

Board of Abatement
Minutes
9/17/18

Board of Civil Authority (BCA) Present: Jared Cadwell (Jared), Chuck Martel (Chuck), Michael Jordan (Mike), Patti Lewis (Patti), Lisa Koitzsch (Lisa), Doug Mosle (Mosle), Sarah Stavraký (Sarah), Rick Rayfield (Rick), and Peter Forbes (Peter). (Board)

Appellants Present: Keith Kuegel (Keith), Property 03-086.001

Jared called the meeting to order at 10:00 a.m. He explained to Keith that he would have 20-25 minutes to present his case and that afterwards, the Board might have questions for him. Jared administered the oath to Keith.

Jared asked the Board if there were any conflicts of interest and Patti stated she would recuse herself from any decisions as she is the delinquent tax collector. Jared noted that she could be called as a witness.

Keith asked if he could record the hearing and the answer was yes.

Jared asked Keith what part of the Vermont Statute he was filing his request under. Keith answered that he was not sure but wanted to present his lawyer's letter on the subdivision and then mentioned a rooms and meals tax lien on his property. He further stated he was requesting abatement for property taxes going back from the present to 2009.

Jared asked if the Board was comfortable with Keith simply stating his case without reference to a specific Statute. They were.

Keith said that his subdivision is at 424 Randell Road and he has been paying taxes on a value based on a 7-lot subdivision. However, he has not been able to develop the lots because of lawyers (specifically Sheila Getzinger) and title insurance companies and therefore the subdivision allowance is basically null and void. He said that the wording in his deed states there is to be one single family home built on the entire 39 acres. He further stated that he would not have gone through the subdivision process (and all the money it cost) if he knew the language in the deed would be interpreted that way. Keith paused a moment to ask that the Board deal with his cognitive issues due to a severe brain injury. He said he has been taxed on the ability to build five homes for the last 9 years. He said there had been all kinds of issues that have prevented him from paying the taxes in full but according to his accountant, Doug Hall, with income sensitivity, he should have only been taxed about \$900.00/year. As to the meals and rooms tax lien he said he does not owe anywhere near that, from two rentals in the past two years, totaling \$3000.00, he might owe \$1000.00. Keith asked if the Board had any questions.

Jared asked if Keith had received a permit to subdivide. Doug replied that the DRB had approved a 7-lot subdivision. This includes the main house lot, five other lots totaling six acres, and one large common land lot of 29 acres. Doug called this subdivision a PUD.

Keith restated that, according to his deed, he is only able to have a home, garage, barn and workshop on the entire parcel. Jared asked why Keith was unable to realize the 7-lot development approved by the DRB. Keith said this was due to attorney Sheila Getzinger's comments. Jared asked if this matter had

been litigated. Keith answered that it would take some sort of deed change and that the lawyer who wrote the deed would not be able to open the case without a substantial retainer.

Peter asked what the next step would be if a subdivision had been approved.

Chuck said he was on the DRB at the time and that the issue of the deed language had come up. But at the time, the DRB felt interpreting deed language was not a Town issue and that rather the DRB interpreted Town zoning regulations to determine if a subdivision met all the zoning requirements. This subdivision had.

Chuck asked Doug if the Town taxes differently on a subdivision with development potential. Doug explained that the Town assesses land on two schedules. The first 2 acres (for everyone), is currently assessed at \$40,000.00/acre. Everything beyond that (bulk land) is approximately \$2500.00/acre. A subdivided parcel would have an increase in value based on an increase in grade due to the development potential. Listers do not apply a site value (\$40,000.00/acre) for each developable site until a lot is sold.

Keith stated that Gussie (Gussie Graves, former Lister) had increased the value of each lot by \$25,000.00 in 2009 and that last year the value of his property went up another \$54,000.00.

Sarah asked what year the subdivision was granted. The answer was 2009.

Rick commented that this is the bulk parcel, what happens when a deed is recorded in the land records to which Doug responded that if someone purchases a lot, the acres would be go into the grand list in someone else's name and would be assessed a site value at that time.

Peter asked how rooms and meals taxes come into this. Keith said he was simply letting the Board know that the property has this lien of \$40,000.00 and the property has now gone to tax sale. Rick said this demonstrated his inability to pay.

Keith shared that he will probably make \$15,500.00 this year from disability and made even less last year. He had posted on FPF at one point as he had no heat or food where he had millions before his accidents which have stripped him of his abilities.

Lisa asked Doug if this property was taxed based on the deed or based on the approval of the 7-lot subdivision. Doug replied that it was taxed based on the subdivision potential. Sarah handed out historical data from the Lister cards to the Board. Doug reiterated that generally this is how a subdivision is handled. Retail value is not applied per site but taxed as bulk land but that the approved subdivision does give it more value. Keith asked for proof of the valuations of the land.

Rick asked that if once a lot is sold does the rest of the land still stay as bulk land value vs. site value to which Doug replied yes.

Peter asked if Keith's income comes from Airbnb to which Keith replied no, it comes from disability payments.

Lisa apologized but asked if she could ask a personal question of Keith if he was willing to answer. He was. She noted that if he did have low income, why were there no state tax payments towards his property taxes in some years? And had he filed his homestead declarations on time. Keith said yes, he

has always filed (incurring a penalty of \$500.00 one year). He is now broke and his accountants should have taken care of the tax adjustment filing.

Rick noted that Keith's former wife Susan was still on the deed and wondered if she would be liable for these taxes as well. Keith replied that he is divorced and that she does not want anything to do with the property. Rick restated that there is another party involved legally.

Doug then had the Board look at the 2009 cost data sheet which showed an increase in value for a 5-lot subdivision of a total of \$25,000.00 or \$5,000.00 for each site. It showed a grade average of 1.0 and the 37 remaining bulk land assessed at between \$2,000-\$2,500/acre.

Rick asked if this had been presented to the Kuegels at the time and asked if they would have had a chance to appeal the assessment. Doug said yes, any assessed value change is given to the property owner and is grievable. Keith had not grieved.

Doug continued on that 2009 was not a reappraisal year but that 2010 was. It showed an assessed land value increase of the 7-lot subdivision to \$168,300.00. Reappraisal looks at land schedules and neighborhoods and Keith asked what makes the parameters of a neighborhood.

Jared interrupted this discussion at this point noting that the group was talking about a grievance vs abatement and that further questions and discussion should focus on abatement.

Doug went on to say that in 2017 the grade of the property went up significantly on the 37 acres to \$214,200.00. He said this was because of current use value and even though it was higher, it was a reflection of the fair market value of subdivided lots and that furthermore the value in current use goes up and thus tax liability goes down.

Keith asked why the lister card says a 6-lot subdivision and Sarah replied because there are five lots, your homestead lot, and the common land lot and that perhaps it was a mistake. Doug said he would not affect anything as far as having notes such as this on the cards.

Lisa asked if Keith remembered having received documents regarding the change in value during the 2010 and 2017 reappraisal years. Keith said yes but felt he had no recourse. He added that he was recovering from three traumatic brain injuries. He had asked Susan as best he could to handle it. Nothing was done.

Keith said he has a letter from Sheila Getzinger (there may be more) and would the Board like that information. The Board said yes.

Doug asked Keith if there had been lot sales and did the issue come up as a result of an attempt to sell? Did he have any documentation from an attorney that would indicated he can't sell the lots?

Jared said it would be useful if Keith were able to transmit any documentation to Patti.

Sarah asked if Keith had spoken to his accountant as there were several years where he did not receive state payments. She asked if Lisa Loomis, who had been helping him, had spoken to his accountant on his behalf.

Chuck noted a point of clarification regarding the deed and the fact that Susan is still on it. He questioned whether the Board can decide on behalf of one party unless Keith has documentation that

he represents both parties. Keith said the property is under the Kuegel Living Trust and that he can make decisions covering any aspect of the property. Sarah agreed that she thought the Board can hear abatement requests on behalf of property owners from third parties. Rick said the statute allows abatement for the inability to pay as opposed to who can afford to pay.

Lisa asked Keith if over the years he had attempted to make payments. He replied he did the best he could until he couldn't.

Rick asked Keith what exactly he was asking for Keith replied that he did not have the answer right now, but would get back to the Board with that answer.

10:46 a.m. Jared moved to close the open hearing and go into deliberative session. Chuck stated that the hearing should be continued, not closed, in order to accept further evidence from Keith.

10:49 a.m. Rick made a motion to continue the evidentiary hearing and go into deliberative session. Jared seconded. No further discussion, all in favor, motion carried.

11:10 a.m. Jared made a motion to close deliberative session. Lisa seconded, no further discussion all in favor, motion carried.

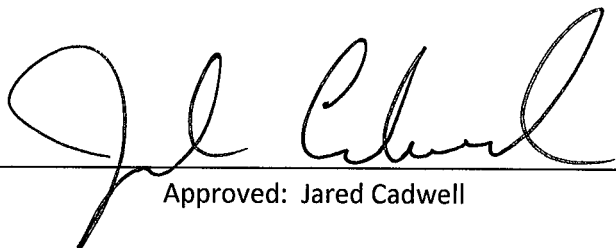
Board has asked Keith for;

1. Sheila Getzinger's explanation letter re: subdivision potential;
2. Trust documentation re: Keith's right to speak for all parties to the property; and
3. The exact amount that Keith is asking for regarding abatement.

11:100 a.m. – Sarah made a motion to continue the hearing on Thursday, September 27, 2018 at 10:30 a.m. at the Municipal Offices. Lisa seconded. No further discussion, all in favor, motion carried.

Respectfully Submitted:

Patti Lewis



Approved: Jared Cadwell