Opinion #124

SUPERIOR COURT OF THE
DISTRICT OF COLUMBIA
TAX DIVISION

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Tax Division

AUG 21 1985

FILED

EILEEN T. LEAHY,	:	
Petitioner,	:	
v.	:	Tax Docket No. 3445-84
DISTRICT OF COLUMBIA,	:	
Respondent.	:	

O R D E R

This matter came before the Court for trial on petitioner's appeal of her 1984 residential real property tax assessment. Petitioner seeks a tax refund based on the alleged improper assessment by respondent of the subject property known as Lot 801, Square 944, improved by a renovated two-story semi-detached dwelling built in 1908, known as 910 C Street, S.E. (Capitol Hill).

Respondent's assessor, Beatrice Gaines,[1] estimated the market value of the property for Tax Year 1984 to be $116,184.00. Petitioner made timely complaint to the Board of Equalization and Review respecting the $116,184.00 valuation of the property. The Board sustained the valuation.

This Court has jurisdiction to hear this appeal pursuant to D.C. Code §§11-1201 and 47-3303 (1981 ed.). Upon consideration of the trial and the record in this case, the Court makes the following findings of fact:

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[1] Ms. Gaines, a supervisory assessor in the Department of Finance and Revenue's Residential Assessment Section testified that she has been assigned to the Capitol Hill neighborhood annual assessment task for four years. Further, she stated that for Tax Year 1984 she participated in the determination of value for assessment purposes of approximately 3500 residential properties on Capitol Hill.

I.

1. The subject property is a two-story (plus basement) renovated end-row brick residence, contructed around 1908 on Capitol Hill.

2. In November, 1982, petitioner purchased this property for $99,000.00 as a residence.

3. In February, 1983, the D.C. Department of Finance and Revenue sent petitioner a Notice of Proposed Assessment for Real Property Tax for Tax Year 1984 in the amount of $116,184.00 (761 sq. ft. of land - $37,799.00; improvement - $78,385.00). Petitioner appealed this proposed assessment to the Board of Equalization and Review which sustained the assessment.

4. In arriving at the estimated market value for the property for Tax Year 1984 of $116,184.00, DFR's assessor testified that she collected and organized all pertinent data of all residential sales on Capitol Hill occurring in 1982 in the area of the subject property known as neighborhood 9 - Capitol Hill. She utilized the approach to value known as the Mass Appraisal technique. This approach estimates the value of a multitude of properties in a class by comparing their physical and economic characteristics with those of representative properties for which there are known indicators of value.

Respondent's assessor testified to having examined in excess of 100 sales made in 1982 of residential property located within the Capitol Hill neighborhood where the subject property is located. The assessor then collected and analyzed in 1982 sales of properties closely comparable to the subject property, i.e., two-story renovated residences with similar amenities and approximately similar land areas and gross building areas. In addition, the assessor prepared a study indicating the equalization of assessed values for

Tax Year 1984 of residences, both remodeled and unrestored, in close proximity to the subject property.

5. The assessor further testified that she was aware of petitioner's purchase of the property in 1982 and its sales price of $99,000.00. She visited the property and discussed the transaction with petitioner prior to her determination of value ($116,184.00) of the property for Tax Year 1984.

II.

Petitioner's challenge to the Tax Year 1984 assessment of $116,184.00 is principally grounded on the uncontested fact that she purchased the property in November, 1982, in an arms-length transaction for $99,000.00. Petitioner argues, therefore, that this sale price is conclusive of the value for Tax Year 1984, and is the best and only acceptable evidence of value of the subject property. Essentially petitioner argues that the November, 1982, sales price of $99,000.00 is the 1984 market value per se, and that any determination of value differing with this value is illegal, excessive and arbitrary.

Respondent testified at trial that the price paid by petitioner in November, 1982, would be, in the absence of any other valid evidence probative of value, the best evidence of market value. However, it is respondent's position also that one observed sale does not categorically constitute, dictate, or create market value, even though the referenced sale is that of the subject property.

Therefore the issue before the Court is whether the method of valuation utilized by respondent was the proper determinative of the market value of petitioner's property.

III.

There is no statutory or common law mandate that respondent follow any one particular approach in valuing real

property in this jurisdiction. D.C. Code §47-820 (1981 ed.) provides:

> In determining estimated market value for various kinds of real property the Mayor shall take into account any factor which might have a bearing on the value of the real property, including but not limited to, sales information on similar types of real property, mortgage, or other financial considerations, reproduction cost less accrued depreciation because of age, condition, and other factors, income earning potential (if any), zoning, and government imposed restrictions.

(Emphasis supplied.)

The Court finds the Mass Appraisal approach utilized by the assessor in the valuation of petitioner's property to have been adequate in its comprehensive examination of market data affecting Capitol Hill residential value. The Court agrees with petitioner that the sales price of a property is a significant factor to be considered in establishing the fair market value of a property for the succeeding tax year. However, the Court also notes that such a sales price may be considered the best evidence of value if no other relevant or credible evidence probative of value can be discovered. In the present case, there is no paucity of annual market data concerning residential sales activity on Capitol Hill. As the facts demonstrate, the assessor examined over 100 sales of residential property made in 1982 in the Capitol Hill area, analyzed the sales of properties similar in nature and size to the subject property, and equalized assessed values for Tax Year 1984 of nearby property. In addition, the respondent's assessor reduced the assessed value of the subject property for Tax Year 1984 by 4% to $116,104.00 from the previous year's assessment, even though her sales ratio research suggested a 5% increase in assessment for the subject property.

The burden of proof is on the petitioner to provide evidence sufficient to prove that assessments are arbitrary,

excessive or otherwise erroneous and unlawful. Superior Court Tax Rule 11(d). See, e.g., Wynne v. District of Columbia, 411 A.2d 59, 60 (D.C. 1980); District of Columbia v. Burlington Apartment House Co., 375 A.2d 1052, 1057 (D.C. 1977) (en banc). It is not sufficient that the taxpayer present an alternative measure of value. To provide a basis for invalidating an assessment, petitioner must show the assessed value to have been erroneously determined.

The Court is not persuaded by petitioner's argument that the sale of one property expresses the will of the market when the evidence of that sale is contrasted against the substantial data illustrating various market forces that created the $116,184.00 market value of the property for Tax Year 1984. Moreover, petitioner acknowledged at trial that, presented with the converse of the present facts -- an assessment of $99,000 and a sales price of $116,184 -- respondent should not rely solely on the higher sales price to determine value and thereby increase its assessment. Petitioner's acknowledgement is thereby inconsistent with the basis of her argument. Petitioner's inconsistency highlights the significance of the various factors respondent's assessor may utilize in the valuation of property, including analysis of comparable sales and equalization of the values of property within the same neighborhood. Thus the Court concludes that petitioner has failed to establish by a preponderance of the evidence that the assessment was arbitrary, erroneous, or unlawful.

Wherefore, it is this 28th day of August, 1985, that respondent's assessment for Tax Year 1984 for the subject property known as 910 C Street, S.E., be, and hereby is, affirmed.[2]

JUDGE IRALINE G. BARNES

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[2] In light of the Court's decision entered today, petitioner's Motion for Summary Judgment is necessarily denied.

OPINIONS - 1982

✓ 1206	RONALD E. WOODS	March 1, 1982
✓ 1207	A. TASKER, INC.	March 22, 1982
✓ 1208	OLIVER A. COWAN, JR.	April 5, 1982
✓ 1209	ROCK CREEK PLAZA - WOODNER LIMITED PARTNERSHIP	April 20, 1982
✓ 1210	CHARLES R. TANGUY	August 19, 1982
✓ 1211	Clyde E. Brooks	November 5, 1982
✓ 1212	Guy R. Bowers and Helen G. Kline	December 1, 1982
	1983	
✓ 1213	Horace G. Ward, Jr.	January 17, 1983
1214	McLean Gardens	January 31, 1983
1215	Martin Berger & Arjay Corporation	March 25, 1983
1216	Washington Sheraton	April 29, 1983
1217	DCRLA/Trilon Plaza Co.	October 12, 1983
	1984	
1218	The First Superet Branch Church of Washington, D. C., Inc.	January 17, 1984
1219	World Plan Executive Council -- United States	March 21, 1984
1220	Washington Sheraton Corporation	March 30, 1984
1221	Sidney Heller, et al and Samuel Brisker, et al	April 23, 1984
1222	1111 19th Street Associates	May 15, 1984
1223	Hutchison Brothers Excavating Co., Inc.	June 26, 1984
1224	Washington Sheraton Corp.	November 7, 1984
1225	Wisconsin Building, Inc.	September 24, 1984
1226	John Ruthkowsky	September 10, 1984
1227	Acme Reporting Company	November 14, 1984
1228	1015 15th Street, N. W.	November 13, 1984

1229	Safeway Stores, Inc.	October 26, 1984
1230	George Washington University	December 21, 1984
1231	George Washington University	December 21, 1984
1232	Christian College Consortium	December 21, 1984

1985

1233	International Union of Operating Engineers and National Rural Electric Cooperative Association	January 10, 1985
1234	James A. Hickey	
1235	Trustees of Amherst College c/o Folger Shakespeare Library	April 19, 1985
1236	Square 254 Limited Partnership	May 15, 1985
1237	Vogue Travel, Inc.	May 17, 1985
1238	13th and L Street Associates	June 6, 1985
1227A	Acme Reporting Company	June 3, 1985
1239	Chesapeake & Potomac Telephone Co.	July 10, 1985
1240	Georgetown University Employees Federal Credit Union	July 10, 1985
1241	Eileen T. Leahy	Aug. 21, 1985