

**Iron Wheel, Inc.**  
**v.**  
**Town of Danville**

**Docket No. 4967-88**

**DECISION**

A hearing in this appeal was held on January 10, 1991. The Taxpayer appeals, pursuant to RSA 76:16-a, the 1988 assessments identified as follows:

<u>Map 2, Lot 14</u>	-	land	\$780,450
		building	<u>3,700</u>
		total	\$784,150
<u>Map 2, Lot 13-1</u>	-	land only	\$ 41,250
<u>IW 35</u>	-	building only	\$ 69,750

Map 2, Lot 14 consists of 46.2 acres on Back Road developed as a 52 site manufactured home park (MHP). Map 2, Lot 13-1 is an adjacent 2 acre parcel which is leased as an additional site for a manufactured home. IW 35 is a 24 x 56 manufactured home located on Map 2, Lot 14.

**Map 2, Lot 14**

The Taxpayer argued:

- 1) the land size was 46.2 acres not 48.2 as assessed;
- 2) the land value was excessive compared to the Cotton Farm MHP (which was in a better location in town) and compared to abutting land subsequently purchased by the Taxpayer;
- 3) the concrete pads assessed at \$1,500 each were actually purchased by the homeowner and as they were custom sized for each unit would be of little value to the Taxpayer if and when a unit was ever removed; the Taxpayer argued the pads already were assessed to the homeowner;
- 4) the site development costs (septic, water, paving, parking areas, patios and walks, electrical) were assessed more to the Taxpayer than to Cotton Farm MHP.

The Town submitted a revised assessment that:

- 1) adjusted for the quality of the land and frontage;
- 2) reduced the water and septic costs; and
- 3) arrived at a recommended assessment of \$657,000.

The Board finds that the front foot price of \$350 was the second lowest in Town. Based on testimony as to the Taxpayers neighborhood and the neighborhood of the area (Long Pond Road) with the lowest front foot price of \$300, the Board finds that the Taxpayers frontage calculation should be based on \$300 per front foot.

The Board finds the other adjustments for the land and improvements recommended by the Town to be reasonable. The Taxpayer testified that some of the development costs, specifically the water and septic systems, were installed for less than the town's revised assessment. However, the Board finds that the very topographical and soil conditions that lessen the systems costs could result in the market value of those systems to be higher than costs due to the higher replacement costs of competing parks. The Taxpayer also admitted that the rents were similarly below market rents. Differences remaining between Iron Wheel MHP and Cotton Farm MHP are accountable due to actual differences in improvements, economies of scale (Iron Wheel MHP with 52 sites compared to Cotton Farm MHP with 147 sites) and the possibility that Cotton Farm MHP could be underassessed.

The Board finds that the concrete pads, having been sized and sold to each homeowner, should properly be assessed to the homeowner and not the park owner. The Town testified that the assessments on the individual manufactured house was derived directly from the market. The cost of the units was subtracted from the sales prices to arrive at a correlated location factor of 1.45 to account for the difference between cost and market on the units. Since the pads were part of the purchase price as testified to by the Taxpayer, the value of the pads is already contained in the assessment of the individual homeowners.

In summary, the Board rules the proper 1988 assessment for Map 2, Lot 14 is:

Rearland

Exc	30 Acres	\$135,000
Poor	.69	700
Wet	12	6,000

Frontage acreage 3.51

(value below)

<u>Frontage</u>		
250 feet		\$ 54,700
515 feet		22,250
52 spaces		<u>\$342,800</u>
	Total land value	\$561,450
	Total improvement value	<u>3,700</u>
	Total assessment	\$565,150

**Map 2, Lot 13-1**

The Taxpayer argued:

- 1) that the lot was really part of the MHP;
- 2) the lot was in one of the worst areas in Town; and
- 3) the lot has a powerline easement that runs through the front of the lot.

The Town recommended adjusting the assessment to \$37,100 by changing the rear land classification from fair to poor and reducing the frontage calculation by 10 percent to account for the powerline easement.

The Board finds the Town's adjustments are reasonable, but further reduces the front foot price from \$350 to \$300 for the same reasons as stated for Lot 14. The Board notes that Exhibit TN-B "Consolidation Plan of Land in Danville, N.H. as drawn for Iron Wheel Inc." is dated May 22, 1990, well after the 1988 assessment date. However, the Town had in its 1988 assessment pragmatically recognized its integrated usage with the MHP (Lot 14) by using the frontage adjustment as if Lot 13-1 was a part of Lot 14. Therefore, the Board rules that the proper 1988 assessment for Lot 13-1 is \$33,200.

**IW 35**

The Taxpayer argued that this home was held for sale by the Taxpayer, a manufactured home dealer, was not sold until the end of September, 1988, and was therefore not taxable per RSA 72:7-a. The Taxpayer testified that the septic line had not been laid to the home, water was not connected to the unit, electricity and meter were not installed and in fact could easily have been moved off-site to any purchasers own lot.

The Town stated that the appraiser viewing the property had thought the home had been connected to utilities.

The Board finds that, in this case, there were significant enough utility

connections yet to be done to make the home "suitable for use" so as to make the determination that indeed the unit was being held for sale and was not available

for immediate occupation. The Board rules, however, that, pursuant to RSA 72:7-a I-a, the home was taxable to the new owners for approximately one half a year (October, 1988 - March, 1989).

**72:7-a Manufactured Housing.**

I-a. Manufactured housing suitable for use for domestic, commercial or industrial purposes is taxable in the town, city or unincorporated place to which it is brought and located after April first and before the following January first, provided that said manufactured housing remains in said town, city or unincorporated place for more than 10 weeks, except for storage only, and further provided a tax has not been assessed on it elsewhere in the state for that year. The tax shall be for the pro rata part of the tax year remaining when said manufactured housing became located in the town, city or unincorporated place. The selectmen or assessors may so require and it shall be an obligation of the owner to file with the selectmen or assessors a true and correct inventory of the property subject to taxation under this paragraph within 15 days of the location of the manufactured housing in such form as the commissioner of revenue administration may prescribe.

The Board rules that one half of the 1988 taxes, as assessed to the Taxpayer for IW 35, be abated with interest at six percent per annum from the date of payment to the date of refund.

Further, the Board rules that if taxes have been paid, the amount paid on the value in excess of \$565,150 for Map 2, Lot 14 and \$33,200 for Map 2, Lot 13-1 is to be refunded with interest at six percent per annum from date of payment to date of refund.

SO ORDERED.

BOARD OF TAX AND LAND APPEALS

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George Twigg, III, Chairman

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Paul B. Franklin, Member

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Ignatius MacLellan, Member

Date: March 27, 1991

I certify that copies of the within Decision have this date been mailed, postage prepaid, to Thomas Waters, representative for Iron Wheel, Inc., taxpayer; and the Chairman, Selectmen of Danville.

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Michele E. LeBrun, Clerk

Date: March 27, 1991

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