

**Order of the Mason County
Board of Equalization**

Property Owner: Jeff S McHargue
Parcel Number(s): 32109-50-00012
Assessment Year: 2014 Petition Number: 300.2015

Having considered the evidence presented by the parties in this appeal, the Board hereby:
 sustains overrules the determination of the assessor.

Assessor's True and Fair Value

<input type="checkbox"/> Land	\$	<u>40,265</u>
<input type="checkbox"/> Improvements	\$	<u>265,215</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>

BOE True and Fair Value Determination

<input type="checkbox"/> Land	\$	<u>40,265</u>
<input type="checkbox"/> Improvements	\$	<u>195,000</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>

This decision is based on our finding that:

The valuation placed on the property by the Assessor's Office is presumed to be correct, and can only be overcome by the presentation of clear, cogent, and convincing evidence that the value is erroneous [RCW84.40.030(1)].

The Board's goal is to acquire sufficient, accurate evidence to support a determination of true and fair value for the purpose of uniformity and equalization of taxation within the county as defined by statute (RCW 84.40.030) and the Washington Administrative Code (WAC 458-12-301).

The Appellant was not in attendance. The Assessor was represented by Oliver Querin.

The Appellant provided a fee appraisal indicating fair market value at \$230,000 dated 2012. The fee appraisal included three arm's length transactions and two listings.

Additionally, the Appellant and Assessor agreed on a fair market value of \$230,000 in 2012, based upon a fee appraisal submitted by the Appellant.

The Board found numerous errors in the Assessor's comparable worksheet, therefore the Board overruled the Assessor's value and relied upon the Appellant's fee appraisal's value of \$230,000. The Board agreed the land value should be \$40,265 as per the Assessor and the Board supported the Appellant's value of \$195,000 for the improvements. The total value of the subject property is \$235,265.

Dated this 5th day of May, 2015


R.A. McKibbin, Chairperson's Signature


Clerk's Signature

NOTICE
This order can be appealed to the State Board of Tax Appeals by filing a notice of appeal with them at PO Box 40915, Olympia, WA 98504-0915, within thirty days of the date of mailing of this order. The Notice of Appeal form is available from either your county assessor or the State Board.

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Distribution: • Assessor • Petitioner • BOE File

**Order of the Mason County
Board of Equalization**

Property Owner: James & Donna Rogers
Parcel Number(s): 32014-23-00000
Assessment Year: 2014 Petition Number: 328.2015

Having considered the evidence presented by the parties in this appeal, the Board hereby:
 sustains overrules the determination of the assessor.

Assessor's True and Fair Value

Land \$ 40,365
 Improvements \$ _____
 Minerals \$ _____
 Personal Property \$ _____

BOE True and Fair Value Determination

Land \$ 40,365
 Improvements \$ _____
 Minerals \$ _____
 Personal Property \$ _____

This decision is based on our finding that:

The valuation placed on the property by the Assessor's Office is presumed to be correct, and can only be overcome by the presentation of clear, cogent, and convincing evidence that the value is erroneous [RCW84.40.030(1)].

The Board's goal is to acquire sufficient, accurate evidence to support a determination of true and fair value for the purpose of uniformity and equalization of taxation within the county as defined by statute (RCW 84.40.030) and the Washington Administrative Code (WAC 458-12-301).

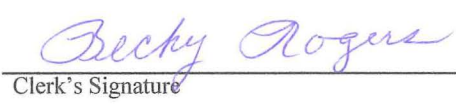
The Appellant was not present at the hearing. The Assessor was represented by Oliver Querin.

The Appellant's petition requested a value that was the same as the Assessor's valuation. Therefore, the Board sustains the land value at \$40,365.

Dated this 5th day of May, 2015



R.A. McKibbin, Chairperson's Signature



Clerk's Signature

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Distribution: • Assessor • Petitioner • BOE File

**Order of the Mason County
Board of Equalization**

Property Owner: James & Donna Rogers
Parcel Number(s): 32014-22-00000
Assessment Year: 2014 Petition Number: 329.2015

Having considered the evidence presented by the parties in this appeal, the Board hereby:
 sustains overrules the determination of the assessor.

Assessor's True and Fair Value

<input type="checkbox"/> Land	\$	<u>172,045</u>
<input type="checkbox"/> Improvements	\$	<u>53,270</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>

BOE True and Fair Value Determination

<input type="checkbox"/> Land	\$	<u>172,045</u>
<input type="checkbox"/> Improvements	\$	<u>53,270</u>
<input type="checkbox"/> Minerals	\$	<u> </u>
<input type="checkbox"/> Personal Property	\$	<u> </u>

This decision is based on our finding that:

The valuation placed on the property by the Assessor's Office is presumed to be correct, and can only be overcome by the presentation of clear, cogent, and convincing evidence that the value is erroneous [RCW84.40.030(1)].

The Board's goal is to acquire sufficient, accurate evidence to support a determination of true and fair value for the purpose of uniformity and equalization of taxation within the county as defined by statute (RCW 84.40.030) and the Washington Administrative Code (WAC 458-12-301).

The Appellant was not present at the hearing. The Assessor was represented by Oliver Querin.

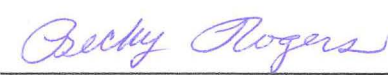
The Appellant submitted no documentation to alter the Assessor's valuation.

Therefore, the Board sustains the value of \$172,045 for the land and \$53,270 for improvements for a total of \$225,315.

Dated this 5th day of May, 2015



R.A. McKibbin, Chairperson's Signature



Clerk's Signature

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Distribution: • Assessor • Petitioner • BOE File

**Order of the Mason County
Board of Equalization**

Property Owner: Simpson Lumber Co., LLC

Parcel Number(s): 32017-34-00020

Assessment Year: 2014 Petition Number: 432.2015 thru 498.2015

Having considered the evidence presented by the parties in this appeal, the Board hereby:

sustains overrules the determination of the assessor.

Assessor's True and Fair Value

Land \$ See Attached List
 Improvements \$ _____
 Minerals \$ _____
 Personal Property \$ _____

BOE True and Fair Value Determination

Land \$ See Attached List
 Improvements \$ _____
 Minerals \$ _____
 Personal Property \$ _____

This decision is based on our finding that:

The valuation placed on the property by the Assessor's Office is presumed to be correct, and can only be overcome by the presentation of clear, cogent, and convincing evidence that the value is erroneous [RCW84.40.030(1)].

The Board's goal is to acquire sufficient, accurate evidence to support a determination of true and fair value for the purpose of uniformity and equalization of taxation within the county as defined by statute (RCW 84.40.030) and the Washington Administrative Code (WAC 458-12-301).

The Appellant, Simpson Lumber Co., LLC, was not represented at the hearing. The Assessor was represented by Chief Appraiser, Oliver Querin; Dean Ando, Dept. of Revenue (DOR) and Mark Studer, DOR.

The Board considered testimony from the Assessor's Office as to the factors involved in the Assessor's original assessment of \$40,077,667 being revised to \$39,800,000 or a reduction of \$277,667. The Board then proceeded to analyze the data submitted by the DOR appraisal and the data provided by the independent consultant on behalf of Simpson.

The Board considered four principal categories in their analysis: Sales/operating expenditures; depreciation factors; working capital factors; and capitalization rates.

- Operating Expense factors – The DOR appraiser used an industry average of 95%, or a margin factor of 5%. This industry average was a composite of data submitted for 12 similar operations, in the opinion of the Appraiser, as delineated on Exhibit 6, Page 37 of the DOR Appraisal. The reports submitted by Simpson delineated actual operating expenditures of 96%, or a margin of 4%. The Board elected to use the actual information provided by Simpson in their financial worksheet.
- Depreciation Factors – Three numbers were submitted by DOR and Simpson in determining a depreciation factor. The DOR used a 4% industry factor or \$5,200,000. A historical operating statement submitted by Simpson indicated \$3 million in depreciation; however, Simpson's report to Exhibit B indicated actual depreciation for 2013 for \$4,337,000. The Board decision was to use the \$4,337,000 in their financial worksheet.

- Capitalization Rates – The DOR appraisal used the capitalization factor of 13%, and Simpson used a capitalization factor of 15.4%, indicating that a small business premium should be applied to the capitalization factor. The DOR Appraiser provided documentation to the Board, by Michael W. Goodman & Associates indicating an opinion that the small business capitalization rate premium is highly questionable in its application. After reviewing the data thoroughly, the Board concluded that the small business factor premium factor was not applicable and therefore accepted the Assessor's rate factor of 13%.
- Working Capital Factors – The DOR appraisal applied a 9% working capital factor equaling \$11,700,000. The report provided by Simpson, Exhibit A, Item 5, indicated a math error in dividing \$55,198,000 by 5 years. The error equaled \$15,327,000, which should be \$11,040,000. In view of the errors, the Board accepted the DOR report working capital factor of \$11,700,000.

Incorporating the above data into the financial worksheet (See attached) prepared by the Board, the revised determination of true and fair value after working capital was \$27,723,000.

The Board overrules the Assessor's total assessed value of 40,077,667 and sets the true and fair value at \$27,723,000. This revised estimate of true and fair market value represents 69.2% of the revised total assessed value of \$40,077,667.

The Board then directed the clerk to apply the 69.2% factor to the 67 individual parcels.

Dated this 5th day of May, 2015


R.A. McKibbin, Chairperson's Signature


Clerk's Signature

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Distribution: • Assessor • Petitioner • BOE File

ATTACHMENT
Order of the Mason County Board of Equalization
Petition 432.2015 thru 498.2015

Petition #	Appellant	Parcel Number	Assessor's True & Fair Value Land	Assessor's True & Fair Value Improvements	Assessor's True & Fair Value Personal Property	TOTAL ASSESSOR'S TRUE & FAIR VALUE	BOE True & Fair Value Determination Land	BOE True & Fair Value Determination Improvements	BOE True & Fair Value Determination Personal Property	TOTAL BOE TRUE & FAIR VALUE DETERMINATION
1	432.2015	Simpson Lumber Co., LLC	32017-34-00020	\$ 24,000		\$ 24,000	\$ 16,602	\$ -	\$ -	\$ 16,602
2	433.2015	Simpson Lumber Co., LLC	32018-52-01009	\$ 400		\$ 400	\$ 277	\$ -	\$ -	\$ 277
3	434.2015	Simpson Lumber Co., LLC	32019-53-03003	\$ 115,200	\$ 555,630	\$ 670,830	\$ 79,688	\$ 384,347	\$ -	\$ 464,034
4	435.2015	Simpson Lumber Co., LLC	32019-14-60400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	436.2015	Simpson Lumber Co., LLC	32019-15-01470	\$ 2,400		\$ 2,400	\$ 1,660	\$ -	\$ -	\$ 1,660
6	437.2015	Simpson Lumber Co., LLC	32019-41-00020	\$ 153,330	\$ 210,920	\$ 364,250	\$ 106,063	\$ 145,900	\$ -	\$ 251,963
7	438.2015	Simpson Lumber Co., LLC	32019-41-00700	\$ 2,822,690	\$ 11,633,280	\$ 14,455,970	\$ 1,952,545	\$ 8,047,111	\$ -	\$ 9,999,655
8	439.2015	Simpson Lumber Co., LLC	52011-00-00001	\$ -	\$ 524,160	\$ 524,160	\$ -	\$ 362,578	\$ -	\$ 362,578
9	440.2015	Simpson Timber Company	32020-12-00020	\$ 45,305	\$ 20,450	\$ 65,755	\$ 31,339	\$ 14,146	\$ -	\$ 45,485
10	441.2015	Simpson Timber Company	32020-57-70001	\$ 28,720	\$ -	\$ 28,720	\$ 19,867	\$ -	\$ -	\$ 19,867
11	442.2015	Simpson Lumber Co., LLC	52011-00-00002	\$ -	\$ 10,124,125	\$ 10,124,125	\$ -	\$ 7,003,180	\$ -	\$ 7,003,180
12	443.2015	Simpson Lumber Co., LLC	52011-10-00000	\$ 358,700	\$ -	\$ 358,700	\$ 248,124	\$ -	\$ -	\$ 248,124
13	444.2015	Simpson Lumber Co., LLC	10-01936			\$ 7,195,927	\$ 7,195,927	\$ -	\$ 4,977,652	\$ 4,977,652
14	445.2015	Simpson Lumber Co., LLC	10-02301			\$ 678	\$ 678	\$ -	\$ 469	\$ 469
15	446.2015	Simpson Lumber Co., LLC	10-02302			\$ 321,928	\$ 321,928	\$ -	\$ 222,688	\$ 222,688
16	447.2015	Simpson Lumber Co., LLC	10-02303			\$ 404,605	\$ 404,605	\$ -	\$ 279,878	\$ 279,878
17	448.2015	Simpson Lumber Co., LLC	10-02305			\$ 272,789	\$ 272,789	\$ -	\$ 188,697	\$ 188,697
18	449.2015	Simpson Lumber Co., LLC	10-02310			\$ 3,883,541	\$ 3,883,541	\$ -	\$ 2,686,369	\$ 2,686,369
19	450.2015	Simpson Lumber Co., LLC	10-02311			\$ 1,992	\$ 1,992	\$ -	\$ 1,378	\$ 1,378
20	451.2015	Simpson Lumber Co., LLC	10-02314			\$ 33,660	\$ 33,660	\$ -	\$ 23,284	\$ 23,284
21	452.2015	Simpson	10-02315			\$ 33,750	\$ 33,750	\$ -	\$ 23,346	\$ 23,346
22	453.2015	Simpson Lumber Co., LLC	10-02741			\$ 38,500	\$ 38,500	\$ -	\$ 26,632	\$ 26,632
23	454.2015	Simpson Lumber Co., LLC	10-02742			\$ 80,696	\$ 80,696	\$ -	\$ 55,820	\$ 55,820
24	455.2015	Simpson Lumber Co., LLC	10-02746			\$ 81,400	\$ 81,400	\$ -	\$ 56,307	\$ 56,307
25	456.2015	Simpson Lumber Co., LLC	10-02748			\$ 94,552	\$ 94,552	\$ -	\$ 65,405	\$ 65,405
26	457.2015	Simpson Lumber Co., LLC	10-02750			\$ 382,325	\$ 382,325	\$ -	\$ 264,466	\$ 264,466
27	458.2015	Simpson Lumber Co., LLC	10-03028			\$ 89,443	\$ 89,443	\$ -	\$ 61,871	\$ 61,871
28	459.2015	Simpson Lumber Co., LLC	10-03739			\$ 3,684	\$ 3,684	\$ -	\$ 2,548	\$ 2,548
29	460.2015	Simpson Lumber Co., LLC	10-03973			\$ 6,201	\$ 6,201	\$ -	\$ 4,289	\$ 4,289
30	461.2015	Simpson Lumber Co., LLC	10-04097			\$ 84,783	\$ 84,783	\$ -	\$ 58,647	\$ 58,647
31	462.2015	Simpson Lumber Co., LLC	10-06587			\$ 260,578	\$ 260,578	\$ -	\$ 180,250	\$ 180,250
32	463.2015	Simpson Timber Company	32017-51-07900	\$ 400		\$ 400	\$ 277	\$ -	\$ -	\$ 277
33	464.2015	Simpson Lumber Co., LLC	32019-13-00800	\$ 1,640		\$ 1,640	\$ 1,134	\$ -	\$ -	\$ 1,134
34	465.2015	Simpson Lumber Co., LLC	32019-13-60850	\$ 2,210		\$ 2,210	\$ 1,529	\$ -	\$ -	\$ 1,529
35	466.2015	Simpson Lumber Co., LLC	32019-14-00070	\$ 1,460		\$ 1,460	\$ 1,010	\$ -	\$ -	\$ 1,010
36	467.2015	Simpson Lumber Co., LLC	32019-21-00010	\$ 770		\$ 770	\$ 533	\$ -	\$ -	\$ 533
37	468.2015	Simpson Lumber Co., LLC	32019-25-01310	\$ 16,000		\$ 16,000	\$ 11,068	\$ -	\$ -	\$ 11,068
38	469.2015	Simpson Lumber Co., LLC	32019-41-00650	\$ 960		\$ 960	\$ 664	\$ -	\$ -	\$ 664
39	470.2015	Simpson Lumber Co., LLC	32019-53-04001	\$ 400		\$ 400	\$ 277	\$ -	\$ -	\$ 277
40	471.2015	Simpson Lumber Co., LLC	32019-53-04018	\$ 400		\$ 400	\$ 277	\$ -	\$ -	\$ 277

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Order of the Mason County Board of Equalization
Petition 432.2015 thru 498.2015

Petition #	Appellant	Parcel Number	Assessor's True & Fair Value Land	Assessor's True & Fair Value Improvements	Assessor's True & Fair Value Personal Property	TOTAL ASSESSOR'S TRUE & FAIR VALUE	BOE True & Fair Value Determination Land	BOE True & Fair Value Determination Improvements	BOE True & Fair Value Determination Personal Property	TOTAL BOE TRUE & FAIR VALUE DETERMINATION
41	472.2015	Simpson Lumber Co., LLC	32019-63-23907	\$ 400		\$ 400	\$ 277	\$ -	\$ -	\$ 277
42	473.2015	Simpson Lumber Co., LLC	32020-12-00050	\$ 440		\$ 440	\$ 304	\$ -	\$ -	\$ 304
43	474.2015	Simpson Lumber Co., LLC	32020-50-16900	\$ 25,920	\$ 37,500	\$ 63,420	\$ 17,930	\$ 25,940	\$ -	\$ 43,870
44	475.2015	Simpson Lumber Co., LLC	42007-30-00000	\$ 2,425		\$ 2,425	\$ 1,677	\$ -	\$ -	\$ 1,677
45	476.2015	Simpson Lumber Co., LLC	42015-00-60000	\$ 1,620		\$ 1,620	\$ 1,121	\$ -	\$ -	\$ 1,121
46	477.2015	Simpson Lumber Co., LLC	42015-40-00000	\$ 11,065		\$ 11,065	\$ 7,654	\$ -	\$ -	\$ 7,654
47	478.2015	Simpson Lumber Co., LLC	42016-44-00030	\$ 9,400		\$ 9,400	\$ 6,502	\$ -	\$ -	\$ 6,502
48	479.2015	Simpson Lumber Co., LLC	42017-00-00000	\$ 9,925		\$ 9,925	\$ 6,865	\$ -	\$ -	\$ 6,865
49	480.2015	Simpson Lumber Co., LLC	42018-10-00000	\$ 2,150		\$ 2,150	\$ 1,487	\$ -	\$ -	\$ 1,487
50	481.2015	Simpson Lumber Co., LLC	42018-21-00010	\$ 1,560		\$ 1,560	\$ 1,079	\$ -	\$ -	\$ 1,079
51	482.2015	Simpson Lumber Co., LLC	42024-11-00000	\$ 2,025		\$ 2,025	\$ 1,401	\$ -	\$ -	\$ 1,401
52	483.2015	Simpson Lumber Co., LLC	42024-12-00020	\$ 400		\$ 400	\$ 277	\$ -	\$ -	\$ 277
53	484.2015	Simpson Lumber Co., LLC	42024-13-00020	\$ 795		\$ 795	\$ 550	\$ -	\$ -	\$ 550
54	485.2015	Simpson Lumber Co., LLC	42024-22-00000	\$ 1,325		\$ 1,325	\$ 917	\$ -	\$ -	\$ 917
55	486.2015	Simpson Lumber Co., LLC	42024-23-00020	\$ 4,655		\$ 4,655	\$ 3,220	\$ -	\$ -	\$ 3,220
56	487.2015	Simpson Lumber Co., LLC	42024-24-00010	\$ 960		\$ 960	\$ 664	\$ -	\$ -	\$ 664
57	488.2015	Simpson Lumber Co., LLC	52011-00-01000	\$ 13,615		\$ 13,615	\$ 9,418	\$ -	\$ -	\$ 9,418
58	489.2015	Simpson Lumber Co., LLC	52012-20-00000	\$ 5,820		\$ 5,820	\$ 4,026	\$ -	\$ -	\$ 4,026
59	490.2015	Simpson Lumber Co., LLC	52012-31-00000	\$ 1,280		\$ 1,280	\$ 885	\$ -	\$ -	\$ 885
60	491.2015	Simpson Lumber Co., LLC	52012-40-00010	\$ 5,810		\$ 5,810	\$ 4,019	\$ -	\$ -	\$ 4,019
61	492.2015	Simpson Lumber Co., LLC	52012-44-00010	\$ 3,960		\$ 3,960	\$ 2,739	\$ -	\$ -	\$ 2,739
62	493.2015	Simpson Lumber Co., LLC	32019-24-00270	\$ 460		\$ 460	\$ 318	\$ -	\$ -	\$ 318
63	494.2015	Simpson Lumber Co., LLC	32019-41-00071	\$ 16,000		\$ 16,000	\$ 11,068	\$ -	\$ -	\$ 11,068
64	495.2015	Simpson Lumber Co., LLC	32019-41-00540	\$ 400		\$ 400	\$ 277	\$ -	\$ -	\$ 277
65	496.2015	Simpson Lumber Co., LLC	32019-41-60010	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
66	497.2015	Simpson Lumber Co., LLC	32020-12-00010	\$ 3,000		\$ 3,000	\$ 2,075	\$ -	\$ -	\$ 2,075
67	498.2015	Simpson Timber Company	42024-13-00230	\$ 175		\$ 175	\$ 121	\$ -	\$ -	\$ 121
			\$ 3,700,570	\$ 23,106,065	\$ 13,271,032	\$ 40,077,667	\$ 2,559,802	\$ 15,983,202	\$ 9,179,996	\$ 27,723,000

Mason County Board of Equalization
Financial Analysis - Capitalization Approach - Simpson Lumber Co.

CATEGORY	FACTOR	SALES	COMMENTS
Sales		\$ 130,000,000.00	Agreed to by Appellant & Assessor
Operating Expenditures	96%	\$ 124,800,000.00	Simpson Provided Information
EBITDA		\$ 5,200,000.00	
Less Depreciation	Actual	\$ (4,337,000.00)	Simpson's Consultant
Earning Before Income Tax (EBIT)		\$ 863,000.00	
Income Tax		\$ (660,000.00)	Agreed to by Appellant & Assessor
Net Income		\$ 203,000.00	
Plus Depreciation	Actual	\$ 4,337,000.00	Simpson's Consultant
Plus Property Tax		\$ 585,000.00	Agreed to by Appellant & Assessor
Cash Flow to Capitalization		\$ 5,125,000.00	
Capitalization Rate	13%		Dept of Revenue Estimate
Capitalization Value		\$ 39,423,000.00	\$5,125,000 divided by 13%
Less Working Capital		\$ (11,700,000.00)	Estimate provided by Dept of Revenue
Value of Real Property and Personal Property		\$ 27,723,000.00	