

Susan Durham, Director –
Department of Finance

Sue Willson - Assessment
Supervisor

Kent



County

Kent County
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(Handicapped Accessible)

Assessment Division

ASSESSMENT REVIEW BOARD MINUTES

DATE: September 19, 2017
TIME: 10:00 AM
LOCATION: **Levy Court Chambers**, Kent County Complex

CALL TO ORDER: The meeting was called to order at 10:02 am by Chairman Wilt.

PRESENT WERE:

Charles Wilt – Chairman	Daniel String
Walt Studte	Susan Durham
Ron Eby	Sue Willson
David Fry	Craig Eliassen - Attorney
Tim Johnson	

ADDITIONS OR DELETIONS TO THE AGENDA

Ms. Willson stated that there were two (2) additions to the agenda. The first addition is an Exemption request from the City of Harrington and the second is an Elderly/Disability Appeal from Catherine and Lewis Harvey.

ADOPTION OF THE AGENDA

On motion made by Mr. Eby and seconded by Mr. Fry, the Board voted 6 – 0 to approve the agenda with the stated additions.

APPROVAL OF MINUTES

On motion made by Mr. Johnson and seconded by Mr. String, the Board voted 6 – 0 to approve the minutes of June 28, 2017.

OLD BUSINESS

Ms. Durham stated that due to the fact that there really wasn't another place to cover this topic, she would address it to the Board under Old Business. She stated that she wanted to review with them the way that the Hearings would be taking place. Ms. Durham stated that when the hearing is opened, Ms. Willson would introduce the appeal; the attorney, Mr. Craig Eliassen would read the rules and procedures for the flow of the hearing; the appellant would present their case first followed by the Assessment Office and then rebuttal from the appellant. She stated that the appellant would receive the written decision within 5 business days and added that Mr. Eliassen would swear in all persons that will be testifying.

Mr. Eby asked if that meant the Board would be deliberating and making their decision after the hearing. Ms. Durham stated that the Board would close the hearing and then discuss the testimonies and render a decision.

NEW BUSINESS

Exemption Requests:

Ms. Willson introduced a Government Exemption Request from the Town of Clayton from a property located at 306 and 310 S. Bassett St. in Clayton. She stated that the parcel was purchased June 5, 2017 and the building on the property is used as their Public Works building. Ms. Willson added that taxes in the amount of \$2,864.24 are due for 2017.

On motion made by Mr. Studte and seconded by Mr. Fry, the Board voted 6 – 0 to approve the exemption request and waive the 2017 taxes.

Ms. Willson introduced a Religious Exemption Request from Dover Christian Church for a property located at 2055 Forrest Ave. in Dover which was purchased by the Church in 2007. She stated that even though they have owned it since 2007, they are just now applying for exemption and have been paying the taxes including 2017, so there are no taxes due.

Mr. Fry asked if the exemption takes place now or back to when they purchased it. Ms. Willson stated that since they are just now applying and have paid the 2017 taxes, it will begin with the next tax year.

On motion made by Mr. Eby and seconded by Mr. Fry, the Board voted 6 – 0 to approve the exemption request.

Ms. Willson introduced a Government Exemption Request from the City of Harrington for a property located on Dorman St. in Harrington. She stated that it is a 4.20 acre vacant parcel that will be used for a water tower, well, and the Harrington Public Library. Ms. Willson stated that the property was purchased on July 11, 2017 and recorded on July 13, 2017. She further stated that there was a payment of \$7.79 made towards the 2017 taxes with a remaining balance due of \$458.96.

On motion made by Mr. String and seconded by Mr. Johnson, the Board voted 6 – 0 to approve the exemption request and waive the remaining balance of the 2017 taxes.

Elderly/Disability Appeals

Ms. Willson introduced an Elderly/Disability Appeal from Catherine and Lewis Harvey of 173 Pinecone Dr., Dover whose application was denied for being received after the deadline. She stated that their application was received August 15, 2017 with an explanation that Mrs. Harvey has dementia and sometimes she gets the mail and Mr. Harvey may not know that she did or what she did with it. Ms. Willson stated that they have been in the program since 2009 with the exception of 2012 when they did not apply or appeal. She stated that they had not received any previous waivers and that their property assessment is \$21,200; the 2017 taxes owed are \$483.24; and that if they receive the waiver they will not owe any taxes.

Mr. String asked if they met all the other qualifications and were just late. Ms. Willson stated that they did.

On motion made by Mr. String and seconded by Mr. Johnson, the Board voted 6 – 0 to approve the appeal and allow the exemption as a one-time waiver.

APPEAL HEARING

Chairman Wilt opened the Appeal Hearing of Lachhman Gupta at 10:21 am and introduced the Assessment Review Board members to the appellant. Attorney for Kent County, Craig Eliassen read the rules for the hearing stating that Mr. Gupta would first be sworn in and present his testimony along with that of any witnesses; the Board as well as the Assessment Office would then be given the opportunity to ask questions of him or any witnesses; the Assessment Office representative(s) would be sworn in and present their testimony; Mr. Gupta would then be given time for rebuttal testimony; following all testimony, the hearing would be closed and Mr. Gupta would receive a written decision within five (5) business days; finally, the attorney would maintain the right to limit the time of testimony and to stop the testimony if it became redundant or did not relate directly to the appeal matter.

Mr. Eliassen swore in Mr. Gupta and Ms. Willson told Mr. Gupta that Board members all had copies of the paperwork he had submitted (a copy is attached as part of these minutes) while also informing the Board that Mr. Gupta was appealing four (4) parcels in Milford.

Mr. Gupta began by stating that he has been a resident of Kent County since December 1976 and participated in the development of Blair's Pond Phases I, II, and III and is not aware of those residential lots seeing an assessment increase. He stated that the assessment on the properties in question did go up in 1987 and that he has seen increases 8 more times since the \$3,100 assessment in 1986. Mr. Gupta stated that he came into the Assessment Office last year and was told to go to the State, which he did and that they assessed the lots at \$2,800 each. He stated that he has complained every year about the increases and has not gotten an explanation, so this year through FOIA and archives he went in to see the assessments of surrounding properties.

Ms. Willson stated that the property Mr. Gupta bought in 1978 was originally 1 parcel which was subdivided into five (5) parcels and that Mr. Gupta subsequently sold one (1) which now has a mobile home on it, the remaining four (4) are the subject of the appeal and are each over 1 acre and are assessed as 1 acre "Undeveloped" with the remainder as "Residual". As an example, she stated the 1.20 acre parcel is assessed as 1 acre "Undeveloped" and .20 acres "Residual". Ms. Willson stated that this is the standard assessment practice for these types of parcels.

Ms. Willson went through each parcel's assessment as follows (map of parcels shown on overhead screen):

5-00-173.00-01-47.00 - 1.20 acres; assessed as 1 acre "Undeveloped" and .20 acres "Residual" assessed at \$6,200

5-00-173.00-01-47.01 - 1.86 acres; assessed as 1 acre "Undeveloped" and .86 acres "Residual" assessed at \$6,700

5-00-173.00-01-47.02 - 1.05 acres; assessed as 1 acre "Undeveloped" and .05 acres "Residual" assessed at \$6,100

5-00-173.00-01-47.03 - 1.00 acre; assessed as 1 acre "Undeveloped" assessed at \$6,000

Mr. Eliassen interjected that since Ms. Willson was beginning to provide testimony she would need to be sworn in. Ms. Willson's swearing in followed.

Mr. Eby asked about the tax bill and assessment increases Mr. Gupta mentioned. Ms. Willson stated that the assessment he first referred to was before the 1987 re-assessment and before Mr. Gupta subdivided the land. Mr. Eby asked if assessments to vacant lots were comparable to Mr. Gupta's assessment.

Mr. Gupta stated that there should be a uniform assessment. He stated that these parcels are across from a chicken farm and no one wants to buy them, adding that he has been trying to sell them for many years. Mr. Gupta stated that when he bought the property in 1978 he received a tax bill of \$100.00, then the house on the property burned and he sold half of the land then the next tax bill was \$500.00 and he doesn't see any justification for that.

Mr. Gupta stated that he went to DeIDOT last year and they assessed the properties differently than the assessment the County is giving him. He stated that the assessments the County are using to compare to his are lots sold today, while he bought his in 1978 not yesterday.

Mr. String asked about the comparisons that Mr. Gupta provided, specifically his comparison #5 of 2 plus acres in Blair's Pond assessed at \$1,700. Ms. Willson stated that was not the current assessment. She stated that it is now \$9,200 for the land and it now has a house on it so it is assessed as a "Homesite". Ms. Willson stated that there are different classifications for those properties that Mr. Gupta used in his comparisons.

Mr. Eliassen stated that the Assessment Office would now be giving its testimony and Mr. Gupta would then be given the opportunity to present rebuttal.

Ms. Willson stated again that there are different assessment classifications and in regard to Mr. Gupta's comparisons (page 2 of submitted appeal documents from Mr. Gupta), the differences are as follows:

Item (6) – 99.10 acres with a 1,952 square foot house assessed at \$8,400 is actually farmland with only 1 acre assessed as a "Homesite", the remainder is "Farmland";

Item (7) – Unknown acreage with a 980 square foot house assessed at \$0 is a mobile home and his comparable does not show that the land is assessed separately;

Item (8) – 16.7 acres with a 1,920 square foot house assessed at 18,800 is actually 14.1 acres assessed as "Tillable" land and 2 acres assessed as a "Homesite";

Item (9) – 8.6 acres assessed at \$2,500 is actually assessed as 1 acre "Tillable" and 7.6 acres "Woodland".

Ms. Willson stated that the Board could see that those comparables provided by Mr. Gupta are not in the same classification and therefore not comparable to Mr. Gupta's assessment. She provided comparables more in line with the land classification of Mr. Gupta's subject properties (shown on overhead screen), they are as follows:

Frederica Road – 1.7 acres assessed as 1 acre "Undeveloped" and .7 acres "Residual" with an assessment of \$6,600;

Frederica Road – 1.5 acres assessed as 1 acre "Undeveloped" and .5 acres "Residual" with an assessment of \$6,400;

Bay Rd. (between Milford and Frederica) – five (5) 1+ acre parcels assessed as 1 acre "Undeveloped" and the remainder as "Residual" with assessments at \$6,500; \$6,400; \$6,400; \$6,200; and \$6,100.

Mr. String asked how the Assessment Office comes up with that. Ms. Willson stated they use tables associated with the different classifications and 1 acre of "Undeveloped" land is \$6,000 and if it's less than 2 acres the remainder is "Residual". She stated that some classifications are: Undeveloped; Tillable; Woodland; Homesite; etc. Mr. String asked if these tables are based on the 1987 assessments values. Ms. Willson stated that they are.

Mr. Eliassen asked if there had ever been any errors in the assessment of any of Mr. Gupta's parcels. Ms. Willson stated that there had been one (1). She explained that it had been discovered, not sure when, that his 1.05 acre parcel was being assessed entirely as "Undeveloped" but it was corrected to 1 acre "Undeveloped" and .05 acres "Residual".

With the Assessment Office concluding, Mr. Eliassen opened the floor to Mr. Gupta for any rebuttal remarks.

Mr. Gupta asked Ms. Willson if the properties she used as comparisons were assessments put on in 1987. Ms. Willson stated that she did not know when the properties were assessed, that she cannot go back but only refer to the current assessments which are based on the 1987 values.

Mr. Gupta asked when they were sold. Mr. Eliassen interjected that this was not the time for questions of the Assessment Office's testimony but instead time for Mr. Gupta to present his rebuttal and provide his final statements.

Mr. Gupta stated that the properties presented by the Assessment Office could have been sold in 2010, 2015 and that you cannot compare a property bought in 1978 to those bought in 2010 or 2015. He stated that since the reassessment in 1987 that only properties bought in 1988 would be comparable. Mr. Gupta added that in 1978 he only paid \$1,400 for the property and doesn't see how that is fair to compare properties bought after 1990. He said he believed that only those properties (bought prior to 1990) would be comparable otherwise it is an unfair comparison and he feels it is retaliation and unfair to provide those comparisons of properties purchased after 1987, 1988 or 1989. He pointed out that in his exhibits the Board would see where items were crossed out by hand and other notes written in by hand.

Mr. Eliassen asked Mr. Gupta if he had anything to add. Mr. Gupta stated that he did not.

Chairman Wilt closed the appeal hearing of Mr. Gupta at 10:55 am and told him that he would receive a written decision of the Board's decision within five (5) business days.

APPEAL HEARING

Chairman Wilt opened the Appeal Hearing of Robert Paolini at 11:05 am and introduced the Assessment Review Board members to the appellant. Attorney for Kent County, Craig Eliassen read the rules for the hearing stating that Mr. Paolini would first be sworn in and present his testimony along with that of any witnesses; the Board as well as the Assessment Office would then be given the opportunity to ask questions of him or any witnesses; the Assessment Office representative(s) would be sworn in and present their testimony; Mr. Paolini would then be given time for rebuttal testimony; following all testimony, the hearing would be closed and Mr. Paolini would receive a written decision within five (5) business days; finally, the attorney would maintain the right to limit the time of testimony and to stop the testimony if it became redundant or did not relate directly to the appeal matter.

Mr. Eliassen swore in Mr. Paolini and Ms. Willson told Mr. Paolini that the Board members all had copies of the paperwork he had submitted (a copy is attached as part of these minutes) while also informing the Board that Mr. Paolini was appealing the assessment of his house located 62 Burning Oak Dr., Felton. She stated that it is a 1 story home, built in 2016, 1,399 square feet with a crawl space and assessed at \$35,700.

Mr. Paolini began by stating that he moved to Delaware for cheaper taxes and research told him that for his size house, taxes would be in the \$500 to \$800 range. He stated that the first year the tax bill was in the \$700 range and the second year the tax bill came in at over \$1,000. Mr. Paolini stated that when he called about the increase he was told that the first year did not have the trash collection fees. He then stated that his bill now is \$1,300.

Mr. Paolini stated that he is permanently disabled and this tax increase is not what he expected to be paying in Delaware after doing the research on taxes for the home he purchased. He stated that he understands that because of his disability he can get a reduction after being a resident for five (5) years but he is not there yet so the 25% decrease in assessment does not help him now. Mr. Paolini stated that he offered for the Assessment Office to come out to his home and measure the rooms as that is his livable space, adding that the home is constructed with 2 x 6 walls which he does not live in as well as closets which he doesn't feel should be included. He stated that the Assessment Office declined to come out even after he informed them of problems with the house that he is working with the builder to fix and was told that those items did not affect the condition used to assess the house.

Mr. Paolini stated that his home has a serious mold issue and problems with the air conditioning and heating systems. He added that six (6) other homes in the neighborhood have mold and that one (1) has issues serious enough that the child living there became ill. He stated that he doesn't understand how a serious issue like mold cannot be taken into consideration as to the condition for assessment.

Chairman Wilt stated that the Board had copies of the comparables that Mr. Paolini provided and asked if these were located in the area of his home. Mr. String additionally asked where his home was located. Mr. Paolini stated that his home was in the Satterfield development.

Chairman Wilt stated to Mr. Paolini that he, at one time, did assessments and that the measurements were always done of the outside perimeter and at times would talk to the owner as to what was in the house, i.e.: fireplace, basement, etc. Mr. Paolini stated that he offered for them (the Assessment Office) to come in but they declined.

Mr. Eliassen stated that he and Board are here to listen and are all ears. He then asked Mr. Paolini if he agreed that of all the comparables he submitted that 465 Hearthstone Lane in Felton was the most comparable to his home. Mr. Paolini stated that all of his submissions are equally comparable.

Leslie Vasquez of the Kent County Assessment Office was sworn in to present the Assessment Office's testimony. Ms. Vasquez stated that she would review the comparables that Mr. Paolini submitted (the Board was already given copies and a copy is an attachment to these minutes) which were as follows:

216 Winfred Dr., Felton – 1 story; built in 1974; 1088 square feet; basement; no air conditioning; Assessment being a grade C, condition Average; land assessment \$7,400; house assessment \$20,500 for a total assessment of \$27,900.

114 Courtney Lane, Felton – 1 ½ story; built in 1994; 1,806 square feet on a crawl space; air conditioned; Assessment being a grade C+, condition Good; land assessment \$4,500; house assessment \$40,400 for a total assessment of \$44,900.

1863 Ironmine Rd., Felton – 1994 1,400 square foot mobile home; land assessment \$6,800; miscellaneous building (shed) \$400; assessment for mobile home \$16,100 for a total assessment of \$23,300.

465 Hearthstone Lane, Felton – 1 story; built in 1999; 1,299 square feet on a crawl space; air conditioned; Assessment being a grade C+, condition Good; land assessment \$8,800; house assessment \$34,900 for a total assessment of \$43,700.

Ms. Vasquez stated that Mr. Paolini's home is a 1 story on a crawl space, built in 2016, with 1,399 square feet and assessed as a grade C+, condition Good. She stated that his land is assessed at \$5,300, the house assessed at \$35,700 for a total assessment of \$41,000. She then presented the following comparables for the Assessment Office that they found to be more in line with Mr. Paolini's home adding that they are in the same development as his home.

306 S. High Meadow Dr., Felton – 1 story; built in 2015; 1,384 square feet; land assessment \$5,300; house assessment \$35,500 for a total assessment of \$40,800.

673 Tall Oak Dr., Felton – 1 story; built in 2016; 1,393 square feet; land assessment \$5,900; house assessment \$36,500 for a total assessment of \$42,400.

662 Tall Oak Dr., Felton – 1 story; built in 2015; 1,400 square feet; land assessment \$5,300; house assessment \$35,500 for a total assessment of \$40,800

586 Tall Oak Dr., Felton – 1 story; built in 2015; 1,376 square feet; land assessment \$5,600; house assessment \$35,400 for a total assessment of \$41,000.

Ms. Vasquez stated that she did have three (3) more in the development that presented the same as those reviewed however with the Board having copies of the information (a copy is attached as part of the minutes), they could see those additional comparables. She stated that all of the assessments are done the same in that the outside measurement is used for square footage determination. Ms. Vasquez stated that regarding the mold that Mr. Paolini speaks of, unless it were to cause the home to be condemned, the grade and condition used to determine the assessment would not change. She added that Mr. Paolini's home is a grade C+ in Good condition. Ms. Vasquez also stated that the Assessment Office has not heard from any of the other owners in the development that Mr. Paolini referred to as also having mold regarding their assessments.

Mr. Vasquez stated that a Data Verification Form was sent to Mr. Paolini for his review and there is a place for comments. She stated that Mr. Paolini signed the form as sent to him and returned it with his list of problems with the house and then she called him March 16, 2017 at 11:00 am at which time he was informed that the items mentioned were items that the builder should address with the owner but not items that would affect the assessment.

Mr. Eliassen asked Ms. Vasquez if she was comfortable with the \$41,000 assessment of Mr. Paolini's home. She replied that she was.

Mr. Paolini stated that he just doesn't understand how mold and the heating and air conditioning being improperly installed does not affect the condition. He continued to present the seriousness of the mold condition.

Mr. String asked Ms. Vasquez to educate them on the grading system that she had referred to during her testimony. Ms. Vasquez stated that grading refers to the the quality of the materials used, rock or brick, dormers, different roof pitches and other items that make the home stand out. She stated that the condition levels range from Excellent to Good to Fair to Poor to Unsound, which would be a condemned house.

Chairman Wilt asked Ms. Vasquez if the assessment was done right after the home was built. Ms. Vasquez stated that it was and Mr. Paolini's call was more of a builder's checklist and not things that the Assessment Office takes into consideration.

Mr. Paolini stated that with the problems with the house (mold, heat, air conditioning) that he doesn't see how it can be graded as a C+. He added that he would have to disclose the problems if he tried to sell.

Chairman Wilt stated that the assessment was done when the house was new as per Ms. Vasquez.

Mr. Eliassen asked if there were any further questions for Ms. Vasquez. Being none, Mr. Paolini was given the time to present rebuttal testimony.

Mr. Paolini stated that he had not previously known about the grading system used as part of the assessment process. He stated that he understands that when the assessment was done the Assessment Office was not aware of the problems but that mold is a serious health issue and that the heat and air conditioning is tens of thousands of dollars to correct. With that being known, he said, the house should not be a grade C+.

Chairman Wilt stated that when the house was assessed the problems were not known and he doesn't know of any cases where a problem that is the builders to correct would change the assessment.

Mr. Paolini stated that what wasn't known then is known now and so the house just can't be considered a C+.

Mr. Johnson asked Mr. Paolini if he lived in the home. Mr. Paolini replied that he did.

Mr. String stated that if a new assessment COULD be done now with the main item being the grade or condition being changed because of the issues Mr. Paolini has that the builder and he are working on correcting, it would only be temporary because once those items were corrected, the grade or condition would go back to what it is now.

Mr. Eliassen asked if there were any further questions for Mr. Paolini or if he had any further rebuttal.

Mr. Eby had one question for Ms. Vasquez being; were the comparables she presented also a grade C+ and condition Good. Ms. Vasquez stated that they were.

Mr. String asked Ms. Vasquez what would make the condition of a home not Good. Ms. Vasquez stated that issues such as holes in the roof, boarded windows, or deterioration that can be seen.

Chairman Wilt closed the hearing at 11:40 am and informed Mr. Paolini that he would receive the written decision of the Board within five (5) business days.

DISCUSSION

- Robert Paolini

Mr. Fry asked if the County should publicize the boundaries of assessment. Ms. Durham replied that they tried to explain them to Mr. Paolini.

Mr. String stated that Mr. Paolini has a short-term issue; it's a shame that he has these issues with a new house but they are or should be temporary issues if the builder works with him to correct them. He then asked how much explanation goes to the appellants with the Board's decision.

Ms. Durham stated that no detailed explanation has to be given, that it can simply be based upon evidence and testimony.

A motion to deny Mr. Paolini's appeal was made by Mr. Eby and seconded by Mr. Studte.

Roll call vote to deny the appeal was approved 6 – 0:

Mr. Fry – yes
Mr. Eby – yes
Mr. Studte - yes
Mr. Johnson – yes, based on testimony
Mr. String – yes, based on testimony and County practices
Chairman Wilt – yes, based on testimony

DISCUSSION

- Lachhman Gupta

Ms. Willson stated that Mr. Gupta's land is being assessed the same as the comparables that were presented by the Assessment Office. She stated that she cannot speak to the 1970's or 1980's but that when Mr. Gupta subdivided the property the assessment changed to "Undeveloped" lots and that the date of purchase has nothing to do with the assessment.

Ms. Durham stated that Mr. Gupta had pointed out in at least one of his exhibits that the property cards/records had hand written things and other things crossed out. She stated that at that time that's the way notes were made on the records and there was indeed no conspiracy. Ms. Durham stated that the tables the Assessment Office uses are based on the 1987 values, when the re-assessment was done, however Mr. Gupta is of the belief that the assessment should be based on the sale value when he purchased the property.

Mr. Studte asked if 1987 was the last time the value changed, with the re-assessment. Ms. Willson stated that in 2005 there was a change to one (1) of the parcel's assessment when it was discovered that the entire 1.05 acres was assessed as "Undeveloped" and that was changed to 1 acre "Undeveloped" and .05 acres "Residual".

Mr. String asked why he was now bringing this to the Board. Ms. Willson stated that he calls almost every year, however this year he wanted to bring it to the Board.

Mr. Johnson stated that it seems to not so much be the assessment amount but the amount of taxes. Ms. Durham stated that the total of the four (4) lots is \$500 - \$600 annually.

A motion to deny Mr. Gupta's appeal due to the assessment being done according to Kent County protocols, Mr. Gupta's comparables not being relevant to his assessment, and County provided comparables being proven to show his properties are assessed correctly was made by Mr. String and seconded by Mr. Johnson.

Roll call vote to deny the appeal was approved 6 – 0:

Mr. Fry – yes
Mr. Eby – yes
Mr. Studte - yes
Mr. Johnson – yes, based on testimony
Mr. String – yes, based on motion
Chairman Wilt – yes, based on testimony

OTHER BUSINESS

None

PUBLIC COMMENTS

None

BOARD COMMENTS

None

NEXT MEETING DATE

The next meeting of the Assessment Review Board will be Tuesday, October 24, 2017 at 10:00 am.

ADJOURNMENT

On motion made by Mr. String and seconded by Mr. Studte, the Board voted 6 - 0 to adjourn at 12:06 pm.

Charles Wilt - Chairman