the State Board) (as set forth in paragraph (2), below) starts to run from the entry date of an order ruling on a Petition for Reconsideration, or from the twentieth day after filing the Petition if no order is issued. Filing instructions are included at the end of this document.

The Administrative Judge has 20 days from receipt of your Petition to grant, deny, or take no action on your Petition for Reconsideration. If the Petition is granted, you will be notified about further proceedings, and the timeline for appealing (as discussed in paragraph (2), below) will be adjusted. If no action is taken within 20 days, the Petition is deemed denied. As discussed below, if the Petition is denied, you may file an appeal of the Initial Order within 30 days after an Order denying the Petition for Reconsideration is sent or 30 days after the 20th day after the Petition is filed if no Order has issued, whichever comes first. *See* TENN. CODE ANN. § 4-5-317.

2. **A party files an appeal to the State Board:** A party may appeal the Administrative Judge's decision to the State Board pursuant to TENN. CODE ANN. §§ 67-5-1501 and 67-5-1506, and TENN. COMP. R. & REGS. 0600-01-.12. TENN. CODE ANN. § 67-5-1501(c) provides that an appeal "must be filed within thirty (30) days from the date the initial decision is sent." TENN. COMP. R. & REGS. 0600-01-.12(2) provides that the appeal be filed with the Executive Secretary of the State Board at the address indicated below and that the appeal must "identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order; and identify how the rights of the petitioner have allegedly been prejudiced because the administrative findings, inferences, conclusions, or decisions are: (1) in violation of constitutional or statutory provisions; (2) made upon unlawful procedure; (3) arbitrary and capricious or characterized by abuse of discretion; or (4) unsupported by evidence that is both substantial and material in light of the entire record." Any appeal to the State Board should also be filed with APD.
3. **The State Board of Equalization may decide on its own motion to review the Initial Order:** The State Board may affirm, reverse, or modify the Initial Order. The State Board may also remand the case to the Administrative Judge for further proceedings.

If either of the actions set forth in paragraphs (2) or (3) above occurs prior to the Initial Order becoming a Final Order, there is no Final Order until the State Board renders a Final Order.

If none of the actions set forth in paragraphs (1), or (2) or (3), are taken, then the Initial Order will become a Final Order. **In that event, YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER.**

NOTICE OF APPEAL PROCEDURES

STAY

In addition to the above actions, you may file a Petition asking the Administrative Judge for a stay that will delay the effectiveness of the Initial Order. A Petition for stay must be **received** by the APD within 7 days of the date of entry of the Initial Order, which is no later than **February 12, 2024**. See TENN. CODE ANN. § 4-5-316. A reviewing court may also order a stay of the Initial Order upon appropriate terms. See TENN. CODE ANN. § 4-5-322 and 4-5-317.

REVIEW OF A FINAL ORDER

When an Initial Order becomes a Final Order, a person who is aggrieved by a Final Order may seek judicial review of the Final Order by filing a Petition for Review in the chancery court where the disputed assessment was made or in the chancery court of Davidson, Washington, Knox, Hamilton, Madison or Shelby Counties, whichever county is closest in mileage to the situs of the property. If the property is located in Knox, Hamilton or Shelby County, the Petition for Review may alternatively be filed in the chancery court of Davidson County. See TENN. CODE ANN. § 67-5-1511(b). The Petition for Review must be filed within 60 days of (a) the date of entry of a Final Order; (b) the date the Initial Order becomes a Final Order; or (c) the date of a notice or certificate sent by the State Board when it has taken a final action, whichever date is latest. See TENN. CODE ANN. §§ 4-5-322 and 67-5-1506(b). A Petition for Review of the final decision of the State Board in a contested case involving centrally assessed utility property assessed in accordance with title 67, chapter 5, part 13, shall be filed with the middle division of the Tennessee court of appeals.

The filing of a Petition for Reconsideration is not required before appealing. See TENN. CODE ANN. § 4-5-317. A reviewing court also may order a stay of the Final Order upon appropriate terms. See TENN. CODE ANN. §§ 4-5-322 and 4-5-317.

FILING

Documents should be filed with the Administrative Procedures Division by email *or* fax:

Email: APD.Filings@tn.gov

Fax: 615-741-4472

In the event you do not have access to email or fax, you may mail or deliver documents to:

Secretary of State
Administrative Procedures Division
William R. Snodgrass Tower
312 Rosa L. Parks Avenue, 6th Floor
Nashville, TN 37243-1102

Documents to be filed with the Executive Secretary of the State Board of Equalization should be filed by email *or* regular mail:

Email: sb.web@cot.tn.gov

Executive Secretary of the State Board of Equalization
State Board of Equalization
425 Rep. John Lewis Way N.
Nashville, TN 37243