

**JUNE 6, 2005 THE 20<sup>TH</sup> DAY  
OF THE APRIL ADJOURN TERM**

The County Commission met in Associate II Circuit Courtroom at 9:04 a.m. pursuant to adjourn with Chuck Pennel, Presiding, Ron Herschend, Western District, and Danny Strahan, Eastern District present. The following proceedings were had and made a matter of record.

The prayer was led by Chuck Pennel followed by the pledge.

**STATE TAX COMMISSION**

Commissioner Herschend explained that some people wanted to address the Commission regarding the 15%, across the board, reduction in commercial property and invited anyone who wanted to speak on the matter to come forward.

Russ Schenewerk, Attorney for the Twelve Oaks Property, stated that his purpose for attending the Commission meeting was to make himself available to answer questions regarding this issue. Schenewerk further stated that his personal opinion is that the assessor does not have the authority to reduce taxes if they are not appealed. Schenewerk explained that Judge Eiffert has entered into a Writ of Mandamus, which is an order from the circuit court ordering a public official to comport with a particular statute. Schenewerk then stated that "In this instance, section 137.345.5 says that when a property owner has successfully appealed to the State Tax Commission or to the Board of Equalization that the subsequent years after that particular two year assessment cycle, that the assessor shall use that value set by the BOE or the Tax Commission as the basis for future assessments." Schenewerk emphasized, this only affects properties that have successfully appealed through the State Tax Commission.

Commissioner Herschend read from tax year 1997 and 1998 where Twelve Oaks was assessed at \$2,506,000 and the State Tax Commission dropped that to \$1,825,000, which is 73% of its value. Then in January of 1999 Twelve Oaks was assessed again at \$2,506,000 and dropped \$1,725,000, which is 69% of its value. In January of 2001 it was assessed at \$2,246,000 and dropped to \$1,500,000. Herschend went on to state that out of the three approaches used in such cases, the income approach was the only one applied in presenting appraisals to this case.

Russ Schenewerk explained that the State Tax Commission has exclusive authority over tax appeals. Commercial properties are bought and sold based on their ability to produce income. Schenewerk then stated that based on this fact, appraisers rely more heavily on the income approach for commercial property.

Commissioner Herschend expressed a concern that by excluding the other two methods, the State Tax Commission is not painting a clear picture on assessments. A general discussion ensued.

Presiding Commissioner Pennel asked Russ Schenewerk if there was another way of fighting appeals that have been lost if the County did **not** go with this “across the board” drop. Schenewerk suggested the Commission ask the State Tax Commission to include a larger sample size in their ratio study, which is a sample test of the Assessors accuracy in assessing property. Schenewerk went on to explain that the parcels of land are randomly selected and the size of commercial property makes a difference in the appraisal ratio.

Presiding Commissioner Pennel then asked how the Commission could get the State Tax Commission to use the other two methods. Schenewerk again stated that the best way of assessing commercial property is the income approach due to the fact that property is bought and sold based on its ability to produce income.

James Strahan, Assessor, stated that “we dance around the truth, the State Tax Commission was formed by the state of Missouri to equalize taxes, the Board of Equalization was formed to equalize taxes, and the county assessor takes an oath of office that he’ll do, to the best of his ability, to equalize taxes.” Strahan brought up the case of Lloyds Electric, which was valued at \$393,000 and has since moved from downtown Branson to a nicer building however, if the income stream method is used in appraising Lloyds Electric it will not increase. Strahan further stated “It will be valued to the schools, to the entities, and everybody else at the old value downtown because there income stream does not change, so if I am going to base this on income it makes no difference if your in a \$500,000,000 building or a barn.” A general discussion ensued.

Presiding Commissioner Pennel stated that he can see where this is a problem but doesn’t see how lowering commercial property values by 15%, other than getting attention, is going to solve anything.

James Strahan, Assessor, explained that if one commercial property owner goes to the State Tax Commission and gets its assessment reduced than the other property owners will want to do the same.

Commissioner Herschend expressed a concern regarding the statute that states the Board of Equalization, (BOE) shall lower taxes that are above average and they now have case after case that says the value of their property is lower than the assessed value.

Bob Paulson, County Counselor, asked the average of what? Herschend clarified, that is what the BOE has to determine.

Presiding Commissioner Pennel brought up a concern about the fairness of making an across the board decision based on 15 or 17 commercial properties out of approximately 3,000 properties. Pennel stated that they are making a decision based on the fact that the State Tax Commission has not fairly valued 15 to 17 properties and added that he doesn’t see how dropping everything 15% will get results. Pennel

suggested just letting these properties come and let the Commission, Schools, and Health Department fight the state together. A general discussion ensued.

Dr. Doug Hayter, Superintendent Branson Schools, stated that he understands the concern and thinks that James Strahan is doing an excellent job. Hayter further stated that the income approach is a problem and would like to help. Hayter explained that this is not a Taney County problem it is a state problem and 16 to 17 properties over 7 years is not a large number in comparison to the 3,000 commercial properties in Taney County. Hayter suggested letting the process take its course and explained that schools receive 70% of their revenue from local tax sources, stating if this change were to take place \$1.3 to \$1.5 million dollars would be lost. Plus the tax burden would be shifted to residential and agricultural areas. Hayter further stated he doesn't believe it is either statutory or the right course of action and suggested letting the schools and other districts help fight the battle.

Presiding Commissioner Pennel asked Dr. Hayter how he plans to help with this issue? Hayter stated he has been in direct contact with legislators, speaking to them about their concerns on the issue. Hayter also expressed that there is close working relationship among the taxing entities of the county and feels they can organize to help fight the state and minimize damage.

Commissioner Danny Strahan asked Dr. Hayter if he has contacted Governor Matt Blunt with this issue. Hayter stated he has not. Strahan expressed that Governor Blunt would be very helpful on this issue and strongly encouraged Hayter to go to him as part of the solution.

Commissioner Herschend clarified that everyone is in this together. Herschend further stated that the only reason the BOE would make a decision is because of the statute that was read earlier.

Brent Blevins expressed a concern about some inconsistencies with the system and wants to support the Commission by helping with the fight.

Shelia Wyatt, Collector, explained that if a large number of property owners went before the BOE then the State Tax Commission money would not have to be held from the schools, because the court would decide that they are good for the money and it would be dispersed back to the property owners should they win their protest.

Jim Berry, Director of the Taney County Health Department, recommended that the process be permitted to work as in the past, and also stated that their budget is fixed at \$2,000,000 annually and 60% of that is from local tax entities. Berry explained that this amount would decrease if there were a drop in assessed property value forcing the Health Department to have a vote of the people for a levy increase.

**RECESS**  
**10:53 A.M.**

**RECONVENED  
11:08 A.M.**

**MONTHLY BUDGET REPORT  
RICK FINDLEY**

Rick Findley, Auditor, presented the monthly budget report to the Commission and explained that Road and Bridge Trusts, LEPC, and County Insurance are down which was expected however the rest are up, so all departments are doing a good job.

**PRIOR MINUTES**

Commissioner Strahan made a motion to approve minutes from May 5, 27, and June 1. Commissioner Pennel seconded the motion. The motion passed by vote: Pennel (yes), Herschend (yes), Strahan (yes).

**ACCOUNTS ALLOWED**

Commissioner Herschend made a motion to approve Accounts Payable warrants # 89501-89585 with the exception of the Bank of America portion. Commissioner Pennel seconded the motion. The motion passed by vote: Pennel (yes), Herschend (yes), Strahan (yes).

**TABLE ROCK ACRES**

Commissioner Herschend stated that JCI was contracted however, did not respond in a timely manner so a letter was sent to them declining the offer. JCI really wanted to work something out so they have scheduled a meeting with the Commission to discuss future plans and in the mean time Table Rock Acres has not directed a new engineer to stop work on the project. Herschend explained they would prepare documents for another company to bid.

**ASSESSED EVALUATION  
DONNA NEELEY**

Donna Neeley, County Clerk, stated that the 2005 Assessed Evaluations have been certified to the Political Subdivisions with real estate at \$597,325,270, personal \$118,009,427, locally assessed \$1,624,615 for a total of \$716,959,312.

**RECESS**

Commissioner Herschend made a motion to recess. Commissioner Pennel seconded the motion. The motion passed by vote: Pennel (yes), Herschend (yes), Strahan (yes).