

**BEFORE THE STATE BOARD OF EQUALIZATION**  
**FOR THE STATE OF WYOMING**

IN THE MATTER OF THE APPEAL OF )  
**SHANNON & TRAER CAYWOOD** ) Docket No. **2023-30**  
FROM A DECISION BY THE LINCOLN )  
COUNTY BOARD OF EQUALIZATION )

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**DECISION AND ORDER**

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**APPEARANCES**

Shannon Caywood, pro se, appeared on behalf of Petitioners Shannon and Traer Caywood (Petitioners or Caywoods).

J. Austin Dunlap, Deputy County Attorney with the Lincoln County Attorney’s Office, appeared on behalf of Debbie Larsen, Lincoln County Assessor (Assessor).

**SUMMARY**

[¶ 1] Petitioners, after purchasing land and completing construction of a new home in late 2022, appealed Assessor’s 2023 valuation of their Alpine, Wyoming residential property. They claimed that Assessor’s mass-appraised valuation should not exceed their estimate of their property’s value, nor the cost they incurred to build their home, by hundreds of thousands of dollars. The Lincoln County Board of Equalization (County Board) held a contested case hearing, denied Petitioners’ appeal, and affirmed the assessed value. Petitioners appealed the County Board’s decision to the Wyoming State Board of Equalization, Chairman Martin L. Hardsocg, Vice-Chairman David L. Delicath, and Board Member E. Jayne Mockler. The State Board considered the parties’ briefs and oral arguments, along with the appellate record from the County Board. Finding no reversible error, the State board **affirms** the County Board’s decision.

**JURISDICTION**

[¶ 2] The State Board shall “hear appeals from county boards of equalization ... upon application of any interested person adversely affected[.]” Wyo. Stat. Ann. § 39-11-102.1(c) (2023). An aggrieved taxpayer or assessor may file an appeal with this Board within 30 days after the County Board’s final decision. Rules, Wyo. State Bd. of Equalization, ch. 2 § 5(e) (2023). The County Board issued its final decision on July 5, 2023. (R. at 82-94). Petitioners filed their appeal on July 28, 2023, so the appeal is timely

and we have jurisdiction.

## **ISSUES**

[¶ 3] Petitioners did not identify discrete issues per se. The following excerpt from their brief sufficiently captures the issue they present:

Will the County be able to ignore an actual fair market value sale and rely on an en masse valuation methodology using old sales to estimate value or will they be required to look at the actual market value of the exact residence in question and be held to value the residence at the fair market value?

(Caywoods' Br., 2).

[¶ 4] Assessor identified issues through affirmative legal arguments:

Larsen asserts that Appellant has not satisfied their burden of proof in their appeal showing a lack of evidence to support the Lincoln County Board of Equalization's *Findings of Fact, Conclusions of Law and Order* denying their challenge to their property assessment. Larsen further asserts the Lincoln County Board of Equalization's *Findings of Fact, Conclusions of Law and Order* is supported by substantial evidence, is not arbitrary and capricious, is not in excess of statutory jurisdiction, and follows the prescribed legal procedure.

(Assessor's Br., 3).

## **PROCEEDINGS AND EVIDENCE PRESENTED BEFORE COUNTY BOARD**

[¶ 5] Assessor assessed the Caywoods' land and residential property, located in Alpine, Wyoming, at \$1,371,778 in 2023. (R. at 3, Ex. 2). The Caywoods appealed, asserting that the value of their property in 2023 was \$915,349.63. (R. at 2); *see infra* ¶ 11. The County Board held a contested case hearing on June 21, 2023 to resolve the appeal. (County Board Decision, R. at 82).

[¶ 6] The County Board accepted all exhibits offered by the Caywoods and Assessor. (Exs. 1-11, A-E, H-Q; Hr'g Audio 3:40-12:20). The Caywoods offered exhibits primarily in support of their own value estimates, relying on their calculations of: 1) costs per square foot of properties sold in Alpine; 2) the cost to construct their home; and 3) the costs per square foot of nearby homes that had not yet sold. *See infra* ¶¶ 8-11.

[¶ 7] Underpinning Petitioners' evidence before the County Board was their insistence that fair market value could not substantially exceed the amount they paid to acquire their

land in 2020 and build their residence in November of 2022, two months before the Assessor set values (on January 1). Ms. Caywood opined that such was the “gold standard” of value indicators. (Hr’g Audio 23:00-24, 46:00-47:00; Caywoods’ Br., 5). She implored, “We finished our home in November of 2022,” two months before Assessor established value, and argued the acquisition cost was superior to Assessor’s selected comparable sales from 2021 and 2022. (Hr’g Audio 12:30-13:45; Caywoods’ Br., 5-6). Having acquired construction services through competitive bidding, the Caywoods assert “[t]he sale fits, to the letter, the definition of ‘Fair Market Value’ as defined in Wyoming law.” (Caywoods’ Br., 5). They complain that Assessor’s valuation was almost one-half a million dollars more than Petitioner’s acquisition cost. (Hr’g Audio 14:50-15:40; Caywoods’ Br., 6).

[¶ 8] Referring to Petitioner’s Exhibit 3,<sup>1</sup> Ms. Caywood first referred the County Board to a listing of six sales that included sales price information, a calculated cost per square foot, each property’s acreage, and the sales date. (Hr’g Audio 13:45-15:00; R. at 4-10, Exs. 3 & 4). Ms. Caywood testified that using her calculated average cost per square foot of \$352.16, which Petitioners extrapolated from the six selected sales on Exhibit 3, the value of their property would equal \$998,373. *Id.*

[¶ 9] The Caywoods’ second valuation point focused on the “price of construction” as an indicator of value. (Hr’g Audio 15:30-16:45; R. at 11-12, Ex. 5). Ms. Caywood testified that they spent \$811,890 to build their home and paid \$122,761 for the land in 2020, for a total cost of \$934,651. *Id.* She emphasized that Petitioners did not know the builder before they hired it and so, by implication, the price paid was an arm’s length transaction and reliable indicator of fair market value. *Id.*

[¶ 10] Third, she compared Petitioners’ home to two nearby homes in their Alpine neighborhood, which had not sold, but were listed for \$749,000 and \$899,000. (Hr’g Audio 16:40-18:15; R. at 13, Ex. 6). Again estimating each home’s cost per square foot based on listing price, Petitioners arrived at a square foot cost of \$297, and she consequently estimated a value of \$841,995 for their home. *Id.*

[¶ 11] Finally, the Caywoods averaged their improvised valuation estimates, concluding that their total property value should be \$925,006.53.<sup>2</sup> (Hr’g Audio 18:10-19:15; R. at 14, Ex. 7). Ms. Caywood drew comparisons with another local sold property as well in an effort to establish that Petitioners’ home was overvalued. (Hr’g Audio 19:20-23:00; R. at 15-22, Exs. 8-11). In the end, Ms. Caywood reiterated Petitioners’ overall position that their assessed value should not exceed, by nearly a half-million dollars, their combined cost to acquire the land and construct their home. *Supra* ¶ 7; (Hr’g Audio 39:40-40:15; 46:00-47:00). She acknowledged that while Assessor was required to mass appraise the

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<sup>1</sup> Ms. Caywood referred to Exhibit 1, but was actually referring to “Method 1,” Petitioners’ “Comparison [of] Properties in Alpine, WY.” (R. at 4, Ex. 3)

<sup>2</sup> This argued valuation differed from the asserted value in Petitioners’ Notice of Appeal. *Supra* ¶ 5.

county's properties because Assessor could not individually appraise each property using a conventional appraisal, the mass appraisal system "did not work for us." (Hr'g Audio 43:15-44:00).

[¶ 12] Assessor, in response, introduced an array of documents demonstrating her application of Wyoming's mass appraisal system to value the Caywoods' property. Much of her evidence focused on her office's calculation of a "market adjustment," and its role in ensuring valuations are within a statistical range of the market's median sales prices. Central to this analysis was her "sales ratio" analysis which measured the relationship between assessed values of properties and sales prices. She explained that per Department of Revenue rules, she was required to adjust values such that the median for an "assessment area"<sup>3</sup> fell between .90 and 1.10 of the sales prices. (Hr'g Audio 25:00-32:30; R. at 23-46); *see infra* ¶ 15.

[¶ 13] Assessor explained that before she adjusted values for the neighborhood that included the Caywoods' property, the median ratio was .78, indicating an undervaluation of those properties in 2022. (Hr'g Audio 28:00-30:00; R. at 23-27, Ex. A). She consequently adjusted property values upward to raise the neighborhood's median ratio up to .94, within the Department of Revenue's prescribed range. (Hr'g Audio, 30:00-32:00; R. at 29-33, Ex. B). Various other exhibits followed, lending further insight to the county's and Alpine's property sales and assessed valuations, including comparisons of sales to real estate price listings (R. at 34-36, Ex. C), sales prices and ratio trends by month throughout 2022 (R. at 37-43, Ex. D), 2023 values and sales ratios relative to 2022 sales prices for sold properties (R. at 49-54, Ex. F), and total property account values at times of sale in 2022 (R. at 55-61, Ex. G). Assessor also offered into evidence a spreadsheet of sales within the "Alpine Meadows Subdivision," which included the Caywoods' property, listing all properties within the subdivision that sold in 2021, their condition, and adjusted valuations. (R. at 63-64, Ex. I). Exhibit J, Assessor explained, demonstrated that using the 2022 sales prices of Alpine properties without a market adjustment would result in significant undervaluation. The sales ratios were, for most properties, well under .90. (R. at 65-66, Ex. J; Hr'g Audio 33:30-34:20). Exhibit K isolated new 2022 construction, the sales prices and sales ratios, indicating an undervaluation when using the costs of improvements alone. (R. at 69-70, Exs. K, L; Hr'g Audio 34:20-35:45). She observed that these exhibits demonstrated a property market with rapidly rising values. *Id.* Exhibit M focused on the areas, prices, and relative valuations of sold land in the Alpine Meadows subdivision. (R. at 71, Ex. M).

[¶ 14] Assessor explained her office's valuation of the Caywoods' Alpine property, directing the County Board's attention to the property's profile, land dimensions, composition of the 2022 residential improvements, and cost of construction breakout

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<sup>3</sup> Assessor explained at different times in her testimony that "assessment area" was interchangeable with "Land Economic Area (LEA)," the technical term included in exhibits.

indicating a Replacement Cost New Less Depreciation (RCNLD) of \$596,103, and an adjusted RCNLD of \$1,251,816. (R. at 77, Exs. N-O; Hr’g Audio 36:20-38:00). Assessor recalled that she offered to perform a site review of the Caywoods’ property to update her file, but the Caywoods denied her request. (Hr’g Audio 26:40-27:00, 36:30-37:00, 44:40-45:10).

[¶ 15] Assessor directed the County Board to her list of eight comparable sales used to evaluate whether the Caywoods’ property was undervalued. Valuation of those properties without a market adjustment, she explained, resulted in a median of .54, a substantial undervaluation. (R. at 78, Ex. Q; Hr’g Audio 37:00-38:20, 40:20-42:40). She stated that her calculated market adjustment of 2.15 raised the values of each property such that the median ratio between the sales prices and values became .97, and was therefore consistent with mass appraisal law. *Id.*

[¶ 16] The County Board, in affirming Assessor’s valuation, stated “the Petitioner must do more than offer evidence that its statement or opinion is correct. The Petitioner must show the Assessor’s determination is incorrect, invalid or inaccurate. Proffering a competing opinion is, in and of itself, not sufficient.” (R. at 93, County Board Decision at ¶ 77). The County Board concluded that Petitioner failed to overcome, with evidence, the initial presumption favoring Assessor’s valuation. *Id.* at ¶ 80.

## CONCLUSIONS OF LAW

### State Board’s review function, presumptions, and burdens of proof before the County Board

[¶ 17] This Board reviews county board decisions as an intermediate appellate body and treats the county board as the finder of fact. *Town of Thermopolis v. Deromedi*, 2002 WY 70, ¶ 11, 45 P.3d 1155, 1159 (Wyo. 2002). Our standard for reviewing a county board decision is nearly identical to the Wyoming Administrative Procedure Act standard, found at Wyoming Statutes section 16-3-114(c)(ii) (2023), that a district court must apply in reviewing such decisions. Our review is limited to determining whether a county board’s action is:

- (a) Arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law;
- (b) In excess of statutory jurisdiction, authority or limitations or lacking statutory right;
- (c) Without observance of procedure required by law; or
- (d) Unsupported by substantial evidence.

Rules, Wyo. State Bd. of Equalization, ch. 3 § 9(a)-(d) (2021).

[¶ 18] “A strong presumption favors the Assessor’s valuation. ‘In the absence of evidence to the contrary, we presume that the officials charged with establishing value exercised honest judgment in accordance with the applicable rules, regulations, and other directives that have passed public scrutiny, either through legislative enactment or agency rule-making, or both.’ ” *Britt v. Fremont Cty. Assessor*, 2006 WY 10, ¶ 23, 126 P.3d 117, 125 (Wyo. 2006) (quoting *Amoco Prod. Co. v. Dep’t of Revenue*, 2004 WY 89, ¶ 7, 94 P.3d 430, 435 (Wyo. 2004)); see also, *Rules, Wyo. State Bd. of Equalization*, ch. 7 § 14(a) (2021) (“There is a presumption that the assessor’s property valuation is valid, accurate, and correct.”). “Petitioner may present any credible evidence to rebut the presumption in favor of the assessor’s valuation.” *Id.* at § 14(b). If a taxpayer presents credible evidence sufficient to rebut the presumption, the county board must then “equally weigh the evidence of all parties and measure it against the appropriate burden of proof.” *Britt*, ¶ 23, 126 P.3d at 125 (citing *CIG v. Wyo. Dep’t of Revenue*, 2001 WY 34, ¶ 10, 20 P.3d 528, 531 (Wyo. 2001)). The burden of going forward<sup>4</sup> would then shift to Assessor, but the ultimate burden of persuasion would remain with the taxpayer to prove, by a preponderance of the evidence, that Assessor’s valuation wasn’t derived in compliance with constitutional or statutory requirements. *Id.* “A mere difference of opinion as to value” is not sufficient to overcome the presumption. *Britt*, at ¶ 34, 126 P.3d at 127.

[¶ 19] “[T]he burden of proof with respect to tax valuation is on the party asserting an improper valuation.” *Williams Prod. RMT Co. v. State Dep’t of Revenue*, 2005 WY 28, ¶ 7, 107 P.3d 179, 183 (Wyo. 2005). More specifically:

Except as specifically provided by law or in this section, the Petitioner shall have the burden of going forward and the ultimate burden of persuasion, which burden shall be met by a preponderance of the evidence. If Petitioner provides sufficient evidence to suggest the Department determination is incorrect, the burden shifts to the Department to defend its action.

Rules, Wyo. State Bd. of Equalization, ch. 2 § 20 (2021).

#### Review of the County Board’s decision

[¶ 20] The County Board concluded that the Caywoods “failed to overcome the presumption that the Assessor’s property valuation is valid, accurate and correct.” (R. at 93, County Board Decision at ¶ 80). Neither did they offer evidence that Assessor failed to follow the law or rules. *Id.* at ¶ 78. We agree.

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<sup>4</sup> The burden of going forward, also called the burden of production, is “[a] party’s duty to introduce enough evidence on an issue to have the issue decided by the fact-finder, rather than decided against the party in a peremptory ruling such as a summary judgment or a directed verdict.” *Burden of Production, Black’s Law Dictionary*, 236 (10<sup>th</sup> ed. 2014).

[¶ 21] The Caywoods’s theory of the case is that their timely November 2022 acquisition revealed a market value superior to the Assessor’s mass appraised valuation. *Supra* ¶ 7. The Caywoods presumed that the price of construction services equated to an arm’s length purchase, aligning with the “fair market value” definition under Wyoming Statutes section 39-11-101(a)(vi) (2023). *Supra* ¶ 7; (Caywoods’ Br., 5). According to that statute, “Fair market value” means:

the amount in cash, or terms reasonably equivalent to cash, a well informed buyer is justified in paying for a property and a well informed seller is justified in accepting, assuming neither party to the transaction is acting under undue compulsion, and assuming the property has been offered in the open market for a reasonable time, ....

*Id.*

[¶ 22] The three valuation methods available to assessors each ask a fundamental question, the answers to which assist determination of fair market value. The “sales comparison” approach requires examination of sales of similar properties to that valued, and the sales data is adjusted to account for “differences in time, location, size, physical attributes,” and other factors. Rules, Wyo. Dep’t of Revenue, ch. 9 § 5(b)(i) (2016). The “cost” approach examines the cost to reproduce or replace the improvements, accounting for depreciation resulting from wear, tear, or obsolescence. *Id.* at § 5(b)(ii). The “income” approach, normally not used to value residential properties, examines the income a property may generate to identify what price a buyer might pay to earn that income. *Id.* at § 5(b)(iii). Assessors are required to “reconcile” the results of valuation methods to judge which best approximates value—what a willing buyer would pay a rational seller if the property were sold on the open market on the appraisal date. *Id.* at § 5(b)(iv).

[¶ 23] Wyoming’s mass appraisal system (computer-assisted mass appraisal (CAMA)) seeks to estimate fair market value, often through a combination of the cost and sales comparison methods, but with a market adjustment to account for supply and demand influences. *See* Wyo. Stat. Ann. § 39-13-103(b) (2023); Rules, Wyo. Dep’t of Revenue, ch. 9 §§ 2, 5-7 (2016); *see Britt*, ¶ 39, 126 P.3d at 128 (The CAMA system “automates the comparable sales and replacement cost methods[.]”); *In re Appeal of Danny Harmon, et al.*, 2021 WL 4955094, Doc Nos. 2021-56, 2021-58, 2021-85, ¶¶ 52-55, \* 10 (Wyo. St. Bd. Equalization, Oct. 19, 2021) (describing mass appraisal system and presumption of correctness); *see infra* ¶ 26.

[¶ 24] While the Caywoods might plausibly argue that their purchase of construction services to build their residential improvements was relevant evidence of the property’s cost to replace, it was not in and of itself an open market sale of property as the fair market value definition envisions. *See* Rules, Wyo. Dep’t of Revenue, ch. 9 § 5(b)(ii) (2016) (Employing CAMA system to calculate the replacement cost new, less depreciation, of

improvements).

[¶ 25] Even had the Caywoods purchased their property in an arm's length transaction after exposure to the market in November of 2022, that sale would not justify dispensing with application of Wyoming's mass appraisal system. The Wyoming Supreme Court has determined that assessors are not bound to use a property's recent sale price as conclusive evidence of fair market value, "in lieu of the [mass] appraisal method." *Gray v. Wyo. St. Bd. of Equalization*, 396 P.2d 1347, 1351-54 (Wyo. 1995). The Court added that relying upon such a sale transaction might disrupt the uniformity and equality sought through the CAMA appraisal system. *Id.* at 1354.

[¶ 26] Per Wyoming's mass appraisal system guidelines, Assessor estimated the market for land based on local land sales, and the cost to replace the recently constructed improvements, based on CAMA cost tables, adjusted for quality and condition. *Supra* ¶¶ 12-15. Assessor testified that, because properties in Alpine and the county as a whole were selling for prices considerably greater than the combined land and material replacement costs, she calculated a market adjustment to ensure values reflected market prices of similar residential properties in the area. *Supra* ¶¶ 14-15. The Caywoods offered no evidence that Assessor incorrectly appraised their property. Instead, they asserted that the CAMA system "did not work" for their property in light of their actual cost to build their home and purchase the land. *Supra* ¶ 11.

[¶ 27] Petitioners' misapprehension clearly stemmed from the market adjustment's role in the mass appraisal process. The Department of Revenue directs that a "market adjustment" reflects "supply and demand preferences," which "should be applied by type of property and area and are based on sales ratio studies or other market analyses." Rules, Wyo. Dep't of Revenue, ch. 9 § 4(a)(xxi) (2016). A "ratio study" calculates "the relationship between appraised or assessed values and market values." *Id.* at § 4(a)(xxxii). It "uses sales prices as proxies for market values, with the appraised/assessed value being the numerator and the sales price being the denominator." *Id.* As Assessor testified, the Department required a "level of appraisal" for any LEA or neighborhood to be between .90 and 1.10. *Id.* at § 6(a)(iii); *supra* ¶ 12. In layman's terms, this means that the median assessed values in an area must fall within a statistical range of 90% to 110% of the average sales prices of similar properties sold in that area.

[¶ 28] Assessor explained that Alpine's housing market had experienced a significant increase in values over the adjusted replacement costs of sold properties, so much so that she imposed a 2.14 market adjustment to ensure valuations fell within the required 90% to 110% range of the appraisal area's market prices. Petitioners' evidence did not demonstrate Assessor's mass appraisal of their property was incorrect.



**CONCLUSION**

[¶ 29] The County Board correctly concluded that Petitioners offered no evidence that Assessor erred in how she applied Wyoming’s mass appraisal system. The County Board’s findings of fact are supported by substantial evidence, and its conclusions of law are consistent with Wyoming law and the Department of Revenue’s prescribed mass appraisal methodologies.

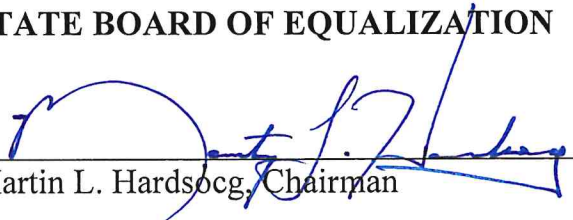
**ORDER**

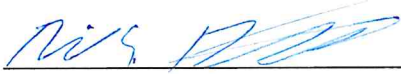
[¶ 30] **IT IS HEREBY ORDERED** that the Lincoln County Board of Equalization’s Findings of Fact, Conclusions of Law, and Order is **affirmed**.

[¶ 31] Pursuant to Wyoming Statutes section 16-3-114 (2021) and Rule 12, Wyoming Rules of Appellate Procedure, any person aggrieved or adversely affected in fact by this decision may seek judicial review in the appropriate district court by filing a petition for review within 30 days after the date of this decision.

DATED this 16 day of February 2024.

**STATE BOARD OF EQUALIZATION**

  
\_\_\_\_\_  
Martin L. Hardsocg, Chairman

  
\_\_\_\_\_  
David L. Delicath, Vice-Chairman

  
\_\_\_\_\_  
E. Jayne Mockler, Board Member

ATTEST:

  
\_\_\_\_\_  
Jennifer Fujinami, Executive Assistant

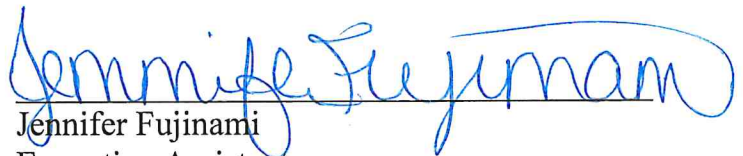
## CERTIFICATE OF SERVICE

I certify that on the 16 day of February 2024, I served the foregoing **DECISION AND ORDER** by placing a true and correct copy thereof in the United States Mail, postage prepaid, and properly addressed to the following:

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Alpine, WY 83128

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cc: Commissioners/Treasurer/Clerk/Assessor – Lincoln County  
Kenneth Guille, Administrator, Property Tax Division, Wyoming Department of Revenue