SUPREME COURT OF WYOMING

Thunder Basin Coal Company v. Campbell County, Wyoming Assessor

132 P.3d 801 (Wyo. 2006) · No. Nos. 05-117, 05-118, 05-119 · Decided April 12, 2006

SUMMARY

The Wyoming Supreme Court reviewed Thunder Basin Coal Company's challenges to Campbell County's ad valorem tax assessments on personal property at the Black Thunder and Coal Creek coal mines for tax years 2001 and 2002. The court upheld the assessments in Cases Nos. 05-117 and 05-119, concluding that the assessor's use of the cost approach, treatment of acquisition values, depreciation calculations, and consideration of economic obsolescence were supported by the record. The court dismissed Case No. 05-118 for lack of jurisdiction.

CASE DETAILS

COURT	Supreme Court of Wyoming
WRITING FOR THE COURT	Kite, Justice; Hill, C.J.; Golden, J.; Kite, J.; Voigt, J.; Burke, J.
JURISDICTION	Wyoming
DECIDED	April 12, 2006
DOCKET	Nos. 05-117, 05-118, 05-119
DISPOSITION	other
PROCEDURAL POSTURE	Consolidated appeals from district-court review of State Board of Equalization decisions concerning Campbell County personal-property tax assessments for 2001 and 2002.
STANDARD OF REVIEW	Agency factual findings are reviewed on the whole record for substantial evidence; legal conclusions are reviewed de novo; agency action is set aside if arbitrary, capricious, an abuse of discretion, contrary to law, constitutionally defective, beyond statutory authority, procedurally unlawful, or unsupported by substantial evidence under Wyo. Stat. Ann. § 16-3-114(c). The choice of appraisal method is reviewed for substantial evidence, while application of the method to the facts presents an ultimate-fact question reviewed de novo. Property-tax valuations are presumed valid, accurate, and correct until overcome by credible evidence.
PRECEDENTIAL VALUE	Published Wyoming Supreme Court opinion; precedential.

PARTIES	Thunder Basin Coal Company v. Campbell County, Wyoming Assessor

TOPICS

property tax · judicial review of agency action · appellate jurisdiction · administrative law · minerals

PRACTICE AREAS

property taxation · administrative law · appellate procedure · mineral-property valuation

QUESTIONS PRESENTED

1. Whether the County Assessor properly used Thunder Basin's 1998 allocated acquisition values as the starting point for the cost approach to valuing used personal property.
2. Whether the County Assessor properly calculated physical depreciation and applied the regulatory residual-value limit.
3. Whether the County Assessor properly accounted for economic obsolescence for the Black Thunder and Coal Creek mines.
4. Whether the County Board's findings of fact and conclusions of law were sufficiently detailed to permit judicial review.
5. Whether Thunder Basin's appeal in Case No. 05-118 was within the Wyoming Supreme Court's jurisdiction after the State Board and district court remanded the matter for further proceedings.

HOLDINGS

1. The County Assessor could use the 1998 allocated acquisition cost and date as the starting point for valuing the used personal property because Wyoming statutes, regulations, and appraisal guidelines did not prohibit that approach and the information was supplied by Thunder Basin.
2. The County Assessor's calculation of physical depreciation and use of the regulatory residual-value limit were supported by substantial evidence and did not constitute legal error.
3. For the 2001 assessments, the County Assessor's reliance on the recent 1998 arm's-length values as reflecting economic obsolescence was not arbitrary or contrary to law; for the 2002 Coal Creek assessment, the assessor's 50-percent economic-obsolescence calculation was supported by substantial evidence.
4. The County Board's findings and conclusions were adequate for judicial review despite being sparse and somewhat conclusory because the record made the basis of its decision clear.
5. The Wyoming Supreme Court lacked jurisdiction over Thunder Basin's appeal from the remand order concerning the Black Thunder 2002 assessment because Thunder Basin was not an aggrieved party and the remand order was not final or appealable.

KEY QUOTATIONS

> *“Substantial evidence is more than a scintilla of evidence; it is evidence that a reasonable mind might accept in support of the conclusions of the agency.”* (806)

> *“The proper application of appraisal methods to the facts is an issue of ultimate fact requiring de novo review.”* (807)

> *“It would do little good to remand this matter in order for the County Board to state the obvious, e.g. it found the 1998 allocated value, derived from an arms length transaction and provided by the taxpayer, fairly included economic obsolescence in 2001.”* (813)

FACTUAL BACKGROUND

Thunder Basin Coal Company, owned by Arch Coal, purchased the Black Thunder and Coal Creek mines in 1998 and closed the Coal Creek mine in 2000. Campbell County used the cost approach to assess personal property at the mines for 2001 and 2002, relying in part on allocated purchase-price and book-value information supplied by Thunder Basin. Thunder Basin's independent appraisals produced substantially lower values, primarily because of differing calculations of physical depreciation and economic obsolescence. The County Board upheld the assessments, while the State Board remanded the Black Thunder 2002 assessment for further proceedings concerning economic obsolescence.

PROCEDURAL HISTORY

Thunder Basin challenged Campbell County's assessments of personal property at the Black Thunder and Coal Creek mines. The Campbell County Board of Equalization upheld the assessments, and the State Board of Equalization affirmed the 2001 and Coal Creek 2002 determinations but remanded the Black Thunder 2002 determination for further proceedings concerning economic obsolescence. The district court affirmed the relevant administrative decisions, after which Thunder Basin appealed. The Wyoming Supreme Court affirmed in Cases Nos. 05-117 and 05-119 and dismissed Case No. 05-118 for lack of appellate jurisdiction.

DISPOSITION

other

REMAND INSTRUCTIONS

Case No. 05-118 remains remanded to the Campbell County Board for further proceedings in accordance with the State Board of Equalization's remand order. Cases Nos. 05-117 and 05-119 were affirmed.

CASES CITED

- RT Communications, Inc. v. State Board of Equalization, 11 P.3d 915 (Wyo. 2000)
- Laramie County Board of Equalization v. Wyoming State Board of Equalization, 915 P.2d 1184 (Wyo. 1996)
- Newman v. State ex rel. Workers' Safety & Compensation Division, 2002 WY 91, ¶ 12, 49 P.3d 163, 168 (Wyo. 2002)
- Veile v. Bryant, 2004 WY 107, ¶ 9, 97 P.3d 787, 792 (Wyo. 2004)

- Colorado Interstate Gas Co. v. Wyoming Department of Revenue, 2001 WY 34, ¶¶ 9-11, 20 P.3d 528 (Wyo. 2001)
- Airtouch Communications, Inc. v. Department of Revenue, 2003 WY 114, 76 P.3d 342 (Wyo. 2003)
- Holly Sugar Corp. v. State Board of Equalization, 839 P.2d 959 (Wyo. 1992)
- Gray v. Wyoming State Board of Equalization, 896 P.2d 1347 (Wyo. 1995)
- Pacificorp, Inc. v. Department of Revenue, 2001 WY 84, ¶ 6, 31 P.3d 64, 65-66 (Wyo. 2001)
- Wyoming Department of Revenue v. Guthrie, 2005 WY 79, ¶¶ 13-14, 115 P.3d 1086, 1091-92 (Wyo. 2005)
- Jim Paws, Inc. v. Equalization Board of Garland County, 710 S.W.2d 197 (Ark. 1986)
- Teton Valley Ranch v. State Board of Equalization, 735 P.2d 107 (Wyo. 1987)
- Brandt v. TCI Cablevision of Wyoming, 873 P.2d 595 (Wyo. 1994)
- Casper Iron & Metal, Inc. v. Unemployment Insurance Commission, 845 P.2d 387 (Wyo. 1993)
- Antelope Valley Improvement and Service District of Gillette v. State Board of Equalization for the State of Wyoming, 4 P.3d 876 (Wyo. 2000)
- Public Service Commission v. Lower Valley Power & Light, Inc., 608 P.2d 660 (Wyo. 1980)
- Board of Trustees of Memorial Hospital of Sheridan County v. Martin, 2003 WY 1, ¶ 16, 60 P.3d 1273, 1277 (Wyo. 2003)
- Pan American Petroleum Corp. v. Wyoming Oil & Gas Conservation Commission, 446 P.2d 550 (Wyo. 1968)
- Davis v. City of Cheyenne, 2004 WY 43, ¶ 12, 88 P.3d 481, 486-87 (Wyo. 2004)
- State ex rel. Department of Transportation v. Legarda, 2003 WY 130, ¶ 13, 77 P.3d 708, 713 (Wyo. 2003)
- Jackson v. State ex rel. Wyoming Workers' Compensation Division, 786 P.2d 874, 878 (Wyo. 1990)
- Decker v. State ex rel. Wyoming Medical Commission, 2005 WY 160, ¶ 25, 124 P.3d 686, 694 (Wyo. 2005)
- Padilla v. State ex rel. Wyoming Workers' Safety and Compensation Division, 2004 WY 10, ¶ 6, 84 P.3d 960, 962 (Wyo. 2004)
- Bush v. State ex rel. Wyoming Workers' Safety and Compensation Division, 2005 WY 120, ¶ 9, 120 P.3d 176, 180 (Wyo. 2005)