

IN THE CIRCUIT COURT OF JACKSON COUNTY,
SIXTEENTH JUDICIAL CIRCUIT
AT KANSAS CITY
Honorable Karen Krauser, Judge

STATE OF MISSOURI, ex rel.)
Attorney General)
Andrew Bailey, et al.,)
Relators and Plaintiffs,)
vs.) Case No. 2316-CV33643
JACKSON COUNTY, MISSOURI)
et al.,)
Respondents/Defendants.)

PORTIONS OF TRANSCRIPT

June 27, 2024

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Sixteenth Judicial Circuit

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June 27, 2024

THE COURT: Going on the record on State of Missouri, et alia, versus Jackson County and Tyler Technologies, 2316-CV33643. If I can have your appearances?

MR. MORGAN: Yes, Your Honor. Jeremiah Morgan with the Missouri Attorney General's Office for the Plaintiffs. I'm here with Travis Wood and Steve Reed as well Emma, who is a paralegal with us. I should also note that Jason Lewis with our office is our general counsel. He's also here. And Greg Allsberry, who is representing the State Tax Commission.

MR. TAYLOR: Good morning, Your Honor. I'm Ryan Taylor, on behalf of the County defendants. I also have here, along with me, Josh Haner, and Joyce Johnson, who are also representing the County defendants in this matter.

THE COURT: I have the matter for trial today. I did receive an email about ten until five that there was a matter to take up before we started trial.

MR. TAYLOR: Yes, Your Honor. A couple of preliminary issues, a couple are the typical ones that -- just wanted to raise before we started

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with the evidence. The other one is a little more unusual but we did want to raise it now because it could potentially effect how the rest of the trial goes.

So we wanted you -- to make you aware of it. Just kind of see how you want to handle it and go from there. And so if I can address those now?

THE COURT: Go ahead.

MR. TAYLOR: I appreciate that. Well, first, just typical stuff. We did want to invoke the rule regarding witnesses, with one exception. We just wanted to talk with everybody about it. Our understanding is that expert witnesses can be in the courtroom during the trial. I have a case citation if the Plaintiffs are in disagreement with that. But, otherwise, if they're fine with it, I just want to make that clear for the record.

MR. MORGAN: Yeah. We would object to that. I mean, their expert is -- they prepared him. He's going to try to inform himself. He was clear in his deposition that he didn't know a lot about any Missouri law and all that. This is his effort, apparently, to inform himself and it disadvantages us having him not having had that

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information to then come and listen to everything and change his opinions.

MR. TAYLOR: I saw their expert so I didn't know if --

THE COURT: -- well, let's just -- the rule is being invoked at this time. Okay? And what was that cite that you had for the expert?

MR. TAYLOR: It's Grab ex rel. Grab v. Dillon. It's 103 S.W.3d 228. And it just generally talks about the rule and the experts and the experts generally be present, unlike other fact witnesses. And so we're just suggesting that we would have our expert here when he's available to -- but that's why we're going to request that and put it on the record.

MR. MORGAN: Yeah. And we have no problem excluding both experts, I mean, to be clear on that.

THE COURT: Let me get a chance to look at the ruling. Is your expert here now?

MR. MORGAN: Yes. I think their expert is also here as well.

THE COURT: Did you bring a copy of the --

MR. MORGAN: -- I'm sorry. I brought other case law for other issues but I don't have a copy

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1 of that case. I apologize. We can get you one.
2 THE COURT: At this time, I'm going to allow
3 the expert to be able to sit in. That will be an
4 issue for cross-examination.
5 MR. TAYLOR: Thank you, Your Honor. And I
6 think you were planning on doing this already
7 but, just for the record, I wanted to invoke Rule
8 73.01 which talks about requesting the Court to
9 make an opinion and explain the grounds of the
10 decisions and the findings of fact. It's
11 required to do that before the evidence is
12 introduced. So I just wanted to request that
13 from the Court.
14 THE COURT: Okay. Do you have specific
15 findings that you're wanting me to find?
16 MR. TAYLOR: Well, I'm anticipating, based
17 on the scheduling order that there would be a
18 chance, after the trial, to do proposed findings
19 of fact and conclusions. So I just wanted to put
20 on the record that we were requesting that,
21 planned to do that in accordance with the
22 scheduling order.
23 MR. MORGAN: We join in that as well.
24 THE COURT: Okay. But for me to make
25 specific findings of fact, you need to

1 specifically tell me before we hear evidence.
2 Just let me know which specific findings of fact
3 you want to me to make.
4 MR. TAYLOR: Okay. I'll double check the
5 rule. I just -- I thought it was more just, you
6 know, requesting findings of facts in general and
7 then we'd have a chance to brief those issues and
8 that sort of thing and then based on the
9 evidence. I can double check the rule. I was
10 doing it more just for a request. So I might --
11 just summarily issue decision without findings of
12 fact and conclusions or invoking that --
13 THE COURT REPORTER: Mr. Taylor, I cannot
14 take down what you're saying. You're going to
15 have to slow down.
16 MR. TAYLOR: I know. I'm sorry. I'm just
17 invoking that rule so that it makes clear that
18 we're requesting a judgment be entered with
19 findings of facts.
20 THE COURT: Certainly.
21 MR. MORGAN: Actually, I should pause here
22 and say since they have invoked the rule, there
23 are witnesses that are here. So we should
24 probably exclude them, other than the experts.
25 The three of you will have to step out. Sorry.

1 THE COURT: Thank you, sir. Anything else
2 to take up before evidence?
3 MR. TAYLOR: Yes, Your Honor. Just briefly.
4 This is a little more -- if I may, can I move the
5 podium and kind of approach? So I can talk to
6 the court reporter -- make sure I'm talking
7 clearly.
8 COURT REPORTER: Just slow down.
9 MR. TAYLOR: All right. So I'm just -- this
10 issue is a little unusual. I've never had to
11 deal with this issue in my career. So I just
12 want to provide some background information and
13 then kind of go through with the Court how the
14 parties and everybody wants to resolve this.
15 So first, just, you know, going back to last
16 time we were all together, we discussed various
17 issues with discovery and that sort of thing.
18 That's why the trial was continued to resolve
19 that. In the meantime, it's been a furious two
20 or three weeks.
21 We've been doing a lot of depositions.
22 Gotten a lot of information and we have
23 discovered additional issues that are even more
24 serious than what was addressed at the last
25 hearing. And so I want to provide some

1 background information about that.
2 So, at first -- I'm not going rehash all the
3 stuff that we talked about with Preston Smith.
4 But I do want to start out by saying since our
5 last hearing, we have discovered that there's
6 been correspondence between the Attorney
7 General's Office and Preston Smith dating back to
8 January of 2024.
9 There's correspondence between him and the
10 attorneys. They're talking to each other.
11 Giving each other advice and information and
12 responding to various issues. Preparing to, kind
13 of, gather information and trade ideas about this
14 case.
15 In addition, it's clear from Preston Smith's
16 deposition that during this time he's had contact
17 with Sean Smith from January 2024 through the
18 present. Again, I don't have the -- part of the
19 issue is we have been doing depositions. I don't
20 have all the copies of transcripts and
21 everything. I think we're supposed to get the
22 last one this morning right now as we're talking.
23 So I don't want to misstate anything. But I'm
24 trying to do the best I can, based on my memory
25 of the depositions.

1 Kind of jumping forward in time. So on
2 May 21, 2024, the Attorney General's Office
3 said -- scheduled a deposition for Sean Smith.
4 Sean Smith is a Jackson County legislator. The
5 petition names the Jackson County legislator as a
6 defendant in this matter and references the
7 legislators names in the petition.

8 The petition does say that they're sued in
9 their official capacity. So I think both their
10 view and our view is that that's like an action
11 against the County. But I just point that out
12 that they do reference him in the petition.

13 And so they scheduled his deposition. They
14 took his deposition on May 21, 2024. We learned
15 after that -- and this is just kind of -- I'm
16 going to try to do the timeline in order. But,
17 basically, three days after on May 24th, 2024
18 attorneys with the Attorney General's Office
19 contacted Sean Smith directly via email.

20 The first correspondence is about a subpoena
21 for the trial. Then they've had follow-up
22 conversations where Sean Smith asked a question
23 about what he could do at this trial. The
24 Attorney General's Office responded and then
25 asked to schedule a meeting with him to discuss

1 his testimony.

2 They then had a follow-up meeting on
3 May 29th of 2024, where an attorney with the
4 Attorney General's Office and Sean Smith met
5 alone. They were the only two people that were
6 present for that meeting. Again, I don't want to
7 misstate the deposition testimony.

8 But they talked about a number of things,
9 including, you know, again -- so, some of that --
10 you know, the points, I mean, I think they were
11 being vague in trying to, you know, wasn't an
12 exact transcript of what they talked about. But
13 they did say they wanted to talk about his
14 testimony Sean Smith's testimony that was not --
15 that he didn't testify to about in his
16 deposition.

17 So it's clear they were trying to, you
18 know -- they took his deposition. And they were
19 trying to talk about additional substantive
20 issues beyond what was discussed in the
21 deposition. The attorney for the Attorney
22 General's Office was asked some questions,
23 prompted responses from Sean Smith.

24 He was given advice about how to testify as
25 a witness. He was encouraging Sean Smith to go

1 beyond the question and get his message out. And
2 encourage him regarding the substance of his
3 testimony.

4 Again, we don't have the deposition
5 transcript. There's other stuff involved with
6 substantive issues and that sort of thing that we
7 can provide the Court. They had plan -- at the
8 end of that meeting, they planned to do a
9 follow-up witness prep meeting before the trial
10 and talk about scheduling of the trial and
11 planned to talk and prepare for trial, basically.
12 At that point --

13 THE COURT: -- I'm going stop you. The
14 May 29th meeting, who from the Attorney General's
15 Office?

16 MR. TAYLOR: Travis Woods.

17 THE COURT: Woods? Okay. Thank you.

18 MR TAYLOR: After this meeting, Sean Smith
19 reached out to Travis Woods directly with an
20 email, basically sending him information that
21 asked him for advice. And I have copies of these
22 correspondence that I can provide the Court. I
23 think, at this point, they realized -- or
24 somebody realized that they shouldn't have been
25 doing this. And, according to the deposition

1 testimony, they stopped all contact with Sean
2 Smith.

3 We found out about it on May 31, 2024. They
4 kind of included a one or two sentence line --
5 one or two line sentence at the end of an email
6 about discovery issues. Saying, basically, to
7 the effect, oh, by the way, we met with Sean
8 Smith via WebEx to talk logistics. Again, I
9 don't want to misquote that.

10 So, first, we found out about the following
11 week. We started looking into it. We asked the
12 Attorney General's Office, you know, again, like
13 I said, I have never dealt with this issue
14 before. So we did some research on how these
15 issues resolved.

16 We asked the Attorney General's Office to
17 identify any and all contacts with the County.
18 We did discovery on it. We raised these issues
19 with Judge Dandurand. He ordered the Attorney
20 General's Office to sit for a deposition
21 yesterday, which we took.

22 And also, just on top of everything that we
23 just talked about, we learned that the Attorney
24 General himself, Andrew Bailey, had a meeting
25 with Sean Smith in April, approximately April 27,

1 2024. And during this meeting this lawsuit got
2 brought up. And, again, they're vague.

3 But it was clear, based on the deposition
4 testimony -- and, again, I don't want to misstate
5 it. But the case was discussed. There was some
6 discussion about a joint statement together about
7 the case with Andrew Bailey and Sean Smith.

8 And so I think, based on the evidentiary
9 record that we have done, I think we've
10 established a lot. I think there's actually more
11 that we could go into and find out based on, you
12 know, we've got a couple different depositions.
13 But there are other people involved with some of
14 the communications.

15 But I think it's clear, based on the record
16 they have that there's been violations of the
17 Missouri Professional Responsibility Rules, the
18 ethical attorneys for -- ethical rules for
19 attorneys. And in particular 4-4.2.

20 And so then I guess the question is, what is
21 the -- I guess we've got to talk about what the
22 prejudice that's been established at this point.
23 And then talk about any potential remedy. As far
24 as the prejudice, you know, Sean Smith, you know,
25 at first when I brought it to attention, started

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1 to push back and say, well, is he really covered?
2 Is he not? And then I showed them case law and
3 they kind of backtracked from that.

4 They obviously stopped talking to Sean
5 Smith. And so I think it's clear, based on the
6 fact that his position -- he's -- he would be in
7 closed session, closed meetings with other county
8 personnel. He has access to information.

9 They talked about, you know, at the witness
10 prep session they talked about, you know,
11 potential trial testimony. They clearly did it
12 after the deposition. You know, that was their
13 opportunity. That was their lawful way to obtain
14 information. They could have asked him anything
15 they wanted during that deposition.

16 And they waited until afterwards to talk
17 about stuff that they didn't ask him about at the
18 deposition. So, you know, again, we have the
19 deposition testimony where we have an
20 approximation about what they talked about. We
21 don't know all the details. What they or may not
22 have talked about.

23 So I think, based on the various case law
24 that we're seeing, we've established prejudice
25 based on what the -- what their actions have

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1 been.

2 So the question is the remedy. When we
3 filed, when we filed -- we filed some paperwork
4 with Judge Dandurand and we put some requested
5 relief in that motion. And we based this off
6 of -- and I'll just start with -- so I'll kind of
7 give you some examples that we found. And I'll
8 provide this for everybody.

9 So one example is a federal case. But I
10 provided because it's really similar to this
11 situation. It was a federal case from about
12 three years ago. It was involving Camden County,
13 Missouri. And it was applying Missouri rules.
14 And it was similar situation where you have
15 multiple people on a legislative body and they
16 have various views of the situation.

17 And Plaintiff's counsel was talking to one
18 of the members. It's similar and it kind of
19 shows how the Judge Harpool dealt with these
20 issues of applying the Missouri rule. So I was
21 going to provide that to the Court. That is
22 Rinne v. Camden County.

23 THE COURT: Thank you.

24 MR TAYLOR: In addition, we're looking for
25 other examples about how state courts have

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1 handled this. The presiding judge of Jackson
2 County, Judge Otto, has had this issue arise
3 before in the context of ex parte contacts with
4 an organization like this. And we have examples
5 of the motions that were filed and the order that
6 she issued.

7 I'll -- and I'm going to -- for the court
8 reporter, I'm not -- I don't even know how to
9 pronounce the name. So I'll just provide you the
10 written copy. But there's a case involving the
11 Curators of the University of Missouri. It's
12 Case No. 1616-CV04656. And I'm going to provide
13 the Judge and the Plaintiffs with a copy of the
14 motions and orders that were entered in that
15 case.

16 The first document is the Defendant's Motion
17 for Sanctions. And the second copy is the order
18 entered by Judge Otto.

19 MR. MORGAN: Do you have a copy for us?

20 MR. TAYLOR: Yes. Sorry. And so, I guess,
21 just to kind of go to what we're requesting, what
22 remedies are potentially out there, I think it's
23 clear that the Missouri Attorney General and his
24 office violated the ethical rules for attorneys,
25 based on evidence that we found. When we filed

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1 the motion with Judge Dandurand, we structured
2 our request for leave based on how the defendants
3 in the Judge Otto case structured theirs. And
4 I'll just go through that. If I could find it.

5 So, yeah, first the defendants in this
6 case -- and we would request, as a result of this
7 unethical conduct, that the defendants move the
8 Court to dismiss this action. Alternatively, if
9 the Court finds that the dismissal of this action
10 is not appropriate, we have various alternative
11 remedies that we requesting.

12 The first one is regarding the further
13 discovery. So we initially asked Judge Dandurand
14 to depose Andrew Bailey himself. He ordered them
15 to do just a designee again. I think, based on
16 what we just learned, his involvement -- and I
17 believe -- I wasn't at one of these hearings.

18 But my co-counsel said that this issue with
19 deposing Andrew Bailey came up before. And you
20 had indicated that if we find additional
21 information, you might reconsider that decision.

22 THE COURT: Yes.

23 MR. TAYLOR: I think, based on this
24 evidence, his statements about, you know, against
25 Jackson County, I think we would request, again,

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1 that he sit for a deposition so that we know
2 exactly what was said. I mean, we heard kinda
3 second-hand what he said from his designee
4 yesterday.

5 But there were other people in the room.
6 The designee didn't know who these other people
7 were. And I think it would be appropriate to do
8 continued discovery into these issues. And
9 require Andrew Bailey to sit for a deposition.

10 Second, I think we resolved this one. But,
11 in the motion, we asked for continued production
12 of notes and recordings, communications. They
13 purported to us yesterday in the deposition with
14 Judge Dandurand that they have done that. So I
15 just want to make that clear to the record that
16 they told us they have done that today.

17 We would also move that Andrew Bailey and
18 his office be disqualified from representing the
19 Plaintiffs in this action. I know Judge
20 Dandurand's reaction to this was, you know,
21 there's different things you can do. You
22 don't -- you know, the Attorney General is the
23 only one office that can represent certain
24 people.

25 And so he -- I mean, he indicated that he

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1 would be hesitant, as a judge, to do that. I
2 guess there's a lot a different options. But the
3 fact that Andrew Bailey himself was involved in
4 it, I think would lead to his disqualification of
5 his office and I think they have done it in other
6 cases where they've disqualified themselves and
7 gave it to an outside counsel.

8 So whether it's Andrew Bailey and his office
9 or specific attorneys, I think Travis Woods, in
10 particular, was involved in witness prep and the
11 other attorneys in this case. I'm sure they've
12 talked about it. Access to information through
13 this ex parte contact.

14 And so I think it would be appropriate from
15 Andrew Bailey to Travis Woods and all the other
16 attorneys that are entered on this case on behalf
17 of the Attorney General's Office.

18 And then just, lastly, kind of drilling
19 down, we would ask the Court -- this is to
20 preclude the Plaintiffs from calling Sean Smith
21 as a witness or any other person the Plaintiffs
22 have had ex parte contact with, from using any
23 information obtained from Sean Smith or any
24 improper contact as an exhibit or evidence in
25 this matter. So we have structured that.

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1 We think all this relief is appropriate. I
2 understand it's a wide range of options. And so
3 we think this is pretty egregious. I've never
4 seen anything like this before. And so that's
5 why we're requesting it. And I think it's
6 appropriate to take steps to remedy what we have
7 learned and I appreciate it.

8 THE COURT: And there's no formal motion
9 that's been filed. It's an oral motion at this
10 point.

11 MR. TAYLOR: Correct. We just found out --
12 the deposition ended yesterday at 4:00.

13 THE COURT: Yes. I think I got an email
14 from Ms. Johnson at like 4:50 yesterday. And my
15 clerk called me at 5:15 saying, check your email.
16 So I understand it's late in the game. But we
17 don't even have the deposition from yesterday and
18 we don't have a motion.

19 MR. TAYLOR: Right. And I can -- that is
20 the problem. Because I know the trial started
21 and we don't want a continuance. I mean,
22 we're -- I mean, we want to get this over with.
23 I mean, you know, we want to get this done. You
24 know, we're -- I mean -- well, I guess it's a
25 problem.

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1 Well, I mean, I guess it's a response to the
2 Court's -- on one hand, we want to remedy this
3 prejudice. We also want to just keep dragging
4 this on. We think this is a waste of public
5 resources, this lawsuit.

6 Taxpayers, the State Tax Commission have
7 administrative remedies. There's a whole system
8 set up for them to address any of these issues
9 that they're raising in this case and we're
10 continuing to spend money on depositions,
11 investigating it, doing all these things.

12 And then -- so if we continue it, then we're
13 just spending more public money when we've
14 already remedies to address all their allegations
15 within the comprehensive scheme.

16 And so, I guess, if, if the choice is
17 between, you know, doing, you know, getting a
18 continuance and trying to address some of these
19 remedies, I think we have to consider it. But --
20 that's what our view is to -- you know, we need
21 to strike these witnesses, address this prejudice
22 now because want this case to be over with, if
23 that makes sense.

24 THE COURT: Okay. So if I was to rule --
25 and I'm going to give you guys the opportunity to

1 respond. Don't worry. I'm just -- I just want
2 to figure out what his stance is. If I was to
3 rule that, yes, you get to depose Andrew Bailey,
4 the Attorney General, are you saying you would be
5 fine with starting the trial today? And then I
6 know that we are already coming back on a further
7 date. And in between now and that next date,
8 trying to get that deposition done?

9 MR. TAYLOR: Yeah. We'd be open to
10 something like that. Yeah.

11 THE COURT: Okay. Now, I do understand that
12 that would be trying to get a deposition during
13 the Fourth of July week, which is probably --
14 people have vacations. That might not happen.
15 So that might mean having to move day three,
16 July 8th.

17 MR. TAYLOR: Yeah. I think we're receptive
18 to that. I guess we're just hesitant to just do
19 a long continuance and just keep spinning our
20 wheels and doing depositions and so we would be
21 receptive to something along those lines.

22 THE COURT: But you want to get going today
23 unless I strike all the pleadings?

24 MR. TAYLOR: Correct.

25 THE COURT: Thank you.

1 MR. LEWIS: Good morning, Your Honor.

2 THE COURT: Good morning.

3 MR. LEWIS: Jason Lewis from the Attorney
4 General's Office. There is a lot to say here.
5 Mr. Taylor spent quite a while talking about
6 remedies.

7 I want to first start off by saying if
8 there's any remedy here, it is to disqualify
9 Jackson County from representing Sean Smith. And
10 there's a strong basis to do so. But all the
11 relief that Jackson County is talking about,
12 Judge Dandurand has addressed this. Jackson
13 County did not say that they want to rescind or
14 somehow vacate Judge Dandurand's rulings on this.

15 Every argument that Mr. Taylor just
16 presented, none of this is new to them. There
17 was nothing new brought up in the deposition
18 yesterday that hasn't been hashed out in briefing
19 with Judge Dandurand that he did not already
20 address.

21 THE COURT: Including the meeting with
22 Andrew Bailey behind closed doors with Sean
23 Smith? I thought that that was new.

24 MR. LEWIS: No. I don't think so. And
25 here's why, here's why, Your Honor, part of the

1 reason -- and there's a lot to talk about with
2 both communications between our office and Sean
3 Smith. But I do want to focus on the Attorney
4 General. What was learned in the deposition
5 yesterday is not new.

6 And that is because when Jackson County
7 first brought this to Judge Dandurand's
8 attention, their exhibit, their smoking gun was a
9 Facebook post on Sean Smith For Congress. Sean
10 Smith is a candidate for Congress. He's
11 campaigning for Congress. He posted on his
12 Facebook page.

13 My -- and I'm paraphrasing this. It's about
14 a three or four sentence Facebook post with an
15 image. The image seems to be at someone's house.
16 And the Facebook post says -- again, on Sean
17 Smith For Congress, paraphrasing, my campaign
18 staff had a meeting with Andrew Bailey's campaign
19 staff.

20 In the deposition yesterday, this was a
21 corporate representative deposition that Judge
22 Dandurand thought was appropriate. Judge
23 Dandurand heard the concerns about a potential
24 meeting with the Attorney General campaigning and
25 Sean Smith campaigning.

1 Judge Dandurand thought the appropriate
2 remedy is, let's have a corporate representative
3 from the Attorney General's Office talk about
4 this. And if the Jackson County tax assessment
5 case came up, the organization, the institution
6 of the Attorney General's Office is the entity to
7 talk about this. You don't get to depose every
8 person, let alone the Attorney General.

9 We cannot identify a single case, at all, in
10 our office where the Attorney General has ever
11 been deposed and this is not that case.

12 What we learned in the deposition yesterday
13 just underscored how futile this effort is and
14 also why Jackson County should not be
15 representing Sean Smith. If Sean Smith is their
16 client, they can talk to their client at any
17 time. We don't think Sean Smith is really
18 actually their client.

19 And I think when Your Honor hears from
20 Mr. Smith, you're going to hear that Jackson
21 County's position in this case, the filings
22 they've been making on behalf of Sean Smith is
23 completely at odds with what Sean Smith thinks.

24 We believe that Sean Smith thinks that
25 Jackson County is liable. Did mess up the

1 assessments process. And here you have Jackson
2 County's attorneys saying, no, we're not liable.
3 We didn't mess up the assessment process.

4 But at this meeting, we learned in the
5 deposition yesterday, how futile this effort is.
6 It was arranged by Sean Smith's campaign meeting
7 with a campaign team with the Attorney General's
8 campaign team to talk about campaigning, to talk
9 about campaigning. This case was brought up in
10 about two minutes or less as a keep up the good
11 work. This is an important case to the
12 taxpayers. Good luck. That was the extent of
13 it.

14 And then someone happened to mention, if
15 there's an opportunity for a, you know, a joint
16 media statement, you know, maybe down the road,
17 let's see what we can do. Nothing happened. No
18 one communicated about it. This was organized
19 for campaign purposes. The Attorney General is
20 running for state-wide office. Sean Smith is
21 running for Congress. They're part of the same
22 party. They meet a lot of people on the campaign
23 trail.

24 The purpose of this meeting was not to
25 discuss the Jackson County case. Obviously it's

1 in the news. The news sometimes come up when
2 people talk about anything in life. That is what
3 happened here. It was not a meeting to talk
4 about the case.

5 The Attorney General's Office does not
6 interact with the Attorney General's campaign
7 staff. We can't, for a variety of obvious
8 reason. We don't talk to the campaign staff. As
9 a general counsel, I don't frankly know who's on
10 the Attorney General's campaign staff because we
11 have this wall in place.

12 Any information from that meeting never got
13 to our attorneys on this case. There's no
14 prejudice. Mr. Taylor talked a while, vaguely
15 alluding to prejudice. I can't still figure out
16 what this prejudice even is for an in passing
17 comment for two minutes or less. This is an
18 important case to the taxpayers. Keep up the
19 good work. Good luck. That's it.

20 We were in a deposition yesterday for well
21 over an hour, over two minutes or less of
22 platitudes, good work, an important case for the
23 taxpayers. That's about it. And, again, the
24 smoking gun was a Facebook post, publicly
25 available to anyone to see on a Sean Smith For

1 Congress campaign page talking about a campaign
2 meeting.

3 There is no legal strategy. No facts about
4 the case discussed. This has been briefed ad
5 nauseam with Judge Dandurand. He had an
6 appropriate remedy. We gladly put up a
7 representative to talk about this. We're not
8 hiding anything here. We don't even think the
9 meeting was improper.

10 Again, it wasn't arranged by our office. It
11 wasn't to talk about the case at all. And the
12 effort to depose the Attorney General,
13 unprecedented. Judge Dandurand repeatedly said,
14 I'm not letting you depose the Attorney General.
15 That's my recollection of what he said at least
16 once or twice. You're not going to do this.

17 The remedy is, we'll get the information
18 from the AG and then the corporate rep can talk
19 about it. We did, for over an hour, about two
20 minutes or less of in passing, good job, keep up
21 the good work, important case for the taxpayers.
22 That's it.

23 And the relief being sought here, dismissal
24 of the entire case, disqualifying the entire
25 Attorney General's Office, this is yet another

1 attempt for Jackson County to not let the facts
2 of this case be heard and distracting this Court
3 and the parties of this case from irrelevant
4 issues. There's no prejudice here.

5 The other reason that there's no prejudice
6 and why there's no ethical violation, Rule 4-4.2
7 is clear. Even if -- which we don't believe is
8 what happened here. And I'll tell you why. But
9 even if there could have been improper ex parte
10 communication, Rule 4(s)4.2 says what the remedy
11 is. Stop the contact. Terminate the contact.
12 We did, to be safe. We didn't think we needed to
13 for two main reasons we'll talk about in a
14 minute. That's the remedy.

15 Judge Dandurand understood that. And he
16 said, well, you know, to be safe, let's talk
17 about this. Put someone up for a deposition. So
18 we did. There was nothing groundbreaking heard.
19 Again, it was a two minute or less, in passing
20 comment. And also in the deposition, we talked
21 at length about the short email communications,
22 arranging logistics for trial testimony between
23 an attorney and Sean Smith. And also about
24 40-ish, 45 minute WebEx virtual meeting between
25 an attorney in our office and Sean Smith. This

1 was all talked about.

2 And, again, Sean Smith is allegedly their
3 client. They can talk to their purported client
4 anytime they want to. But, to be safe, we had
5 someone else talk about it too. And there was
6 nothing groundbreaking, earth shattering.

7 It's logistics in nature. What are you
8 planning to talk about in trial? And what have
9 you talked about in your deposition? What else
10 might you talk about in trial? If Jackson County
11 wants to learn more about Sean Smith, one, he's
12 purportedly their client. Two, if he testifies,
13 he's available for direct and cross-examination
14 of any issue.

15 And the other reason is that, you know, Sean
16 Smith, to the extent he is a party in this case,
17 in all the various hats he wears -- again, he's,
18 I think, named or referenced in his official
19 capacity only. But he's also a human being that
20 does things outside of the legislature. He's
21 also campaigning.

22 I don't believe that Jackson County is
23 representing him with every possible hat that
24 he's wearing right now. But even if he is a
25 party, in all those hats, the Attorney General's

1 also plaintiff in this case. Rule 4-4.2 does not
2 apply to parties communicating with each other.

3 There's just no -- the rule does not apply
4 to that. It applies to an attorney on a case
5 allegedly talking to the other side's party,
6 client. That's not what happened. If the
7 Attorney General is also a party, then Sean Smith
8 also is. The rule doesn't cover it. But even
9 with our office here, this has been discussed ad
10 nauseam. Everyone knows what was talked about.
11 Sean Smith knows. Our attorneys know. Judge
12 Dandurand knows.

13 Judge Dandurand did not grant the relief to
14 dismiss the action, to require anyone else to sit
15 for a deposition, to disqualify the Attorney
16 General's Office, you know. That relief is just
17 completely unprecedented and untethered to the
18 magnitude of any of these issues. It's much ado
19 about nothing. It's an attempt to shock the
20 Court for something that isn't even improper to
21 begin with.

22 And we do not think that an attorney in our
23 office talking to Sean Smith, again, was
24 improper. One, he is not the client. There's no
25 way that he is their client. He has testified

1 about how Jackson County did things wrong. And
2 Jackson County is still trying to say, no, we
3 didn't do anything wrong. That is an inherent
4 conflict.

5 The only remedy here, if this Court grants
6 anything at all, is to disqualify Jackson County
7 from representing Sean Smith. And, again, Rule
8 4-4.2 has a remedy. Terminate the contact. We
9 did, to be safe. We don't think we needed to.
10 But we did, to be safe. They had all the
11 emails --

12 THE COURT: -- so you're saying that Jackson
13 County attorneys should be disqualified due to
14 actions of violations of professional rules by
15 the Attorney General's Office?

16 MR. LEWIS: Your Honor, I just want to be
17 very clear about this. If you're -- one, there's
18 no violation at all by the Attorney General's
19 Office. But we did not want to raise the
20 disqualification issue with Your Honor.

21 But Jackson County has put us in this
22 position where we now have to say, based on their
23 actions, their filings, their representations,
24 there's an inherent conflict between what they're
25 presenting to this Court and what Sean Smith,

1 their alleged client, is even saying. I don't
2 think Your Honor needs to go -- does not need to
3 go there.

4 But if there is any remedy at all, it's to
5 say, okay, Jackson County, you can't represent
6 Sean Smith anymore. He is taking positions that
7 he doesn't -- that you don't agree with him on.
8 And somehow you're still representing him, making
9 filings representing things on his behalf. That
10 is the appropriate remedy, if anything.

11 I don't think Your Honor needs to go there
12 because, again, Judge Dandurand heard all these
13 issues. He had the remedy. Sit for a
14 deposition. Anything else can be addressed
15 through direct exam and cross-exam with Sean
16 Smith.

17 There's no ethical violation here. The
18 remedy has already been given. Any of these
19 issues can be hashed out in direct and
20 cross-examination.

21 THE COURT: All right.

22 MR. TAYLOR: May I respond?

23 THE COURT: Yes. I am concerned -- I just
24 want to say before you get up -- with making any
25 kind of ruling of dismissing an action. I don't

1 think that's an appropriate remedy right now.
2 Especially, this is an oral motion being handed
3 to me at, you know, 8:30 in the morning before we
4 get ready for trial. I would like an actual
5 written motion before I entertain it.

6 Now, if there's any notes -- continuing to
7 need to produce information, notes that was
8 number three. I do find that to be appropriate.

9 But I'm not going to say the Attorney
10 General is going to sit for a deposition without,
11 one, having a motion in front of me. And I would
12 like to see that deposition transcript. Which I
13 understand, it was at done at 4:00 yesterday.
14 But that is where I'm very leery of going
15 forward.

16 MR. TAYLOR: Understood. And we'll get on
17 that. I do want to just address a few of his --
18 Mr. Lewis' points.

19 THE COURT: Go right ahead.

20 MR. TAYLOR: First, I want to talk about
21 this issue, you know, it's a -- when this case
22 was filed, the first thing I did was actually
23 look at the attorney ethical rules because of the
24 issues with the different defendants and the
25 County. I have actually talked to them since the

1 beginning. I think we had a meeting in January
2 or February where they raise this issue about a
3 conflict of interest.

4 THE COURT: Talked to "them." Who is
5 "them?"

6 MR. TAYLOR: I'm sorry. The attorneys --
7 the Attorney General's Office. The attorneys for
8 the Plaintiffs.

9 THE COURT: Thank you.

10 MR. TAYLOR: So I guess what Mr. Lewis was
11 just saying was kind of muddling some issues
12 because it's different when the client is an
13 organization. So they're trying to say that Sean
14 Smith is an individual client. There's some kind
15 of conflict because of that. But both -- they've
16 said in email and in conversations and our
17 discussions throughout this case, they have sued
18 everyone in their official capacity.

19 Case law is clear that means that is against
20 the entity, Jackson County. So the only party in
21 this lawsuit is Jackson County. You know, if any
22 of the public officials, if they leave tomorrow,
23 replaced by somebody else, the action follows the
24 officials, it follows the County.

25 In addition, there is kind of these separate

1 issues when you have constituents inside of an
2 entity, you know, in an organization like Jackson
3 County. Clearly, people with different point of
4 view. I mean, I'm not going to go -- we'll
5 address this in the written motion, you know, all
6 the different stuff where it talks about these
7 scenarios, the federal case that I handed you
8 talks about this.

9 And so as far as how we're representing this
10 matter, this litigation, we're representing the
11 County. You know, Sean Smith is a constituent
12 within that county. There's different issues as
13 far as that goes, you know. But as far as this
14 case, the County is the client.

15 And so, you know, that's -- so those issues
16 about how we're not representing Sean Smith --
17 he's one person. He doesn't speak for the
18 County. So he can't come in here and say he's
19 got to work through the legal process, the normal
20 process. And I don't want to get into any
21 potential stuff with him and stuff I have to
22 address with that issue. We'll address kind of
23 what I'm saying in the written motions.

24 So I -- just saying that their remedy to
25 disqualify us, that there's no basis for that.

1 We'll explain that in the motion.

2 Second, as far as the remedy -- so Mr. Lewis
3 said we raised all these issues with Judge
4 Dandurand. And Judge Dandurand disagreed with
5 us. Well, in fact, Mr. Lewis argued the same
6 thing as Judge Dandurand, you don't need to do
7 anything. It's already been remedied. He
8 disagreed. He ordered them to sit for a
9 deposition.

10 And then he specifically said during our
11 meeting that he deferred a lot of these other
12 issues to you, to this Court. And that's why I'm
13 raising them now. And I understand you don't
14 have a written motion. We've been gathering
15 information.

16 And so we will kind of lay this out. And,
17 finally, he says, you know, all this stuff that I
18 raised today it was not new, we already knew
19 about it. I mean, that's -- that's just not
20 true.

21 I don't know whether to say -- so we had a
22 picture, we have other evidence, and we had no
23 information about what that conversation was
24 between Andrew Bailey and Sean Smith until we had
25 the deposition yesterday. We didn't know the

1 extent of the meeting between Travis Woods and
2 Sean Smith until yesterday. That was all new
3 information that -- witness prep.

4 And so to say that we are just, you know,
5 bringing this up, it's like a surprise attack;
6 it's like, no, we found out this on May 31st when
7 they slipped it in a bottom of a discovery email.
8 Since that time I've been communicating with
9 them. I've sent them several emails going back
10 and forth, gaining information. Raising these
11 issues. Doing depositions. And we'll address
12 the rest of the issues in the motions today,
13 but -- so, thank you.

14 THE COURT: All right.

15 MR. LEWIS: Your Honor, very briefly? I'm
16 sorry. Judge Dandurand did address these issues.
17 His order was very clear that the remedy on the
18 issues between the communications between our
19 office and Sean Smith should be addressed in a
20 corporate representative deposition. Judge
21 Dandurand, in fact, did, in fairness, reserve
22 other rulings for this court.

23 But those were on other issues, for example,
24 state auditor's office, issues concerning Preston
25 Smith. But the issues between communications in

1 our office and Sean Smith were conclusively
2 addressed. I did not hear from Mr. Taylor that
3 he's seeking to set aside, to vacate, or somehow
4 appeal Judge Dandurand's rulings to this court.
5 These issues have been addressed.

6 And, finally, the authorities Mr. Taylor
7 pointed to, the first case is a federal case.
8 It's an unpublished district court opinion. It's
9 not -- at all. And, as with any rulings from
10 Judge Otto, you know, also not published
11 anywhere. There's been no citation to any
12 precedential, let alone persuasive opinion of any
13 of the remedies being sought here are
14 appropriate.

15 MR. MORGAN: And we'll get you the order of
16 Judge Dandurand.

17 THE COURT: I figured with the briefings,
18 they would be attached.

19 MR. MORGAN: We'll get you the order.

20 THE COURT: All right.

21 MR. MORGAN: Your Honor, I'd like to
22 proceed.

23 THE COURT: You may call your first witness.

24 MR. MORGAN: Well, I was going to ask if we
25 could do a brief opening statement, just to set

1 the framework?

2 THE COURT: Yes, you may.

3 MR. MORGAN: Your Honor, may it please the
4 Court?

5 THE COURT: You may proceed.

6 MR. MORGAN: It is an unusual situation
7 where three different branches of government all
8 agree on the exact same issue. That is the
9 legislature, the executive, and the judiciary all
10 agree on this issue. And you're going to see
11 that evidence as we go through this trial over
12 the next couple of days.

13 The only ones that don't agree is an
14 unelected bureaucrat, the Jackson County
15 Assessor, and the company that is profiting by
16 this. That is it. Otherwise, all three, all
17 three branches of the government have agreed upon
18 this. The violations that you're going to see.
19 And, in addition, the media has extensively
20 reviewed this. And I could tell you it's all,
21 it's all bad for Jackson County.

22 In addition to that, the most important one,
23 citizens, thousand, ten of thousands of citizens
24 not only have raised this issue, complained. We
25 have gotten, at the Attorney General's Office,

1 thousands of responses with issues, with
2 concerns, of violations of law. That is what
3 this is about.

4 They're trying to distract on all kinds of
5 other things. But that's what this is about. I
6 want to go through each of those different
7 branches of government and show how every single
8 one of them have found, essentially, against
9 Jackson County's elected bureaucrat -- not
10 elected, not elected bureaucrat.

11 Starting with the legislature. The
12 legislature, Jackson County legislature, which
13 they purport to represent, has issued no less
14 than five resolutions essentially condemning the
15 actions, calling into question the actions of the
16 Jackson County Assessor's Office.

17 They've repeatedly found, for example, and
18 I'm going to quote from some of these and you're
19 going to get these certified records. Quote:
20 Concerns about the irregularities of this
21 assessment. Quote: Enormous challenges being
22 placed on county residents. Quote: Lack of
23 data. Quote: Volume of errors associated with
24 the Jackson County 2023 reassessment. Quote:
25 Errors in the assessment process. Quote: Legal

1 defects and deficiencies.

2 That's the Jackson County legislature. The
3 legislative body that is over all this; right?
4 They have made those conclusions in resolutions.
5 And it's not even close. They voted on those.
6 So here are the votes on all five of those -- or
7 well, four of them. The other one is a different
8 issue. Seven to zero, with one abstaining, one
9 absent. Eight to zero, with one absent. Then
10 nine to zero, nine to zero.

11 Uniformly, they're finding against the
12 assessors, the bureaucrat in this case, and the
13 company that is profiting by it. They have, in
14 those resolutions asked for much of the same
15 remedies that we're asking this Court for as
16 authorized by the statute.

17 One, set aside the current -- this is a
18 quote. Quote from the resolution. Set aside the
19 current valuations. End quote. "Utilize the
20 flat rate increase of 15 percent." And even
21 requesting: "An unbiased third party review of
22 all real property valuations of parcels." And
23 yet the Jackson County assessor just ignored it.
24 Ignored all of that. That's the evidence you're
25 going to hear. With respect to the legislature.

1 Now, let's go to the executive; right? The
2 legislature, thinking our citizens are being, are
3 being -- their rights are being violated. Then
4 asks the auditor's office, the executive, to
5 audit this. Audit the Jackson County
6 assessor's -- Jackson County assessor and the
7 assessment process.

8 It was so bad that the executive -- the
9 auditor did something the auditor almost never
10 does. And that is issue a preliminary report.
11 It was that extraordinarily bad that they issued
12 a preliminary report finding, in that report,
13 deficiencies and noncompliance, end quote.

14 Quote: The assessment department -- the
15 assessment department is in brackets -- did any
16 not comply with the provisions of Section
17 137.115.11. And any residential real property
18 assessed valuation increase over 50 percent is
19 likely invalid. That's the executive's finding
20 about the abuses that the Jackson County Assessor
21 and the associated company did to Jackson County
22 citizens.

23 Now, they also suggested -- and, again,
24 these are all -- this is all evidence you're
25 going to receive in the course of this trial --

1 they also suggested possible remedies. Quote:
2 Limiting 2023 assessed valuation increases to
3 15 percent.

4 Quote: Using prior year assessed
5 valuations. And yet, like the legislature,
6 you're going to hear the Jackson County
7 Assessor's Office just ignored it. Right? They
8 have ignored it. And trying to divert attention
9 away.

10 So now you have two branches of
11 government -- this is the evidence you'll hear --
12 two branches of government, the legislature and
13 the executive, both concluded against. But we're
14 not done yet. There's also the branch -- the
15 judiciary branch has already considered this.
16 Judge Spencer, presented with this, made specific
17 findings directly against the assessor of Jackson
18 County.

19 Quote: Finding -- quote: Jackson County
20 assessment department failed due to producing
21 inaccurate property assessments. Quote: They
22 failed to address, adequately notify 75 percent
23 of property owners who faced increases of
24 15 percent or greater of their rights. Quote:
25 Failed to process appeals in a timely manner.

1 And then, finally, the manner in which --
2 this is a quote -- the manner in which Jackson
3 County conducted, in brackets, the 2023
4 assessment, end bracket, demonstrates a clear
5 disregard for the rights of Jackson Countians and
6 a gross incompetence.

7 That's the three branches of government all
8 against, including their own client, Jackson
9 County Legislature. Right? The impact is
10 dramatic. The evidence you will hear from a
11 collection of citizens and others representing
12 the ten of thousands -- we cannot possibly bring
13 in the thousands of people who would love to
14 speak to you about this, Your Honor. They
15 represent the tens of thousands of citizens, in
16 fact, probably say hundreds of thousands of
17 citizens who had their rights violated.

18 Finally, you will hear about the legal
19 requirements and the standards that must be
20 followed. And the evidence will be undisputed
21 that they did not follow it. They did not follow
22 the state law. In fact, they did not follow
23 their own law, their own ordinances. Clearly.
24 Unquestionably. You're going to hear that
25 evidence.

1 And at the end, we're going to ask you, Your
2 Honor, in accordance with the statute and the
3 claims that we have made to issue a remedy
4 appropriate for this case. At a minimum,
5 eliminating that assessment as void.

6 And so with that, Your Honor, we look to
7 forward presenting the evidence to you.

8 THE COURT: Thank you. Anything from
9 Jackson County?

10 MR. HANER: Briefly, Your Honor. I didn't
11 have anything quite prepared. I'll address some
12 issues that I believe he raised. First and
13 foremost, Your Honor, in Missouri, mass appraisal
14 reassessment does not have to be perfect. That's
15 clear. Because we know it's not perfect, there's
16 an administrative system that allows taxpayers to
17 remedy their issues. There's about 52,000
18 appeals last year. Those 52,000 taxpayers have
19 had a chance to remedy their issues through the
20 system and the vast majority have had the issue
21 remedied.

22 Going back to this whole situation, the
23 Supreme Court ruled in Jackson County's favor in
24 December of 2023. The Attorney General filed
25 their lawsuit December 19th, eleven days before

1 tax bills were due. The Supreme Court took up
2 the Jackson County writ on an expedited manner
3 because it knew tax bills were coming due and it
4 was important to relay the information to
5 citizens because the attorney in the cause of
6 action lawsuit for the plaintiffs was telling
7 people you might not need to pay your taxes if I
8 win.

9 And the Supreme Court took it up on an
10 expedited manner. I don't believe the Supreme
11 Court, in their infinite wisdom, took it up in an
12 expedited manner, ruled clearly in the County's
13 favor to then, in theory, just to allow the
14 Attorney General's Office to sue them the next
15 day even though tax bills are due December 31st
16 and then seek a void of that full tax year and
17 revert back to 2021.

18 It's a drastic remedy. That is why multiple
19 school districts have filed an amicus brief. And
20 in that amicus brief, they say what the Attorney
21 General is seeking is illegal. So we can throw
22 around the world a legal lot(sic). But what we
23 hear today and for the rest of the trial is to
24 present the facts and the law.

25 Going back to the. Law mandamus, it is an

1 equitable remedy. I agree with that. But that
2 does not entitle them to ask the judge for equity
3 through mandamus. It entitles them to act -- to
4 be entitled to mandamus, realtor must allege and
5 prove a clear, unequivocal right to thing
6 claimed.

7 In the corporate rep deposition, Patrick
8 Sullivan, was unable to point to any statute that
9 says, Judge, we're entitled to have the whole
10 assessment for 2023 voided out and take million
11 of dollars from the school districts in the month
12 of June or July -- June and July 2024. There's
13 nothing in the law that is going to say that.

14 Further, going back to we don't believe this
15 is -- the steps have been done properly. You're
16 going to hear no evidence of the State Tax
17 Commission doing a formal investigation. I have
18 seen no investigation by the State Tax
19 Commission.

20 I believe it wasn't done. I don't believe
21 anybody did an investigation. I believe they
22 just relied on media reports. We'll see their
23 presentation of evidence. But as I stand here
24 today, I've never seen an investigation from the
25 State Tax Commission. They're the specialized

1 body that has the specialized knowledge and
2 they're in charge of supervising reassessments.
3 You're going to hear nothing about guidance,
4 supervision telling Jackson County, hey, you
5 might have done this wrong, fix this.

6 What we got was a surprise lawsuit 11 days
7 before tax bills were due. Still to this day, no
8 order from the SIC. They haven't issued a letter
9 of concern. Not issued a memorandum of
10 understanding. They haven't even shown that
11 we're out of compliance with the sales ratio
12 study, their main measure, to see if counties are
13 in compliance.

14 It is, in fact, if you look at their last
15 sale ratio studies, other counties are out of
16 compliance. But they're not being sued like us.
17 So, like I said, SIC did not investigate.
18 They're the specialized body. They failed to do
19 that.

20 And what is even more interesting about this
21 case as a whole, we deposed their believed expert
22 witness Preston Smith. His deposition -- Preston
23 Smith agreed that the assessed values for 2023
24 were substantively correct, county-wide. That
25 was his words.

1 Preston Smith also said the State Tax
2 Commission can fix this whole issue, but they're
3 useless and they've done nothing.

4 Going back to the auditor report. If you
5 look at that report, Your Honor, it is nothing
6 but legal conclusions and hearsay. I believe
7 they intend to present evidence. I believe
8 there's a statute that allows reports like that
9 to be presented in evidence. But you've got to
10 look to the weight of the evidence. It's legal
11 conclusions and hearsay.

12 There's nobody in the auditor's office that
13 is an expert in mass appraisal. There's nobody
14 in the auditor's office that's even a licensed
15 appraiser in the State of Missouri. They do not
16 have the specialized knowledge to do their
17 investigation. And, like you said, they've never
18 issued a preliminary report before. They have
19 never done that. Jackson County is special in
20 this circumstance.

21 And what I'm getting at is this lawsuit
22 certainly has a political element to it. I would
23 say the political element is clear in the fact
24 that the Attorney General is pushing to have
25 this, what I would say, before the August

1 primary. The political element is alive in here.
2 And, because of that, we cannot be redirected
3 into media reports and allegations. You must
4 look at the facts and the evidence presented.
5 And the auditor's report is going to be nothing
6 more -- legal conclusions and hearsay.

7 And going back to the issue with, I believe,
8 Judge Spencer, Jackson County has been sued a lot
9 relating to its reassessment. What they didn't
10 mention was their -- the judge -- Judge Derek
11 Spencer lawsuit, we won that case. He followed
12 the law. Ruled in our favor.

13 And I believe after our presentation of
14 evidence, Your Honor, you will be in a similar
15 situation. And we look forward to presenting our
16 evidence and thank you.

17 MR. MORGAN: Your Honor, I don't know. I
18 thought Jackson County was going to do a witness
19 out of order?

20 MR. HANER: No. Sorry. I didn't update.
21 No. That was the previous setting. We had
22 witness out of order. Yeah. We'll call him in
23 our case in chief.

24 MR. MORGAN: I was waiting for that. So,
25 with that, I'll yield to my colleague.

1 MR. REED: Judge, our first witness is Larry
2 Jones.

3 THE COURT: Thank you.

4 MR. REED: Judge, I think you have the
5 exhibits.

6 THE COURT: You mean the giant binders?
7 Yes, I have two of them.

8 MR. REED: I have an iPad here with exhibits
9 for the witness.

10 THE COURT: Thank you.

11 LARRY JONES

12 called as a witness herein, having been first duly
13 sworn by the Court, was examined and testified as
14 follows upon,

15 DIRECT EXAMINATION

16 BY MR. REED:

17 Q. State your name, please.

18 A. Larry Jones.

19 Q. Larry, what do you do for a living?

20 A. I am the manager of local assistance for the
21 State Tax Commission.

22 Q. What does that mean: Manager for the local
23 assistance?

24 A. I oversee a staff that does -- visits the
25 counties. Tries to provide support and assist in any

1 way that we can.

2 Q. In the assessment process?

3 A. Yes.

4 Q. Is that your specialty, I guess?

5 A. I have been in the business about 30 years,

6 yes.

7 Q. All right. In front of you is an iPad

8 there, Mr. Jones. If you could take a look at Exhibit

9 No. 5. Is that your résumé or curriculum vitae?

10 A. Yes.

11 Q. Did you prepare that?

12 A. Yes.

13 Q. Tell me about your, your background in the

14 assessment process, what have you done there?

15 A. I started in 1995 as the mapper for Buchanan

16 County.

17 Q. The what?

18 A. The mapper, the county mapper. I drew their

19 maps. Worked my way up, become a licensed appraiser,

20 to be the chief appraiser and a deputy assessor. I

21 did that until 2019.

22 Q. And then where did you go in '19?

23 A. In '19, I become a local assistant rep for

24 the State Tax Commission.

25 Q. Okay. You said you were a licensed

53

1 appraiser?

2 A. Yes.

3 Q. Is that a real estate appraiser then?

4 A. Yes. That's --

5 Q. -- and how long have you held that license?

6 A. Since 2002.

7 Q. Are you a member of any groups that deal

8 with the assessment process?

9 A. As a manager with the State Tax Commission,

10 I hold a membership to IAAO.

11 Q. And tell us what that is?

12 A. International Association of Assessing

13 Officers. They provide information to anybody that is

14 in the field of appraisal and assessment.

15 Q. Mr. Jones, I wanted to ask you about your

16 work in the assessment process. Do you work with

17 Missouri statutes that apply to assessment?

18 A. We work with them every day.

19 Q. Every day?

20 A. Yes.

21 Q. And you have been doing this for, what, 30

22 years?

23 A. Close to 30 years.

24 Q. What statutes -- do you know the statutes

25 that generally apply?

54

1 A. Yes. Section 137 generally applies to

2 assessment.

3 Q. Yes. And any in particular? What about

4 137.3? Are you familiar with that statute?

5 A. Yeah. 137.115 to 137.130 deal with the

6 inspection process.

7 Q. Okay. Are the statutes something that you

8 would work with every day in your job?

9 A. Yes.

10 Q. You have to know them; right?

11 A. Yes.

12 Q. Because they apply to the assessment

13 process?

14 A. Yes.

15 Q. The assessment process itself, can you

16 describe how it goes? How it's a done?

17 A. Generally the assessment process, you know,

18 you want to do parcel-by-parcel review. That's kind

19 of a broad question.

20 Q. Yeah.

21 A. It depends on the situation. You know, if

22 you're in a county that has good clean data already in

23 the CAMA system, it starts with some parcel-by-parcel

24 review, reviewing data, making sure your data is

25 correct. If you're in a county, say, like Jackson

55

1 County that is going through a conversion at the same

2 time they're trying to do a reassessment deal, that's

3 a whole different situation.

4 Q. Well, let me ask you. What's the CAMA

5 system? What does that mean?

6 A. The CAMA system is the costing system that

7 the counties use to value property.

8 Q. It's a software program?

9 A. It's a software program, yes.

10 Q. What about -- I have heard people in the

11 assessment process talk about the biannual

12 reassessment. What does that mean?

13 A. Reassessment in Missouri takes place every

14 odd year.

15 Q. So for Jackson County that would have been

16 2023; right?

17 A. Correct.

18 Q. Now, the process itself, when do you start

19 collecting data for that '23 assessment?

20 A. You know, typically, if you're doing a

21 reassessment for 2023, you would start collecting data

22 anywhere after your 2021 assessment cycle was closed.

23 Q. I guess I'm asking about what period of time

24 would the --

25 A. -- it would have been probably the first

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1 part of 2021.

2 Q. All right.

3 A. Some counties have systems where they can

4 start ahead of time. And that depends on staff. And,

5 you know, if you have adequate staff to get started a

6 little earlier. So ...

7 Q. You talked about collecting data

8 parcel-by-parcel review. And then at some point you

9 reassess property, right, and assign a value to it?

10 A. What happens is, is, you know, the state

11 statute says that if you're going to go up by

12 15 percent, you do have to go back and do an

13 inspection.

14 Q. Yeah. So I wanted to ask you about, you

15 obtain a value and then you to have let the property

16 owners know; right?

17 A. According to statute, yes.

18 Q. And how do you do that?

19 A. Well, what happens is --

20 MR. TAYLOR: -- Your Honor, I'm going to

21 object or move to strike. I think he -- our

22 objection -- he can talk about physical

23 inspections and what he believes that entails.

24 But we object to him commenting about what the

25 statute requires for any physical inspection

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1 inspection, the homeowner also has the right to an

2 interior inspection, and that's to take place during

3 the exterior inspection.

4 Q. You said during?

5 A. Yeah. That's the key word in that statute

6 is "during."

7 Q. And I wanted to ask you, do know what

8 statute that comes from?

9 A. 137.115.

10 Q. And you said that the inspection is

11 required?

12 A. Yes.

13 Q. So you provide the notice and that allows

14 the taxpayer to ask for the inspection at that point

15 in time?

16 A. It allows the owner to ask for an interior

17 inspection during the exterior inspection.

18 Q. Do the statutes, in particular, 137.115

19 address what an inspection is?

20 A. Statute tells us what an inspection is not.

21 It is not a drive-by or an observation from the

22 sidewalk.

23 Q. And what --

24 A. -- but it does not tell us exactly what a

25 full-blown inspection should be.

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1 because that is a legal conclusion, which you're

2 going to be deciding in this case.

3 THE COURT: I understand. But it's a bench

4 trial.

5 MR. TAYLOR: Sure.

6 THE COURT: So you may continue.

7 BY MR. REED:

8 Q. I think I was asking you about the -- when

9 the valuation are assigned; right?

10 A. Okay.

11 Q. So how are taxpayers notified?

12 A. By Missouri statute, once a value is

13 assigned, if it goes up by more than 15 percent, the

14 assessor is to notify the taxpayer in writing that

15 their assessment is going up by 15 percent and they

16 need to do an inspection.

17 Q. When is that notice required?

18 A. After you know it's going up by 15 percent.

19 Q. I'm talking about a date.

20 A. Notices need to be out and in the mail by

21 June 15th.

22 Q. Okay. And then what happens after the

23 notices go out?

24 A. Once the notice goes out, they notify them

25 that they're going to do an inspection. During that

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1 Q. What is the standard in the industry?

2 A. My standard is a complete review of the

3 property. You review every improvement on the

4 property. You measure the -- all the buildings. You

5 take pictures of all structures. That is my opinion

6 of an inspection.

7 Q. Well, does the State Tax Commission have an

8 opinion on that?

9 A. That's what we would recommend.

10 Q. That's what you recommend as -- at the SITC;

11 right?

12 A. Yes.

13 Q. The assessment process itself, when you go

14 out and you're trying to assign a value, you're said

15 you're a certified real estate appraiser. How do you

16 do that when you look at a house? How do you

17 determine the value?

18 A. Well, typically, there's three approaches to

19 value: The income approach, sales comparison

20 approach, and the cost approach. Most assessors

21 throughout the state, due to lack of sales, they

22 depend on the cost approach, minus depreciation. Some

23 of counties do have access to adequate sales and

24 they'll apply the market approach or the sales

25 comparison approach.

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1 Q. For instance, what county?
2 A. Jackson County would be one of those.
3 Q. And that's the sales approach you call it?
4 A. Yes.
5 Q. Okay. What else do you do as part of the
6 evaluation? What has to be done?
7 A. Well, you have to collect all the data and
8 you've got to make sure your data is accurate and
9 correct. You know, you have got to resketch all
10 structures. You've got to come up with land value.
11 You've got to extract land value from the market. You
12 know, there's a lot to the appraisal process.
13 Q. What about comparables? What is that?
14 A. You know, the typical standard comparable
15 should be within one mile, of the same vintage, same
16 age, same design. You know, there's -- you want to
17 compare an apple to an apple.
18 Q. Well, you say "typically." But I wanted to
19 ask you about the statutes that you work with every
20 day.
21 A. All right.
22 Q. What do they provide?
23 A. You know, Statute 137.115 says you need to
24 do an adequate inspection.
25 Q. I'm talking about comparables in particular.

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1 Statute provides for what comparables are; correct?
2 A. Yes.
3 Q. And that's what you follow?
4 A. Right.
5 Q. And I want you to tell me what those
6 comparables need to be.
7 A. Well, the comparables need to be comparable
8 to the subject property, as close to the property, the
9 subject, in age, vicinity, size, design. You want as
10 close to the same property that you are appraising.
11 Q. Okay. Let's talk about the Jackson County
12 assessment. Were you involved in reviewing that at
13 the State Tax Commission?
14 A. You know, the 2023 reassessment cycle was
15 well on its way when I became the manager in November
16 of 2022. So, you know, I was involved with that
17 towards the end. But it was coming to a close or to
18 the end of the cycle for them to finalize their values
19 and roll them over.
20 Q. Was the Jackson County reassessment of 2023,
21 was it a topic of discussion then at the State Tax
22 Commission?
23 A. Yes.
24 Q. What were the concerns there?
25 A. You know --

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1 MR. TAYLOR: -- Your Honor, I'm going to
2 object to -- on hearsay grounds. He's talking
3 about discussions. He didn't -- it sounds like
4 he's going to talk about what other people said.
5 MR. REED: What was your opinion -- I'll
6 withdraw it, Judge.
7 BY MR. REED:
8 Q. What was your opinion of the problems?
9 A. You know, I wasn't with the tax commission
10 as manager when that assessment cycle started. But
11 it's my opinion that when you're a size of county that
12 Jackson County is and you're going through a
13 conversion, as they were -- because I personally went
14 through two conversions in Buchanan County -- the size
15 of Jackson County and the time period that they were
16 allotting to do that conversion and doing this
17 reassessment, I didn't think it was physically
18 possible to do.
19 Q. What is the conversion you're talking about?
20 A. They were going from one CAVA system to a
21 new CAVA system.
22 Q. Was that with Tyler Technologies?
23 A. Yes.
24 Q. What they did ask you about -- did you
25 review any information about the 2023 assessment while

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1 you were at the State Tax Commission?
2 A. I did review some information towards the
3 end of September.
4 Q. Like what?
5 A. We had a conversation with Gail. She
6 provided us with some field review logs, some PRCs,
7 items like that. I also reviewed some -- we did
8 receive a lot of phone calls at the tax commission
9 throughout the process of this from taxpayers. I
10 reviewed some statements of taxpayers' complaints,
11 stuff like that.
12 Q. Did you, did you review any of the notices
13 of reassessment that Jackson County sent out?
14 A. I seen a couple of different versions of
15 notices, yes.
16 Q. I want -- I have got an exhibit I wanted to
17 pull on that, on that iPad that I wanted you to take a
18 look at it. It's Exhibit No. 7. Let me help you.
19 You can scroll up and down. Have you seen this
20 before, Mr. Jones?
21 A. Yes.
22 Q. There's a number of items here. Can you
23 take us through what is the first document there?
24 A. First document is what appears to be their
25 reassessment -- one of the versions of the

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1 reassessment notice they sent out.
 2 Q. Is there a date on it?
 3 A. There is no date on it.
 4 Q. Let's take a look at the second item there.
 5 What is that?
 6 A. That appears to be a property record card.
 7 Q. What would be on this property record card?
 8 A. You know, typically it would be the owner's
 9 name, address, situs address, abbreviated legal
 10 description, assessed value. And, in this case, it
 11 has a three year history of their assessment. Looks
 12 like it does list some comparable sales. It lists
 13 some brief descriptions of improvements.
 14 Q. This is the property record card; right?
 15 A. Yes.
 16 Q. Okay. And is there one that applies to
 17 every property in Jackson County?
 18 A. Should be.
 19 Q. Okay. Let's take a look at the first page
 20 again, this notice. You indicated, like we said,
 21 there was no date on it. What was your
 22 understanding -- do you have any -- based upon your
 23 review of material from Jackson County and at the
 24 State Tax Commission, did you make any determinations
 25 about when this was sent?

1 A. I have no clue when it was sent.
 2 Q. Okay. Are you aware of other notices that
 3 were sent by Jackson County?
 4 A. I would assume all notices were kind of like
 5 this one or the other version that I have seen.
 6 Q. I wanted to ask you about when you look
 7 at -- you can see prior to your current year in the
 8 boxes there -- but we can look at that, that
 9 paragraph. That sentence that starts right below the
 10 boxes. Would you read that first sentence for me?
 11 A. Reassessment of your property included an
 12 exterior physical inspection.
 13 Q. And so the claim is the physical inspection
 14 is already done?
 15 A. Correct.
 16 Q. Right? And it, based on your review of the
 17 material from Jackson County and at the State Tax
 18 Commission, is that accurate?
 19 MR. TAYLOR: Your Honor, I'm going to
 20 object. I know it's not a jury trial but, you
 21 know, he's asking a bunch of questions on the
 22 contents of stuff. He hasn't laid a foundation
 23 or offered to admit it into evidence. So I guess
 24 I'm objecting of getting into a bunch of
 25 substantive details, you know. I don't think

1 it's appropriate to just go through the exhibit
 2 and read everything in the record.
 3 MR. REED: Well, Judge --
 4 THE COURT: -- you're having him read from
 5 an exhibit that is not in evidence. So that's
 6 going to be sustained.
 7 MR. REED: These are -- and let me say that
 8 these are documents provided to my office by
 9 Jackson County. They're Bates stamped on the top
 10 left.
 11 THE COURT: You're free to get them to
 12 identify them, to authenticate, and admit them.
 13 MR. REED: I want to move for admission of
 14 them now.
 15 THE COURT: Of Exhibit No. 7?
 16 MR. REED: No. 7, yes.
 17 MR. TAYLOR: We'd object. They haven't laid
 18 a foundation. Haven't met any of the
 19 requirements that would be necessary to admit
 20 that into evidence. That contains hearsay and
 21 other statements.
 22 MR. REED: Well, he's indicated what they
 23 are. He's reviewed them before.
 24 MR. TAYLOR: So it's not the State Tax
 25 Commission's records. And I think he said he had

1 no clue about the dates. And he's just been
 2 provided a document that is not the State Tax
 3 Commission record. Hasn't been asking questions
 4 about it.
 5 THE COURT: Overruled. It will be received.
 6 BY MR. REED:
 7 Q. All right. I think I had asked you about --
 8 it says: Reassessment of your property included an
 9 exterior inspection.
 10 A. Yes.
 11 Q. And was it your understanding that those
 12 inspections were actually done?
 13 A. You know, we have reason to question whether
 14 all inspections were done on anything that was over
 15 15 percent.
 16 MR. REED: I'd like to move for admission of
 17 No. 5, Judge, the resumé.
 18 MR. TAYLOR: No objection.
 19 THE COURT: Received.
 20 MR. REED: That's all.
 21 THE COURT: No further questions at this
 22 time?
 23 MR. REED: Right, Judge. I'm done.
 24 THE COURT: Cross-examination?
 25 MR. TAYLOR: Yes. Thank you.

CROSS-EXAMINATION

BY MR. TAYLOR:

Q. All right. So let's start with -- I think at the beginning of your testimony -- what did you say your position was?

A. I am the manager of local assistance for the State Tax Commission.

Q. Yeah. What do you do in that role?

A. I oversee nine field reps, representatives, and six appraisers. We provide assistance to counties, when requested. We collect their statutory information that they're required to submit to us. We do their sale -- their assessment cycle sales study and appraisal studies.

Q. Okay. Is this kind of part of the oversight responsibility of State Tax Commission regarding to the assessors around the state?

A. Yes.

Q. And when did you say you started as the manager?

A. November of '22.

Q. November of '22. And I guess, are you -- so when you have -- if you're overseeing nine field reps and six appraisers, are you -- does that mean they're covering the entire state or are we talking about

certain regions?

A. I have a nine field reps and they're -- they cover certain regions throughout the state. They're assigned to a region, specific region.

Q. In other words, do those nine reps cover the entire state?

A. Yes.

Q. Okay. So you're the head of the local assistance for the entire State of Missouri?

A. Yes.

Q. When you said assistance to the county, what, what, what did you mean by that?

A. Typically, our reps visit the county every four, six, eight weeks depending on the need of the county. Some counties we visit more often. They request our assistance and they request our presence in their county. Other counties we may not visit but every two or three months. Just depending on what their needs are.

Q. And, I guess, what does this assistance look like?

A. Pardon me?

Q. What does this assistance look like?

A. It can vary. You know, if they need help -- if they're out doing field inspections and they need

somebody to hold the end of the tape measure, they will do that. It just -- it varies. It depends on what their needs are.

Q. I mean, I guess would you say this is back and forth? They may ask for something from you all and then you might tell them you need to be doing this?

A. You know, they have what they call a to-do list. And it actually outlines when their reports are due to us, what deadlines they need to meet. Our reps will help with that type of stuff. Typically, they're there to collect the information.

Q. So, in other words, there's a checklist. The people you work with will talk to the county and say you need to do X, Y, and Z; is that accurate?

A. Yes.

Q. And so if the county doesn't do something, you're going to say, hey, you should probably do that. Talk to them about it.

A. Yes.

Q. All right. And, conversely, a county says, hey, we're having this issue what do you think about this?

A. Yes.

Q. That is part of the collecting the info, I

think you said -- what is this info that you're collecting?

A. You know, it varies from a quarterly ratio study to their yearly totals report. We have some -- quite a bit of the data that we collect. So ...

Q. Let's go through that data. What's this ratio study?

A. Ratio study is the county's database that they submit to us to run a quarterly ratio study that they try to measure the markets trend with.

Q. Well, let's break that out a little bit. What -- how does it work? Do you just kinda -- the components? What the data is?

A. They compare a sales price to their current assessed value. And they come up with a median and tells them where they're at when it comes to standards, whether they're in or out of compliance.

Q. What's the purpose of this report?

A. To see if -- there are standards that we try to use or that we go by is the 90 percent to 110 percent of market value. This ratio study would help measure where they land percentage-wise comparing sales price to their assessed -- current assessed value.

Q. We're going to get into this later and I

1 think you talked about different approaches to
2 appraising. And you said, you know, sales approach,
3 cost approach. Talking about that a little bit. But
4 when we're talking about the sales ratio studies
5 you -- you -- it sounds like you have two inputs. You
6 have what the appraiser of the county has said the
7 value, values of the properties are; correct?

8 A. Correct.

9 Q. And then you have this sales data about what
10 it says the values of the property are; correct?

11 A. Correct.

12 Q. And those two things are compared?

13 A. Yes.

14 Q. What -- where does the information for the
15 sales part come from?

16 A. That comes from the county.

17 Q. But where, where did they derive that? So
18 if they have assessed value and then they have the
19 sales value, I mean, obviously they've assessed it.
20 It's in their database. Which -- we think this is the
21 value. Where does the data that shows their sales
22 part?

23 A. Jackson County is a disclosures county. So
24 they collect all that sales data themselves.

25 Q. What is a disclosure county?

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1 A. Means sale price has to be disclosed to the
2 county. You know, Missouri is a non-disclosure state.
3 So sales can -- sale prices can be kept private. But
4 Jackson County is a disclosure county and sale prices
5 are disclosed to the county assessor.

6 Q. I'm sorry. I'm confused by that. I'm, I'm
7 just -- I'm not trying to trip you up or anything.
8 You said the State of Missouri is a non-disclosure
9 state but Jackson County is a disclosure county?

10 A. Correct.

11 Q. I just -- can you explain that? Does it
12 vary? So there are different standards from county to
13 county? Or how does that work?

14 A. Yeah. Each county I -- I believe that is
15 voted in by the county. But, you know, I don't know
16 where the differentiation between the two are. But it
17 has to do with them being a charter county.

18 Q. Okay. And how many -- so varies from county
19 to county throughout the State of Missouri?

20 A. Yes. Jackson County, I believe. Maybe the
21 City of St. Louis, St. Louis County, St. Charles
22 County might be a certificate of value county.

23 Q. Okay. But I guess the purpose is --
24 whatever it is you guys rely upon that, you'll go
25 through that with the county. And that's how you

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1 compare whether a county is in compliance based on
2 that data?

3 A. Yeah. We collect those quarterly. And from
4 those we get an indication, kind of what the trend of
5 their market, what is going on in their market. But
6 it's not the official document that we rely upon when
7 it comes to whether they're in or out of compliance.
8 That's just the quarterly ratio study.

9 Q. All right. Okay. And if you saw
10 something -- well, let's break that down. So when
11 he's talked about the quarterly, if you saw something
12 that didn't look right, you would tell the county, we
13 need further information to make sure we have the
14 proper information?

15 A. You know, it varies from county to county.
16 Some counties want us to go in and help them dissect
17 that ratio study and see where they need improvements,
18 need to have improvements. Some counties run that
19 that just county-wide, one report. Some counties
20 break that report down by neighborhoods.

21 Some neighborhoods, when they broke it down
22 by neighborhood, they might find that one neighborhood
23 is in compliance but another neighborhood is out of
24 compliance. It depends on how thorough they break
25 those reports down. And it depends on how much the

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1 county wants us in there explaining and working with
2 them through the process.

3 Q. Okay. And so we been have talking about
4 just kind of the quarterly, informal talking with the
5 county every three months?

6 A. Yes.

7 Q. But there's a --

8 A. -- with most counties, yes. Informally we
9 go in and visit about that report.

10 Q. But then there's an official one that you
11 use to judge whether a county is in compliance or not;
12 right?

13 A. We do a sales study, a two year sales study.

14 Q. And let's talk about that. How is that, how
15 is that --

16 A. It's basically the same thing. But it's our
17 official report that we do every reassessment cycle
18 for every county.

19 Q. All right. Let's talk about how that report
20 is put together.

21 A. We collect the sales data from the county
22 and our statistician runs it through the system and
23 basically does the same thing.

24 Q. So gather information --

25 A. -- data in/data out.

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1 Q. Data in/data out. Look at stuff. Compile
2 everything. And then the State Tax Commission relies
3 upon that to tell the county whether they're in
4 compliance or out of compliance?
5 A. Correct.
6 Q. All right. So let's start when you
7 became -- well, let me back up. If you start as the
8 manager for the entire state of the local assistance
9 in November of '22, what position were you in before
10 that?
11 A. In 2019, I was hired as a field
12 representative. I handled Northwest Missouri.
13 Q. What did Northwest Missouri include?
14 A. It would have been Atchison County, Holt
15 County, Nodaway County, Andrew County, Worth County,
16 Gentry County, Livingston, Grundy, Davies, and
17 Harrison.
18 Q. But not Jackson County?
19 A. No.
20 Q. All right. So you started as the manager.
21 Sounds like you're promoted November of 2022. At that
22 time, who was the field rep that would have covered
23 the area of Jackson County?
24 A. Sue Ellen Lovestat(ph.).
25 Q. And she was the rep for Jackson County at

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1 Q. Started in 2014. You know at some point
2 after that she became -- Jackson County had asked for
3 that assistance and started relying upon it?
4 A. Yeah. Sometime. But I don't know the date.
5 Q. We're going back November of 2022 to the
6 present. Is she still the field rep for Jackson
7 County?
8 A. No.
9 Q. Who is field rep for Jackson County?
10 A. Jackson County reverted back to SIC office
11 personnel. Myself or Jeff Schmidt, typically, are the
12 ones that reach out to them. Ask them for their
13 reports. Remind them to get their information
14 submitted. And ask them if they need any help.
15 Q. Well, when did that occur? When did they
16 revert back?
17 A. July 1 of 2022 -- or of 2023.
18 Q. July 1 of 2023?
19 A. Yes.
20 Q. So, based on your knowledge, she was
21 their -- Jackson County's rep from November of 2022
22 through July 1st of 2023?
23 A. Yes.
24 Q. And why did it revert back? Why was she no
25 longer the local rep?

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1 that point in time?
2 A. Yes.
3 Q. Okay. And what is your understanding
4 about -- well, let me -- so from November of 2002, do
5 you know when she was in that position before that
6 time?
7 A. You know, I don't know. She was in that
8 position when I come aboard with the tax commission in
9 2019. I don't know how much before that, how long
10 before that she was assigned to that county. I do
11 know she is the only rep they have had in, in years.
12 Jackson County traditionally does not -- did not have
13 a representative. They didn't rely on our staff to
14 come in for assistance.
15 Q. All right. So then when did -- when did
16 they start relying on your staff for assistance?
17 A. I do not have a date on that. It would have
18 been Sue Ellen. But I don't know what she started
19 that.
20 Q. And -- but when you say traditionally, do
21 you have an estimate of how far back in time before
22 they were not relying on that assistance?
23 A. I have no estimate.
24 Q. All right. But so --
25 A. Sue Ellen started in 2014.

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1 A. She's not with the State Tax Commission
2 anymore.
3 Q. So she left the employment?
4 A. Yeah.
5 Q. Why wasn't there a new rep provided for
6 Jackson County after that date?
7 A. Traditionally, Jackson County was handled by
8 the office and we just reverted back to that.
9 Q. So kind of -- through the process -- I think
10 you said some counties it's, you know, the rep might
11 go out there four to six weeks -- every four to six
12 weeks; is that right?
13 A. Yes.
14 Q. When it go out there, do they report back to
15 the State Tax Commission?
16 A. Yes.
17 Q. What does this look like? Are the
18 reports -- kind of lays out?
19 A. Yeah. It's just a daily report.
20 Q. And, I mean, just give me an example. Like
21 this is just kind of a one page, two pages, just kind
22 of like a summary of like here's what I did, here's
23 who I talked to?
24 A. Sometimes it's two lines. Sometimes it's
25 two pages. It depends on the activity of the rep that

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1 day in the county. I have seen reps show up at a
2 county and an assessor say, Here's the report you
3 need. We'll see you next time you come. I have seen
4 reps actually go to the field and hold a tape measure
5 all day long. So, you know, it depends on the
6 activity of the day.

7 Q. Okay. I mean, in -- and what's the purpose
8 of the reports back to the State Tax Commission?

9 A. Just to know what their activity was for the
10 day.

11 Q. I mean, they'll identify what's going on,
12 what issues the county is seeing?

13 A. Correct.

14 Q. And then what do you and your staff do with
15 those reports?

16 A. We take -- all management reviews those
17 reports to see, to see if there's any concerns or
18 issues.

19 Q. And if there's concerns or issues, what
20 would you do in response?

21 A. We'll first have a conversation with our
22 rep. And if there's something that is real
23 concerning, we'll take time to reach out to the county
24 assessor.

25 Q. Okay. All right. So going back to some of

1 your earlier testimony, I think you talked about CAMA
2 system and different approaches to appraisal. And you
3 talked about different requirements about inspections
4 and various things. But would, would you explain --
5 so how many counties are there in the State of
6 Missouri?

7 A. 114 counties and the City of St. Louis.

8 Q. And is fair to say some of those counties
9 are pretty small and some are quite a bit larger?

10 A. Yes.

11 Q. And would you say the approaches in each one
12 of those counties is different?

13 A. Yes.

14 Q. And why is that?

15 A. Some counties don't have enough sales data
16 to do a market approach. Very few counties do the
17 income approach because they didn't have income
18 information, income data. So most rely on the cost
19 approach. Cost to build minus depreciation.

20 Q. All right. Let's talk about that a little
21 bit. So you said there's three approaches to value.
22 And the cost approach, the sales or market approach,
23 or the income approach?

24 A. Yes.

25 Q. And the State Tax Commission allows counties

1 to do -- works with counties and different counties do
2 different things based on their needs; is that fair?

3 A. Yes.

4 Q. Is there anything in state statute that
5 discusses these three approaches?

6 A. They need to get the market value. So, you
7 know, one of those three approaches would be what they
8 would need to use.

9 Q. Right. But is there, is there anything in
10 the statute that talks about the cost approach, sales
11 approach, income approach?

12 A. Well, it says you need to use appraisal
13 principles. And those are the three approaches to
14 value.

15 Q. Well, let's talk about that. What are
16 appraisal principles? What's your understanding of
17 appraisal principles?

18 A. Appraisal principles are recommendations,
19 you know, how to get the value. They're usually set.
20 There's an industry -- across the industry of
21 appraisal practices.

22 Q. I mean -- well, let's talk about that. What
23 are the principles and what industries? Where do they
24 come from? Where are they derived from?

25 A. Typically, they come from the, you know, the

1 assessors would rely on IAAO, International
2 Association of Assessors. But, again, there are
3 principles and there are recommendations. These
4 principles and recommendations do not trump statute or
5 law.

6 Q. Sure. But it sounds like the statutes
7 contemplate these principles and you all incorporate
8 that into your supervision of the assessment process
9 in Missouri; correct?

10 A. That's correct. The law is law.

11 Q. Sure. You said traditionally IAAO -- what
12 is that?

13 A. That's just the International Association of
14 Assessors.

15 Q. But you tell -- just briefly, what they do?
16 Their purpose is?

17 A. They're an organization that supplies
18 information, data. They make recommendations on how
19 to do certain things. If an assessor has questions,
20 they can throw out a question to them and, typically,
21 members will respond with answers.

22 Q. And are there a lot of assessors -- county
23 assessors throughout the state of Missouri that are
24 members of the IAAO?

25 A. I do not know an exact number but I am

1 assuming probably not.

2 Q. I'm sorry? You said probably not?

3 A. Probably not. Because it is a fee for that.

4 Q. But there are appraisers that are and, in

5 general, both appraisals and State Tax Commission rely

6 upon IAAO recommendations?

7 A. Yeah. We take their recommendations, yes.

8 Q. Will rely on the recommendations?

9 A. Yes. As long as it's not in conflict with

10 the law or the statute.

11 Q. All right. So I think -- is it fair to say

12 you, you became manager of local assistance in

13 November of '22; is that correct?

14 A. Yes.

15 Q. But you didn't really know anything about

16 the Jackson County assessment process?

17 A. Didn't get involved with it, no.

18 Q. I'm sorry?

19 A. I did not get involved prior to that.

20 Q. You did not get involved. So you weren't

21 reviewing the local reps that were sent in?

22 A. Well, as manager as of November 2022, yes --

23 or 2023, yes.

24 Q. So you wouldn't have been receiving those

25 reports in November of 2022 through July 1st of 2023?

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1 A. When I become manager, yes, I was receiving

2 those reports and reviewing those.

3 Q. Okay. So I think you testified you were

4 asked -- you testified about -- you were asked --

5 I'm -- I have terrible handwriting. So please correct

6 me if I'm wrong. But so you were asked about

7 something about the standard in Missouri. And you

8 said, well, my standard is this. Do you recall that?

9 A. Yes.

10 Q. What was that a reference to?

11 A. I think the question was about what an

12 inspection is.

13 Q. What an inspection is. And what -- so what

14 is -- so whatever you testified to is both yours and

15 the State Tax Commission's view of what these -- of

16 what is required to complete a physical inspection in

17 Missouri?

18 A. Yes.

19 Q. All right. And what was that again? I

20 think you said something about measuring tape and that

21 sort of thing. What all did you say about what if, if

22 like a -- I'm not talking about the questions where

23 you were asked about what the statute said. But just

24 like if you're going out to do an inspection, I think

25 you said you did measuring tapes. What all did you

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1 say?

2 A. If I am doing a physical inspection, I am

3 knocking on the door. If the homeowner is there, I

4 let them know what I'm there for. I walk around the

5 whole property. I walk around every structure. I

6 remeasure structures. I take pictures of every

7 structure. I verify all the data of the structures.

8 Q. And there's -- you said something about the

9 measuring tape as well. Is that verified using a

10 measuring tape to verify?

11 A. Using the tape measure to measure the

12 structures.

13 Q. Yeah. And are those things that you just

14 discussed, are they laid out in state statute

15 anywhere?

16 A. State statute tells you you have to do an

17 inspection. And the statute tells you that an

18 inspection is not a drive-by or a view from the

19 sidewalk --

20 Q. -- correct. I'm asking if the stuff you

21 just talked about --

22 A. -- but it does not tell you --

23 Q. -- is, in fact, written --

24 THE COURT REPORTER: Okay. I'm sorry. I

25 can't do this. No record can be made. If one of

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1 you would like to start again.

2 MR. TAYLOR: No. That's my fault.

3 Apologize.

4 BY MR. TAYLOR:

5 Q. Go ahead.

6 A. Statute does not tell you what an inspection

7 is. But it tells you what it is not.

8 Q. Okay. But just to clarify. So the stuff

9 you talked about it's not really written down in the

10 statute anywhere?

11 A. No.

12 Q. Okay. All right. What is your

13 understanding since you have been a local -- or I

14 guess when did you say you started with the State Tax

15 Commission?

16 A. 2019.

17 Q. 2019. What is your understanding about what

18 Jackson County, Missouri has been told about their

19 assessment process from that time until the present?

20 A. 2021, they were in compliance. And in 2021

21 they started their reassessment for 2023. To date,

22 their most current sales study indicates that they

23 were in or still in compliance.

24 Q. And so they've been in compliance to date,

25 throughout this time period. Is that -- that's

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1 accurate? That's what you just said?

2 A. Yes. According to the official sales study,

3 yes.

4 Q. Are you aware of any administrative order

5 that was issued to the Jackson County, Missouri

6 regarding about any of their processes or procedures?

7 A. No.

8 Q. Issued by the State Tax Commission?

9 A. No.

10 Q. Mr. Jones, you were asked about the

11 assessment process. And I don't know if we got a full

12 picture of that. If we can -- what you talked about

13 was kind of the beginning part about actually doing

14 the assessments, you know, how the assessors come to

15 values, how certain things are done. But are you

16 aware or familiar with kind of the administrative

17 process for taxpayers after that, that -- once they

18 receive the notice?

19 A. Yes. 137.180 might be the notification

20 process and outlines the process to appeal their

21 taxes -- or their assessment. Their assessment.

22 Q. And so is every taxpayer in the State of

23 Missouri is allowed -- I guess is the initial step

24 the -- what is referred to as the Board of

25 Equalization?

1 A. Typically, most counties do informal

2 hearings first with the assessor. The next step is,

3 typically, a formal hearing with the Board of

4 Equalization.

5 Q. You said most counties do that and they do

6 some type of informal hearing first?

7 A. Most counties, yes.

8 Q. And what do those informal hearings look

9 like?

10 A. Typically, the taxpayer comes in, sits down

11 with the assessor or their staff and goes through

12 their property record card. Verify the data is

13 correct.

14 Q. But it's kind of a back and forth. This is

15 the notice I received. Here's the data we have. What

16 is your all's thoughts about X, Y, and Z?

17 A. Yes.

18 Q. And I guess is there anything else discussed

19 about that? Are they -- is there kind of like

20 informal discussion about change in the values?

21 A. Typically, the taxpayer has the opportunity

22 to present any information that helps prove what

23 market value should be.

24 Q. And there are times where an assessor might

25 change the value based on that informal review?

1 A. They can.

2 Q. And I guess if they -- and that's fairly

3 common around the state; correct?

4 A. Yes.

5 Q. And then, I guess, if they don't come to an

6 agreement, the next step is go to a hearing before the

7 Board of Equalization?

8 A. Yes. They will file an appeal with the

9 Board of Equalization.

10 Q. And then, I guess, what happens at those

11 hearings? And I'm talking about, generally, around

12 the State of Missouri?

13 A. You know, in those hearings if the taxpayer

14 does not agree with the opinion of the Board of

15 Equalization, they have the right to appeal to the

16 State Tax Commission.

17 Q. Well, so I guess what -- I mean, what are

18 some of the options that can happen at those Board of

19 Equalization hearings?

20 A. Board of Equalization will -- the burden is

21 on the assessor to prove what value is. And the Board

22 of Equalization has the right to leave the value as is

23 or they can lower or they can raise an assessment.

24 Q. Right. So that's common around the state;

25 right? So if they -- someone goes to the hearing,

1 they risk getting a higher value? Or there's three

2 options. They can get a higher value, the value stays

3 the same, or they get a lower value?

4 A. Correct.

5 Q. Is that correct?

6 And then once that occurs, what is the next

7 step in the process if the taxpayer is not satisfied?

8 A. Next step would be to appeal to the State

9 Tax Commission.

10 Q. And, just generally, you know, we don't need

11 to go through every detail about that. But how's that

12 process work when there's an appeal before the State

13 Tax Commission?

14 A. You know, I don't work for the legal

15 department. But once that appeal is accepted, they

16 will have a hearing. And the hearing officer will

17 review the data that the taxpayer and the assessor

18 presents to them. And they will make -- form an

19 opinion of value.

20 Q. And I guess, maybe a little bit different.

21 Might be called something different. But is it fairly

22 common for there to be kind of informal discussions

23 about the value of a taxpayer's property with the

24 State Tax Commission? In other words, kind of like

25 you mentioned earlier about the informals before the

1 Board of Equalization where the taxpayer, the
2 assessor, the State Tax Commission might talk about
3 value. Change the value from what it was at the BOE
4 informally?

5 A. I don't know if there's any pre-meetings or
6 not.

7 Q. Would you know what a stipulation is?

8 A. I do know what a stipulation is, yes.

9 Q. Are there stipulations that are entered by
10 the State Tax Commission?

11 A. Yes. Typically those -- that's an agreement
12 between taxpayer and the assessor. I am assuming
13 that's something they agreed upon and presented to the
14 tax commission hearing officer before going to the
15 hearing.

16 Q. But, in other words, the taxpayer and
17 assessor can agree, lower the value from the Board of
18 Equalization number, and agree to that, and send it to
19 the State Tax Commission and the State Tax Commission
20 will stipulate to that and that's what the value is?

21 A. Yes. The way I --

22 Q. -- all right.

23 A. The way I understand that, I am not -- do
24 not work in the legal department.

25 Q. Sure.

1 A. So I don't know exactly how all of that
2 works. But that's my understanding.

3 Q. And that's common throughout the State of
4 Missouri in every county?

5 A. Yes.

6 Q. Do you view a stipulation where taxpayer,
7 assessor, they come to an agreement, they lower the
8 number and then the State Tax Commission hears that
9 stipulation, do you view that as that means, like, the
10 assessor got the value wrong?

11 A. I do not review those.

12 Q. You don't? I'm sorry? What was that?

13 A. I do not review those.

14 Q. So you don't have any review of that?

15 A. No.

16 Q. What is your understanding about what the
17 State Tax Commission is doing currently regarding
18 stipulations that have been entered into with --
19 between taxpayers and Jackson County.

20 A. I don't -- I guess I don't understand the
21 question.

22 Q. You may not know. I'm just curious if you
23 do. So I'm saying if what we just talked about,
24 there's current appeals before the State Tax
25 Commission, Jackson County appeals, the taxpayers and

1 assessors, they've had a meeting in front of a hearing
2 officer with the State Tax Commission. They've come
3 to agreement on the value. They've submitted it for
4 stipulation through the normal process. Do you have
5 any knowledge about what the State Tax Commission is
6 doing with those stipulations?

7 A. I don't know if those -- if they're
8 approving those or not. But I don't know for sure.

9 Q. So I don't know if you talked about this
10 earlier but I think you said that you talked about the
11 notices and you said -- and the right to inspection
12 stuff has to go out by June 15th of the calendar year;
13 is that correct?

14 A. By June 15th, yes.

15 Q. And so that's when it's supposed to be sent
16 out and they get a notice that kind of triggers
17 various appeal rights for the taxpayer, whether it's a
18 physical inspection, or a right to request a hearing
19 with the Board of Equalization?

20 A. Yes.

21 Q. And under the statute, what date do the
22 Board of Equalization hearings start?

23 A. I think the deadline to appeal to the Board
24 of Equalization is the second Monday of July. But I
25 don't know what the statutorily date to start hearings

1 are, right off the top of my head.

2 Q. That's fine. All right. Just a few wrap-up
3 questions. To your knowledge, was Section 137.115 in
4 its current form or it did it apply to Buchanan County
5 when you were in the assessor's office?

6 A. It did not.

7 Q. So it's changed over the years?

8 A. Yes. It changed in 2020.

9 Q. And you never created any kind of written
10 report outlining your opinions regarding this matter?

11 A. No.

12 Q. Couple more. So regarding these reports
13 that Sue Ellen Lovestat sent from November of 2022
14 through July 1st, 2023, there was never anything found
15 that was wrong with the Jackson County process that
16 you reviewed and then took action on; correct?

17 A. Correct.

18 Q. And I think at the end of your direct
19 testimony, you said you had reason to believe physical
20 inspections did not occur but you have no personal
21 knowledge regarding any of the physical inspections in
22 Jackson County; correct?

23 A. I have seen samples of appraiser log books
24 that Gail sent us. And the time stamps and the time
25 stamps of visiting properties on that log book was

1 concerning. You know, some of them -- they varied.
 2 Most of them was less than a minute per property.
 3 And, in my opinion, you can't do a complete inspection
 4 in less than a minute.
 5 Q. So the answer is, yes, though that you have
 6 no personal knowledge about any of the physical
 7 inspections that were done or not done in Jackson
 8 County?
 9 A. That is correct.
 10 MR. TAYLOR: Thank you.
 11 THE COURT: Redirect?
 12 REDIRECT EXAMINATION
 13 BY MR. REED:
 14 Q. Where did -- do you know where Sue Ellen
 15 Lovestat went after she left the State Tax Commission?
 16 A. I heard she went to work part-time for
 17 Jackson County. But I have no verification of that.
 18 Q. During the cross-examination, I just wanted
 19 to clear up one issue. You were asked if Jackson
 20 County was in compliance. Right? And you said yes.
 21 A. Yes.
 22 Q. I wanted to make sure we're clear what
 23 you're talking about. You were talking about the 2021
 24 ratio study?
 25 A. The 2020 sales study that we do, that the

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1 State Tax Commission does to verify compliance.
 2 Q. With regard to the timeliness of the notices
 3 of reassessment, you're not saying they were in
 4 compliance; right?
 5 A. The last information, last report we did was
 6 the 2021 sales study. And it indicated that they were
 7 in compliance at that time.
 8 Q. Okay. That's what I wanted to clear up.
 9 Well, yeah. I guess I should ask you in compliance
 10 with the sales, the market versus the sales prices;
 11 right?
 12 A. Yes. They were roughly 91 percent on their
 13 sales study. And that falls within the rage of 90 to
 14 110 percent.
 15 MR. REED: That's all I wanted to clarify.
 16 That's all I have at this time.
 17 THE COURT: Anything else from Jackson
 18 County?
 19 MR. TAYLOR: One last question.
 20 RECROSS-EXAMINATION
 21 BY MR. TAYLOR:
 22 Q. What you just said about the ratio for 90?
 23 Did you say 90 to what percent?
 24 A. From 90 to 110 percent.
 25 Q. Is there anything in the state statute with

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1 that language?
 2 A. No. The state statute says they need to be
 3 at market value.
 4 Q. But the State Tax Commission accepts the
 5 standard you just testified to; correct?
 6 A. Yeah. We accept 90 to 110. No appraiser is
 7 perfect.
 8 MR. TAYLOR: Thank you. Appreciate it.
 9 THE COURT: You can step down at this time.
 10 MR. REED: Thank you, Mr. Jones.
 11 THE COURT: Let's take a 15 minute recess at
 12 this time.
 13 (Recess taken.)
 14 (Proceedings returned to open court.)
 15 THE COURT: Back on the record.
 16 MR. REED: I wanted to know if we could
 17 exclude Mr. Jones. He just testified. Can he be
 18 released?
 19 THE COURT: Any objection?
 20 MR. TAYLOR: Actually, I prefer not to lose
 21 him, just in case. I mean, he can leave for
 22 today. But just make it clear in case we need to
 23 call him back in our case.
 24 MR. REED: Well, can he sit in the
 25 courtroom?

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1 MR. TAYLOR: Well, I say no then because --
 2 I'm sorry. I missed the question. But I'd say
 3 no in case he testifies later.
 4 MR. REED: So can he leave?
 5 MR. TAYLOR: No. During our case.
 6 THE COURT: So he's not excused at this
 7 time.
 8 MR. REED: The Plaintiff calls Jeffrey
 9 Schmidt.
 10 JEFFREY SCHMIDT
 11 called as a witness herein, having been first duly
 12 sworn by the Court, was examined and testified as
 13 follows upon,
 14 DIRECT EXAMINATION
 15 BY MR. REED:
 16 Q. State your name for us, please.
 17 A. Jeff Schmidt.
 18 Q. Where do you work?
 19 A. I work part-time at the Missouri State Tax
 20 Commission. I retired in November of 2022 and then
 21 came back around January of '23 in a part-time
 22 capacity.
 23 Q. How long did you work at the State Tax
 24 Commission before you retired?
 25 A. I started in August of '94. So I think I

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1 had roughly 28, 29 years in at that time, when I
2 retired. So been there approximately 30 years
3 overall.
4 Q. What kind of work have you done there at the
5 State Tax Commission over the years?
6 A. I started out as a residential agriculture
7 appraiser. And then advanced on up to a commercial
8 appraiser and to a supervisor position. And I believe
9 it was in 2013 I came into the office in Jefferson
10 City and was an assistant manager for the local
11 assistance section. And then after the former manager
12 retired, I took over as manager and was in that
13 capacity until November of 2022.
14 Q. Sounds like when you retired, Mr. Jones came
15 in?
16 A. Mr. Jones followed up as manager when I left
17 the commission, yes.
18 Q. You're still working at the State Tax
19 Commission part-time. So you work with Mr. Jones?
20 A. Yes.
21 Q. All right. I wanted to ask you about your
22 educational background? Do you have a degree?
23 A. I do. I have got a BS in Ag Economics from
24 the University of Missouri-Columbia. In addition to
25 that, I also have my residential certification or

1 residential certified appraiser.
2 Q. Let's take a look -- I am going to pull up
3 an exhibit there. It's number one. Could you take a
4 look at that?
5 A. Sure.
6 Q. Make sure it doesn't disappear on us. There
7 it goes. Take a look. Mr. Schmidt, is that your
8 curriculum vitae?
9 A. Yes, it is.
10 Q. Did you prepare that?
11 A. Yes, I did.
12 MR. REED: Would move for admission of
13 Exhibit 1.
14 THE COURT: Any objection?
15 MR. TAYLOR: Sorry. I don't think we have
16 an objection.
17 MS. JOHNSON: Yeah. No objection.
18 THE COURT: Received.
19 BY MR. REED:
20 Q. Are you familiar with the law that applies
21 to the assessment process?
22 A. I am familiar with the statutes. I don't
23 know them by heart. But we use those on a daily
24 basis.
25 Q. All right. So you -- what I guess I'm

1 getting at is you work with those statutes every day
2 and apply them; right?
3 A. Yes.
4 Q. Okay. In particular, do you know what
5 statutes apply to the assessment process?
6 A. Most of Chapter 137 applies. You know, we
7 use 137.115 a lot. And this time of year, of course,
8 you're looking at, you know, 137.180 as well on the
9 impact notice, things that are to be sent out by
10 June 15th.
11 Q. And with Mr. Jones, I talked about 137.115.
12 Are you familiar with that?
13 A. Yes.
14 Q. And what does that provide for?
15 A. 137.115, in that situation, the way I read
16 the statute, is that if you have raised a property in
17 value by more than 15 percent, you are required, in
18 addition, after you have realized that, to go out, do
19 an initial inspection, and then, in turn, you're
20 supposed to send out a notification to the property
21 owner making them aware of their rights and they have
22 30 days to get back to you in case they would like an
23 interior inspection.
24 Q. Okay. Let's talk about the '23 Jackson
25 County assessment. You -- were you involved in

1 reviewing that at the State Tax Commission?
2 A. The 2023 reassessment?
3 Q. Yes.
4 A. Just what I've heard as far as what was in
5 the media. There were also some documents that were
6 provided. And I believe those were maybe some
7 questionnaires that were on the AG's website. I
8 believe there were complaint forms. I have also, in
9 addition to that, saw some interviews that were
10 taxpayers being questioned, you know, about their --
11 what they felt like they went through during the 2023
12 reassessment in Jackson County.
13 Q. I wanted to ask about -- at some point, you
14 at the State Tax Commission, you all had some concerns
15 about what is -- what was going on in Jackson County?
16 A. Yes, we did.
17 Q. When was that?
18 A. I know I came back in January of '23. I
19 believe it was that March to April timeframe when I
20 first started hearing things out in the media,
21 primarily, some upset taxpayers at that point because
22 they had heard what was going on. On average, I
23 believe it was being claimed a 30 percent increase in
24 Jackson County.
25 In addition to that, you know, obviously we

1 were -- started receiving phone calls. Now, the phone
2 call situation probably took place a little bit later
3 after the close of books and when people realized what
4 their, what their final values were actually going to
5 be for 2023.

6 Q. So the type of -- did you gather any
7 information from Jackson County with regard to these
8 concerns?

9 A. We did. And I believe that would have been
10 in September or October range, Larry Jones and
11 myself -- could have had Amy Westerman on the phone
12 with us at that time. We reached out to Maureen
13 Monaghan, Gail McCann-Beatty, kind of questioning, you
14 know, do you -- what do you have in your files that
15 you could share with us? Basically to prove that they
16 had did the inspections. And the other data that was
17 maybe on the property record cards. And, you know,
18 some of that might have been a photo. Some of it
19 might have been an appraiser's log or one of their
20 data folks that were out in the field collecting, kind
21 of showing the timelines that they went through as
22 they went through the process.

23 Q. And so you obtained information from Jackson
24 County directly?

25 A. Yes.

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1 Q. And you indicated that you reviewed some
2 other information, like complaints, there was
3 information about phone calls?

4 A. Yes.

5 Q. Right? So even I gave you some consumer
6 complaints that you had mentioned earlier?

7 A. Yes.

8 Q. Okay. So, all in all, at the State Tax
9 Commission, what specifically were the concerns about
10 the assessment? What had gone wrong?

11 A. I think the biggest thing that I saw -- and
12 I think there's probably three things that I really
13 saw that we really were concerned about. We were
14 hearing that folks maybe did not get the physical
15 inspection completed on their property. I saw endless
16 reports on that. In some of the documentation that
17 was on the AG's website, the questionnaires, as well
18 as some of the discussions. I saw the interviews with
19 the taxpayers.

20 In addition to that, there were some claim
21 that they did not get the impact notice on time. And,
22 in some cases, did not receive it at all.

23 And in addition to that, there were also a
24 lot of complaints that I read that dealt with the BOE
25 process, the informal process, when they had their

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1 opportunity to come in and, you know, get due process
2 on their property. Long lines. Their comparables
3 were being ignored. And a lot of them said that they
4 felt like they were being pressured into a value.

5 Q. All right. You said impact notice?

6 A. Yes.

7 Q. Tell us what that means.

8 A. An impact notice is when a property
9 increases in value, the assessor is supposed to send
10 an impact notice out to the property owner letting
11 them know that the value has increased. They're
12 supposed to have those sent out by June 15th. In
13 addition to that, they -- that allows that process and
14 the notification.

15 But, in addition to that, then they can have
16 an informal with the assessor. If they're not
17 satisfied with what went on with the assessor's
18 discussion, they can go on the BOE. And then, in
19 turn, eventually on to State Tax Commission if they
20 deem necessary.

21 Q. I'm going to turn your attention to Exhibit
22 No. 7 which has already been admitted. Mr. Schmidt,
23 when you say impact notices, are these what you're
24 referring to?

25 A. Yes. Something similar to this is what you

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1 might see. A couple of things I don't see on this one
2 is a date that this one was sent out. But, yes, in a
3 roundabout way, it's supposed to notify the property
4 owner, you know, of -- that their value has went up
5 and they're supposed to get those in a timely manner.
6 And then that allows the rest of the appeal process to
7 play out like it should.

8 Q. Well, let's talk about the dates. What's
9 the statute require for when this has to be received
10 by taxpayer?

11 A. It has to be sent out to them by June 15th.

12 Q. Okay. Do you have any information about
13 whether these were sent out by June 15th?

14 A. Just in conversations with Gail and Maureen.
15 They claimed that these were being sent out along the
16 way. Now, in addition to that, you know, I read the
17 complaints. And it was clear that there's a lot of
18 folks out there in Jackson County that claim they did
19 not receive theirs on time.

20 Q. There's an appeal process which you
21 mentioned.

22 A. Yes.

23 Q. Are there deadlines for that?

24 A. There are deadlines for that. I think
25 you -- I believe it's the second Monday in July they

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1 have to file in order to go on to BOE.
2 Q. To file an appeal?
3 A. File an appeal to go on to BOE.
4 Q. With the BOE?
5 A. That's correct.
6 Q. And so what was that date in 2023, if you
7 know?
8 A. It would have been the second Monday in
9 July. I'm not sure if that was July 10th, give or
10 take a few days there.
11 Q. Well, if the notices went out late that
12 would shorten the time for appeal; correct?
13 A. It definitely would.
14 Q. When you look at these notices, it also
15 mentions that inspection has already been done?
16 A. Yes.
17 Q. Can you just take a look at those? And you
18 can flip through there's a number of those in there.
19 I think it is consistent throughout.
20 A. Yeah.
21 Q. Was the State Tax Commission concerned about
22 that?
23 A. You know, obviously we were --
24 MS. JOHNSON: -- objection to the form, that
25 it goes to hearsay.

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1 there are in Jackson County?
2 A. 250,000 to 270,000 would be my estimate,
3 ballpark estimate.
4 Q. And did you ever review the deposition of
5 Gail McCann-Beatty?
6 A. I did read through some of Gail's
7 deposition.
8 Q. What was -- didn't she make representation
9 about the physical inspections the county did?
10 A. I do believe there -- and it's been a while
11 since I read that. But I do believe there was some
12 talk in there. And from what I gathered, it appeared
13 that they did the inspections ahead of time and not
14 after the fact that they realized they had went up by
15 the 15 percent. That was my understanding.
16 Q. Okay. So to be consistent with the statute,
17 at what point in time do you offer the physical
18 inspection?
19 A. Need to offer the physical inspection after
20 you have realized in the assessment department that
21 it's went up by more than 15 percent.
22 Q. Okay. Do you know what percentage of
23 Jackson County residential taxpayers had an increase
24 in assessed value?
25 A. I believe that was above 70 percent.

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1 MR. REED: I'll withdraw and rephrase.
2 THE COURT: Thank you.
3 BY MR. REED:
4 Q. Mr. Schmidt, were you concerned?
5 A. Yes. After I became aware.
6 Q. Why? Why were you concerned?
7 A. Obviously, the timeliness of them being sent
8 out. They needed to be sent out by June 15th. I
9 think there was some things on there that stated that
10 the inspection had already been done, which is fine if
11 they went out and they collected the data ahead of
12 time. But going back to 137.115, you know, they
13 were -- the way I read the statute, they should have
14 notified the taxpayer saying, you know, we're going to
15 come out. We're required to do a physical inspection
16 and, at that time same time, offer them the
17 opportunity for that interior inspection.
18 Q. Well, I wanted to ask about that too.
19 Doesn't the statute provide physical inspection,
20 exterior inspection during the same time as the
21 interior?
22 A. It absolutely does. And that word "during"
23 is the key word that I honed in on when I was
24 refreshing myself with the statute.
25 Q. Do you know how many residential parcels

110

1 Q. And what about above 15 percent?
2 A. I think it might have been, it might have
3 been that 70 percent of them went up more than the
4 15 percent. It was in that range from what I
5 remember. On average I remember the increase being
6 30 percent, you know, throughout the county on
7 average.
8 Q. Well, I wanted to get to whether, in your
9 opinion, working at the State Tax Commission, doing
10 this work for almost 30 years, is it common for such a
11 large percentage of taxpayers to have increases of
12 15 percent or more?
13 A. I would say, in my time frame at the
14 commission, I have not seen these kind of increases in
15 a county.
16 Q. We talked about the review and appeal
17 process a few minutes ago. And I think you testified
18 that you saw some issues with it; right?
19 A. Yes. After reading some of the
20 documentation and seeing what was in the media out
21 there, yes, did have some concerns.
22 Q. The concerns were what?
23 A. Did they get due process? Were the impact
24 notices sent out by the deadline of June 15th? In
25 addition to that, you know, there was a lot of the

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1 complaints as they went through -- whether it be the
2 informal process or the BOE process -- of folks
3 feeling like that they weren't being heard, not given
4 the opportunity, standing in long, endless lines six,
5 seven hours during a day. Those were the things that
6 were catching my attention.

7 Q. The number of appeals -- I think we heard
8 some testimony -- it was over 50,000; right?

9 A. I heard in the 54,000 to 58,000 range is
10 what I was made aware of.

11 Q. So of, say, 300,000 parcels, both
12 residential and commercial in Jackson County, that's
13 one in six; would you agree?

14 A. Yes. Approximately.

15 Q. Is that common in counties?

16 A. No.

17 Q. You're aware the State Tax Commission is a
18 Plaintiff in this lawsuit?

19 A. Yes.

20 Q. The case was filed back in December of '23,
21 you're aware of that?

22 A. Yes.

23 Q. What was, what was the information you got
24 about the appeal process at the BOE after this lawsuit
25 was filed?

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1 A. From my gathering and I believe I had a
2 conversation with Gail on the phone. She said the
3 BOE --

4 MS. JOHNSON: -- objection. Withdrawn.

5 A. I believe she claimed that the BOE had shut
6 down at that point, for various reasons.

7 BY MR. REED:

8 Q. So no appeals were proceeding?

9 A. No appeals were proceeding.

10 Q. What happened then at the State Tax
11 Commission?

12 A. At the State Tax Commission, I believe --
13 and, again, that's a different section within the
14 State Tax Commission. I believe a lot of, a lot of
15 those taxpayers went ahead and started appealing those
16 on to the State Tax Commission. And, you know, from
17 there, it gets into the legal section portion of it.
18 I wouldn't know much beyond that.

19 Q. All right. Based on upon the information
20 that you reviewed, your conversations with the people
21 at Jackson County, the information that you've
22 reviewed, do you -- did you form an opinion about
23 whether Jackson County taxpayers' rights were violated
24 for the 2023 assessment?

25 A. Yes, I did.

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1 MS. JOHNSON: Objection. Yeah. That's not
2 an expert opinion. That's a legal opinion. If
3 he's here to opine as an expert, then he needs
4 to -- it needs to be based on his facts and
5 personal knowledge.

6 THE COURT: Overruled.

7 BY MR. REED:

8 Q. Did you get the question?

9 A. Yes. Could you repeat it one more time?
10 Just in case.

11 Q. Based on everything that you reviewed, did
12 you form an opinion about whether Jackson County
13 taxpayers' rights were violated?

14 A. Yes, I did.

15 Q. In what way?

16 A. All the stuff in the media and what I had
17 read in some of the information that we had gathered,
18 there was obviously concerns. In my opinion, the
19 inspection process, as we have talked about, following
20 up on the 15, you know, the properties that went up by
21 more than 15 percent. In addition to that, I was
22 really concerned about those impact notices being sent
23 out on time and received by the taxpayers. So they
24 could, you know, have due process and go through the
25 informal and then on to the BOE and possibly the State

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1 Tax Commission.

2 Q. Okay. This is going to come up so I'm going
3 to ask you about ratio study.

4 A. Yes.

5 Q. Is that something you do at the State Tax
6 Commission. Your bailiwick, so to speak?

7 A. Yes. Since I have come back in a part-time
8 capacity, I'm still involved with that. Obviously,
9 when I was the manager of the section I was heavily
10 involved. But I still have a lot of involvement in
11 what goes on on the residential sales study.

12 Q. We heard from Mr. Jones a little bit about
13 the ratio study. Just remained us what that means.

14 A. Yeah. The residential sale study, which we
15 could also refer to as the ratio study, the -- all the
16 counties in the State of Missouri and the City of
17 St. Louis, they send all of their sales into us,
18 usually in an even numbered year. Those sales are
19 then ran through our process and our statistician,
20 Kristen Solindas goes through.

21 We weed out anything that is mixed use
22 property, commercial property. We want strictly
23 residential sales. We then compare the sale price to
24 what the assessor has on the books. And we develop a
25 ratio. The main thing we're looking at is the median.

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1 We consider a median of 90 to 110 percent to be in
2 compliance with the State Tax Commission. It has met
3 our standards for that specific study.
4 Q. And for Jackson County there was a study for
5 '21?
6 A. There was.
7 Q. And how did they come out in the ratio
8 study?
9 A. If I'm recalling correctly, it was at 90.18
10 percent and it would have been in tolerance with our
11 standards.
12 Q. All right. So that's when we talk about in
13 compliance?
14 A. That is what I'm referring to, correct.
15 Q. Or in tolerance?
16 A. Correct.
17 Q. I guess my last question is does that excuse
18 the violation of taxpayers' right if they're in
19 compliance from the 2021 study?
20 A. Absolutely not. Still have to follow the
21 statutes.
22 MR. REED: All right. That's all I have.
23 THE COURT: I have one question of the
24 witness. In looking at Exhibit 7, in the
25 property card, where on that can you tell when

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1 the inspection was done?
2 THE WITNESS: On this particular one, I
3 believe if you scroll down. Could you repeat
4 your question one more time again, too?
5 THE COURT: Looking at Exhibit 7, which is
6 the reassessment notice, and then it has the
7 property card behind it, where can I -- looking
8 at the exhibit -- know when the inspection was
9 completed?
10 THE WITNESS: That was, that was the whole
11 thing. Some of them we were provided actually
12 had a photo on them. The photo had a time and
13 date stamp on it. Some of them had them and some
14 of them didn't, in the batch that we initially
15 received. So that's how we were able to
16 determine, according to them, that was, that was
17 their proof that they were saying that's the date
18 they were and when they did the inspection.
19 THE COURT: So this -- just looking at the
20 very first one, you can't tell when there was an
21 inspection done? Because it's not on the
22 property card?
23 THE WITNESS: There is a photo there. And
24 if I am looking at the same thing you are, it
25 says 6/28/21.

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1 THE COURT: Okay. Thank you.
2 CROSS-EXAMINATION
3 BY MS. JOHNSON:
4 Q. Good morning.
5 A. Good morning.
6 Q. Mr. Schmidt, you said that you retired in
7 2022 and then you came back to the STC in 2023;
8 correct?
9 A. That is correct.
10 Q. And what was your position in 2022?
11 A. In 2022, I would have been the local
12 assistance manager. Same position that Larry Jones
13 currently holds.
14 Q. Okay. And you also testified that you were
15 the local assistance -- the assistant local assistance
16 manager; correct?
17 A. Yes. Previously.
18 Q. Okay. So how long did you hold the manager
19 position?
20 A. Let's see, I was the assistant manager from
21 roughly November of 2013 up until, I believe, March of
22 2020.
23 Q. Okay. So you were the manager for roughly
24 two years around that time?
25 A. Yeah. Give or take. I think I was interim

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1 manager for a few months there. So, yes, that's
2 ballpark. Correct.
3 Q. And so as the manager, what were your
4 responsibilities?
5 A. As the manager of the section, I believe at
6 that time we had a staff of 21, 21 folks in our
7 section. We had a group that are assessment
8 representatives who go out and assist the counties,
9 collect data that we might need, provide training if
10 necessary to new assessors. We also have a group of
11 appraisers. And unlike the residential sales study,
12 we still do commercial appraisers. So we've got a
13 group of appraisers that go out and collect the data
14 and actually appraise commercial properties. And then
15 the same process takes place in comparison to what we
16 do on the res sale study on 90 to 110 percent median,
17 you know, parameters are set there as well for
18 compliance.
19 Q. Okay. So since you mentioned the 90 to 110,
20 let's just jump to that really quick. Is that 90 to
21 110, that's not based in a statute; is it?
22 A. Don't believe it's in any statute.
23 Q. So why do you use that 90 to 110 range?
24 A. I believe years ago -- it would have been
25 prior to my time -- we, we had IAAO involved in

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1 helping us develop a residential sales study. And
2 also in IAAO I believe there's some lenience there.
3 Obviously the assessor in the statute is supposed to
4 be at market value. Well, market value at 100 percent
5 is very difficult to achieve in Jackson County, in any
6 other county in the state. So there's that little bit
7 of leniency and leeway there because everybody has
8 just a little bit different opinion of value.

9 Q. Is there any county in the state that is at
10 a hundred percent?

11 A. I am not aware of a county that is sitting
12 dead on at 100 percent.

13 Q. So no county is perfect?

14 A. No county is perfect.

15 Q. Thank you. Going back to the beginning of
16 this. So in 2023 you came back as retired part-time
17 position. What was the specific title?

18 A. You know, I -- more of an administrative
19 type assistant. Just since I had been around and in
20 the office for several years, I felt like that's why I
21 was brought back. We had had several retirements over
22 the past few years. And just to come back, I was
23 familiar with not only the assessment rep side of
24 things, but also the ratio study side of things. So I
25 still assisted in, you know, in my capacity in just

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1 about anything that goes on and any special projects
2 that are sent my way.

3 Q. Okay. So when you were the manager, how
4 many local assistant personnel did you have?

5 A. I believe our entire section, at the time I
6 was there, had total of 21 employees and that included
7 myself.

8 Q. Okay. And so they all were responsible
9 going out and visiting the counties?

10 A. Not all them. I think there was
11 approximately nine or ten that were responsible for
12 going out and actually visiting the counties.

13 Q. Did that include Mr. Jones?

14 A. Mr. Jones at one time did hold the position
15 as an assessment representative and he had a territory
16 in Northwest Missouri.

17 Q. Okay. And who was responsible for Jackson
18 County?

19 A. I believe, at that time frame, it would have
20 been Sue Ellen Lovestat.

21 Q. Okay. And when did she become the local
22 assistant person?

23 A. You know, I'm going to say -- and this is
24 just a rough guess. But I was thinking in 2015, 2016,
25 '17 area. Right in that range. I wouldn't have been

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1 manager at that time. Obviously I could look back at
2 territory maps and find the exact time frame.

3 Q. Okay. So did Jackson County request the
4 local assistance person to come to Jackson County? Do
5 you know if they did?

6 A. I'm sure there were times where Gail or
7 Maureen would have requested that Sue Ellen stop by
8 for a visit.

9 Q. And did you have a lot of conversations with
10 Ms. McCann-Beatty?

11 A. I had a fair amount. A lot by email, phone.
12 A few in person. I believe at the assessor's
13 conference at one point.

14 Q. Okay. And she would call you or email you
15 with questions?

16 A. Sure. Yes. I heard from Gail. You know,
17 it wasn't a daily thing. But if she needed something
18 she felt comfortable reaching out to me, you know, for
19 assistance.

20 Q. Okay. And so going back to Ms. Lovestat, in
21 her capacity as a local assistance person, she would
22 draft reports; right?

23 A. She would.

24 Q. And you would review them?

25 A. Yes.

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1 Q. And so she left in 2023, I think, or 2022?

2 A. I believe it was in July of '23, is what I
3 remember.

4 Q. So it's safe to say that you read some of
5 those reports that concern the 2023 assessment
6 process?

7 A. Yes. I can't say that I would have read
8 every one of them after I came back in the capacity
9 that I am now part-time. But as manager, prior to all
10 that, I would definitely try to read each and every
11 assessment rep's reports throughout the state.

12 Q. So did you ever read a report of hers that
13 you thought had some deficiencies concerning Jackson
14 County?

15 A. Concerning Jackson County? No, I did not.

16 Q. All right. So after Ms. Lovestat left, who
17 oversaw Jackson County?

18 A. After Sue Ellen Lovestat left, Larry Jones
19 and myself kind of took over as the Jackson County
20 assessment representative.

21 Q. Okay. And what did that involve?

22 A. At that time, you know, there are certain
23 reports that we require from the counties, whether
24 it's quarterly sales ratios, yearly totals. A whole
25 laundry list of things it could be. But, in essence,

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1 we made sure that Jackson County, Gail, knew that we
2 were available if she needed any assistance
3 whatsoever.

4 Q. Okay. Did you ever visit Jackson County?

5 A. It's been a few years since I actually
6 visited Jackson County. I believe Larry Jones did
7 visit Jackson County a couple of times along with Sue
8 Ellen.

9 Q. Okay. So going back to the quarterly
10 ratios -- and did I say that right?

11 A. Quarterly sales ratios, yes.

12 Q. Quarterly sales ratios. What was that
13 process?

14 A. It's required and I believe it's a part of
15 their maintenance plan. They're required each quarter
16 to send in their sales ratios that they've developed
17 in the county. And, again, those are -- those
18 numbers -- their number's based upon the sales they
19 have in the county. They submit them to us. What we
20 do is we analyze those.

21 We take those series when they come in. We
22 look them over to see where the median's at. The
23 number of sales they have. It gives us an idea of do
24 we need to reach out to that county and let them know
25 that we're seeing the market slipping or their ratio

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1 slipping. And, in addition, we would also discuss
2 that with our assessment representative that was
3 assigned to that particular county.

4 Q. But Jackson County wasn't one of the
5 counties that you needed to reach out about quarterly
6 on sales ratios; right?

7 A. It's been a while since I looked at their
8 quarterlies. Obviously, we base a lot of the weight
9 in determining whether a letter of concern or a
10 memorandum of understanding needs to be developed on
11 the study that we do at our office. So in 2021 would
12 have been the last ratio that we actually ran in our
13 office and, you know, as we discussed earlier, the
14 results of that.

15 Q. Okay. Sorry. Just to be clear. But no
16 letter of concern, no memorandum was sent for the 2023
17 assessment cycle; correct?

18 A. No. Because we not have even ran the 2023
19 numbers. Yeah. We did run the 2021 and they were at
20 90.18 percent.

21 Q. Okay. So when you were speaking with
22 Mr. Reed, you talked a lot about your opinions on --
23 your concerns with the assessment cycle. And you said
24 that your opinion was based on media reports, some of
25 it; right?

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1 A. That was one of the sources, yes.

2 Q. But it wasn't because of a written
3 investigation by the SITC?

4 A. I would say after we were able to collect
5 some of the data that we did, some research that we
6 did, that Gail and Maureen had provided to us, it did
7 raise some questions, especially with the appraiser
8 log that I was able to view. And it was just a
9 sampling of what they had in their system, I believe.

10 Q. So it's your understanding that that was the
11 investigation?

12 A. As far as -- I know we did the research.
13 That's all I can say. And, you know, it got to a
14 point where, obviously, there was -- the lawsuit was
15 filed. So a lot of what was going on was turned over
16 to our legal section. And we kind of stayed out.
17 Obviously, we still had in mind we would assist
18 Jackson County with anything that they requested.

19 Q. Okay. You've been in this position for a
20 while as either the assistant manager or the interim
21 manager or the manager. So did you do a lot of
22 investigations into counties?

23 A. You know, most of the time, the biggest -- I
24 think the tool that we used the most is our
25 residential sales studies for the residential subclass

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1 and it would be our commercial appraisals for the
2 other. And, yes, obviously if one of the staff would
3 write something in a report that we felt was
4 concerning or we became aware of something, we're
5 going to address it as soon as we possibly can.

6 Q. But during your time as the manager, you
7 never saw anything concerning in Ms. Lovestat's
8 reports; right?

9 A. I can't remember anything that seemed
10 concerning in her reports, from my best recollection.

11 Q. Okay. You also testified earlier that --
12 about the physical inspection. How in order for --
13 sorry let me rephrase. When do you realize property
14 goes up by 15 percent?

15 A. You would realize that after they, for sure,
16 after they've closed their books, which is they're
17 supposed to close their books by July 1, and, you
18 know, of each year. And in addition to that, most
19 assessors have a fair gauge on where they think value
20 is going to be. Obviously a little bit prior to that
21 if they did the proper analysis and so forth, they're
22 able to run different stratifications to see how many
23 properties have went up by a certain amount, 15
24 percent, 30 percent, whatever it might be. So the
25 assessment office would have a heads-up. But until

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1 they actually push the button and close the books and
2 so forth, it's -- they could change it, you know, the
3 night before.
4 Q. Okay. So if we know a property is going to
5 go up by 15 percent on July 1, 2023, when is the
6 appropriate time to do a physical inspection?
7 A. That should have already been done.
8 Q. I guess I'm a little confused. Because you
9 said that you determine whether or not physical
10 inspection has to be done based on whether or not it
11 went up 15 percent; right?
12 A. You can still do a physical inspection on
13 any property out there that you want to. I think what
14 I was referring to is you've got that June 15th, the
15 deadline that you've got to have the impact notice
16 sent out. So you would have had to, hopefully, had
17 your inspection and if it was above the 15 percent,
18 that physical inspection, plus offering to the
19 taxpayer that interior inspection, prior to that date
20 so you could meet the deadline of sending out the
21 impact notice by June 15th.
22 Q. So have properties across the state gone up?
23 A. Yes.
24 Q. By a lot or just, I mean, how would you
25 categorize that?

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1 a similar size; right?
2 A. Yes.
3 Q. So how many appeals did they have?
4 A. I don't know that number. I know they have
5 a fair amount of appeals. And, again, it's just me
6 hearing conversation in the office on what, you know,
7 St. Louis County and then so forth. But I have no
8 number on that. I don't know.
9 Q. So when you were the manager for -- during
10 your time as -- well, no. You would have been the
11 manager during the 2023 assessment cycle; correct?
12 A. I would have -- I left in November of 2022.
13 So they obviously would have been doing some work
14 towards the 2023 assessment, that's correct.
15 Q. But from 2021 and 2022, you were the
16 manager?
17 A. Yes.
18 Q. So did -- I mean, did you have any
19 conversations with Gail or Maureen during that time
20 about the physical inspections?
21 A. I can't remember if there was one discussion
22 with Gail about, you know, the inspections. But it
23 was in general. I think she claimed that they were
24 out, out doing some initial inspections and so forth.
25 But there wouldn't have been any discussion, I don't

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1 A. Don't have specific numbers. But, in
2 general, yes, property numbers have taken drastic
3 increases throughout the state.
4 Q. As well as Jackson County?
5 A. As well as Jackson County.
6 Q. And so a fair market value, how would you
7 categorize a fair market value?
8 A. It's what a willing buyer and seller are
9 willing to pay for the property, that -- you know, and
10 they're not under any duress to do so.
11 Q. So the fact that a property went up
12 15 percent, I mean, is that so surprising when
13 properties have gone up state-wide?
14 A. No. It wouldn't be surprising in some
15 instances to go up 15 percent or more.
16 Q. Okay. You testified earlier that you didn't
17 see -- let me make sure, my handwriting -- mom said
18 it's chicken scratch. So just bear with me. You were
19 asked if it was common for this many appeals to
20 happen. I think Mr. Reed pointed out that it was one
21 in six maybe. And I don't know if that is for sure.
22 But Jackson County is one of the larger cities(sic) in
23 the state; right?
24 A. Yes.
25 Q. So let's talk about St. Louis. St. Louis is

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1 believe, related to the inspection process very much.
2 Q. And like you said before, you don't remember
3 reading anything from Ms. Lovestat's reports about
4 physical inspections?
5 A. No.
6 Q. And that's something that she would have
7 looked, right, at when she was there in her capacity?
8 A. Yeah. And I can't say that there maybe
9 wouldn't have been an update, you know, in saying that
10 she had spoken with Gail or Maureen in the county.
11 And they might have the said they feel like the whole
12 process, as far as the reassessment, is going as
13 planned. But as far as any specifics on the
14 inspection, I do not recall seeing anything in Sue
15 Ellen's reports.
16 MS. JOHNSON: I have no further questions.
17 Thank you.
18 THE COURT: Thank you.
19 REDIRECT EXAMINATION
20 BY MR. REED:
21 Q. I just wanted to follow up with regard to
22 the Judge's question in particular. I wanted to take
23 a look at Exhibit 7 again. Go to the top page if you
24 would, the first page.
25 A. To the reassessment notice?

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1 Q. Yeah. You call it the impact notice, the
2 reassessment notice. So that document, that first
3 page there, that is separate from the next document;
4 right?

5 A. Yes.

6 Q. In other words, the next document begins the
7 property record card?

8 A. That is correct.

9 Q. That's a completely different document?

10 A. Yes.

11 Q. Okay. So when the notices go out, those are
12 just one page?

13 A. Typically from what I've seen, they're one
14 page.

15 Q. They're one page?

16 A. Yes.

17 Q. And that's what this is? It's just a one
18 page notice?

19 A. Yes, it is.

20 Q. Okay. I just wanted to make sure we were
21 clear on that.

22 A. Yes.

23 Q. Are you familiar with the ordinance in
24 Jackson County that deals with physical inspections?

25 A. You know, I know I have read that at one

1 point. I can't recall a lot of the detail about the
2 specific ordinances. But I do recall there was
3 something related to inspections in that. But, like I
4 said, I don't know every detail of what's in there.

5 Q. Well, let me ask you this in a hypothetical
6 way. I believe the county ordinance will come into
7 evidence. And if it says that that notice of
8 inspection, that impact notice must include the name,
9 date, time, and extent of the exterior inspection, you
10 would agree it's not on this reassessment notice?

11 A. I would agree.

12 Q. It says the name, so that would be the
13 inspector?

14 A. Yeah.

15 Q. I believe -- date, time, and extent of the
16 exterior inspection. It's not there?

17 A. Yeah. Property owner name is on there but
18 the date, time, and then the extent is not.

19 Q. Right.

20 A. From what I can see on this impact notice.

21 Q. It just says we already did an inspection.
22 Now you can have an interior one; right? That's what
23 it says.

24 A. Yes.

25 MR. REED: That's all.

1 MS. JOHNSON: I have no further questions.

2 THE COURT: You may step down. I'm supposed
3 to meet somebody for lunch at 11:30. So we'll
4 probably go ahead and take a break. I do want to
5 remind everyone that I need out of here at 3:00
6 because I'm teaching a CLE in Cass County.

7 MR. MORGAN: When would you like us to be
8 back?

9 THE COURT: At 12:30. Thank you. Anything
10 before we take a break? Okay. Thank you.

11 (Recess.)

12 (Proceedings returned to open court.)

13 THE COURT: We'll go back on the record. Do
14 we have all parties present?

15 MR. MORGAN: Yes, Your Honor.

16 MR. HANER: I believe so, Your Honor.

17 MR. REED: Could I first ask that we release
18 Mr. Schmidt who just testified?

19 THE COURT: Any objection?

20 MR. HANER: No objection. As long as we
21 have Mr. Jones still under. Yep.

22 THE COURT: He can be released.

23 MR. HANER: One kind of preliminary matter,
24 Your Honor. It's my understanding that the next
25 witness is going to be Sean Smith. That is the

1 county employee that had the trial prep session
2 with the AG's Office and we said that we'd like
3 to file a brief once the transcript is back. The
4 transcript is back. And we have an attorney in
5 our office working on a brief now.

6 So we'd prefer that that witness not be
7 called until we have dealt with that issue
8 because of the concerns raised in that and
9 because it is a bench trial, there's no reason
10 why we cannot call Mr. Smith after that motion
11 has been filed and Your Honor's had a chance to
12 review it.

13 THE COURT: Do we have another witness here
14 to be able to testify?

15 MR. MORGAN: Yeah. We have another witness
16 here.

17 THE COURT: Let's wait on Mr. Smith then.

18 MR. MORGAN: He'll be right after
19 Mr. Smith -- or the next witness. We had always
20 planned to call Sean Smith today.

21 THE COURT: Well, we're going to have to
22 talk about things before he testifies. Okay?

23 MR. HANER: Thank you, Your Honor.

24 THE COURT: Thank you.

25 MR. MORGAN: Call Kennedy Jones.

KENNEDY JONES

called as a witness herein, having been first duly sworn by the Court, was examined and testified as follows upon,

DIRECT EXAMINATION

BY MR. MORGAN:

Q. Good afternoon. Have you state your name for the record, sir.

A. My name is Kennedy Jones.

Q. Okay. Where do you live, Mr. Jones?

A. I live in Kansas City, Missouri.

Q. Okay. Jackson County resident?

A. Yes, I am.

Q. And tell us a little bit about your background.

A. I'm a real estate broker. I received my license in 1986. And two years later I received my broker's license in 1988.

Q. And I'll just, for the help of everybody, you're a little soft-spoken. Okay. Does that help at all?

A. Can you hear me much clearer now?

Q. Okay. So when did you receive your real estate license?

A. In 1986, my sales license. And then I got

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my broker's license in 1988.

Q. Okay. So how long have you been working as a real estate -- in the real estate industry?

A. So it's been about, a little over 35 years here now. Pushing 40.

Q. In that, in those different roles, what are some of the responsibilities, some of the work, things that you have done?

A. Well, during my tenure I, of course, have always done a lot of comparison market analysis for both sellers and buyers. And I have done broker price opinions for banks and mortgage companies on occasion.

Q. Okay. What is broker price opinion?

A. It's just kind of a substitute if they don't want to pay an appraiser. They just want us to basically do a comparative market analysis. But they just term it as a broker price opinion.

Q. Not quite a real estate appraisal?

A. Correct.

Q. Okay. And in order to do a broker price -- what'd you call it?

A. Broker price opinion.

Q. Okay. What do you do for that?

A. You'd go out and take a look at the exterior. Because on some of those, let's say if they

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were foreclosed properties so you could not necessarily get inside of them. So we just have to estimate from the outside what might the conditions be on the inside. And then we look at the neighborhood as well.

Q. Okay. Now, there's sometimes where you also do the interior inspection as well with those?

A. With those, those are very rare to do the interior.

Q. Gotcha. So having served for that, in that -- in those capacities, was there a time in which you went to work for the Board of Equalization?

A. Yes. I've worked for the Board of Equalization during tax year of 2021 and also the tax year of 2023.

Q. Okay. And, to be clear, we're talking about the Jackson County Board of Equalization; is that right?

A. That is correct, sir.

Q. Okay. All right. And in that connection, I want to show you Exhibit 43. Do you see that, Mr. Jones?

A. Yes, sir.

Q. And what is that, Mr. Jones?

A. This is the oath that I took.

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Q. Okay. The oath that you took as a?

A. As a hearing officer.

Q. Okay. And what did you swear to do as a hearing officer?

A. Basically, that I would fairly and impartially equalize the valuation of all real estate and tangible personal property taxable by the County of Jackson.

Q. And did you, did you uphold that oath to the best of your abilities?

A. Yes, I did.

MR. MORGAN: Your Honor, I move to admit Exhibit 43.

MR. TAYLOR: No objection.

THE COURT: Received.

BY MR. MORGAN:

Q. Okay. Let's talk a little bit about how long you served. You said you were there tax year 2021 and then tax year or reassessment in 2023?

A. That's correct.

Q. Do you remember the dates there? I am going to skip forward to 2023. Do you remember the dates you were there in the 2023 reassessment?

A. Started July 10th up to October the 4th.

Q. Okay. July 10th to October 4th?

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1 A. Of 2023.
2 Q. Okay. And what cut short that tenure?
3 A. I was terminated.
4 Q. Okay. And, from your recollection, we'll
5 talk about this in just a little bit. But who
6 terminated you or what -- how did that happen?
7 A. Well, in my unlawful termination -- and I
8 don't call it -- I don't believe that it was done
9 correctly. But it was done by the, by the county.
10 Q. Okay. Let's talk a little bit about some of
11 your responsibilities with the Board of Equalization.
12 You were a hearing officer. What does that mean that
13 you do?
14 A. Well, as a hearing officer, I was tasked
15 with my contract that I signed with the Board of
16 Equalization. I -- they gave me complete autonomy to
17 ascertain the market value of the taxpayer's property
18 and to try to make a resolution with the assessor's
19 department, if possible.
20 Q. Okay. And so let's circle back on the --
21 you said you were terminated. But do you mean your
22 contract was terminated?
23 A. My contract was terminated.
24 Q. Okay. Great. In that role, did you use
25 your extensive experience in real estate, you know,

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1 broker price opinions and different things like that
2 to assist in your responsibilities?
3 A. Yes. Because the whole, the whole appeal
4 process was about the disputed values of property. So
5 they relied upon our expertise, being in the business,
6 to help ascertain what is the reasonable amount of the
7 value of the property.
8 Q. And who did you answer to in the Board of
9 Equalization? Was this to the Board of Equalization
10 or was this to Jackson County? Who did you --
11 A. -- my contract was with the Board of
12 Equalization. It was not with Jackson County.
13 Q. Okay.
14 A. So I dealt, the majority of the time, with
15 Ron Jurgeson, who was BOE's legal counsel.
16 Q. And, actually, was he the one that
17 communicated the termination to you?
18 A. He did.
19 Q. Okay. Let's talk a little bit about sort of
20 the process, the methodology that you went through, as
21 people came in with disputes about their assessments,
22 specifically focusing in on 2023.
23 A. Okay.
24 Q. Tell me, how did this, how did this happen?
25 I mean, what -- how did they get there and how did

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1 that process get initiated?
2 A. Okay. Well, the Board of Equalization is
3 supposed to have set up the, the process. I mean,
4 they set up the scheduling to have the people come in.
5 So when someone came in and we had a sheet of paper
6 with all of the -- with their information on it.
7 Everybody had their own sheet of paper. And so we
8 would grab a sheet of paper and call their name out.
9 Q. Okay. So back to what we were describing
10 there. People would come in with -- and you would
11 have some information about them. Who arranged those
12 appointments?
13 A. The BOE arranged the appointment. And so
14 the sheet of paper that they had out was actually
15 their -- it was a form called the memorandum of
16 settlement. And so it already had their names
17 preprinted on it.
18 Q. These are people that hadn't had any
19 settlement or anything like that?
20 A. That is correct. It was just that they were
21 scheduled by the BOE to come in. So they would print
22 out all of the pages for those appointments that day
23 and the manager, Gladys Howard, for the BOE, she would
24 lay them out on the table and every hearing officer
25 would just come get a piece of paper, call out the

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1 name, take them to their desk.
2 Q. And then what would you do, Mr. Jones?
3 A. I'm sorry?
4 Q. What would you do after that? If you took
5 one of those papers, sheets, what would you do after
6 that?
7 A. So I would go and go greet the person. And
8 then I would explain to them that I am not an employee
9 for the county. That I'm a real estate broker. That
10 the BOE hired, you know, for me to ascertain their
11 market value. And then I'm here to try see if --
12 since this is their informal process, to just see if
13 we could come to a resolution.
14 Then I would let them know that because
15 there were so many -- we were in this huge room and
16 there were a lot of people there and I would explain
17 to them that the assessors are in the back office.
18 And even though our desk was out in front. And so I
19 would tell them that I'm going to have a conversation
20 with you about your property.
21 And then after I have the conversation with
22 you about your property, then I will go in with the
23 assessor. The assessor may or may not give me a
24 number that they're willing to come down on your
25 property valuation. If the assessor gave me a number,

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1 then you -- I told the taxpayer they had two options.
2 They could either accept it or reject it.

3 If they accepted the offer, then I showed
4 them the memorandum form and told them that I would
5 put the old value here. And I would put the new
6 value. Have them sign off on it. And then I would
7 have the assessor sign it and then I would sign it.
8 And then their appeal process would be done.

9 However, if they rejected the offer, I told
10 them that their only recourse at that point in time
11 was that they had to go to the BOE's formal process.
12 And I told them that with the BOE's formal process,
13 they have the authority to overrule the assessment
14 department and that the BOE could do either one of
15 three things. They could raise your taxes. They
16 could keep your taxes the same. Or they could lower
17 your taxes. But if you're not satisfied with the BOE
18 then you can take it one step further to the State Tax
19 Commission.

20 Q. Okay. Oh, I'm sorry. Go ahead.

21 A. And then I told them that if you did decide
22 to go to the BOE, then that I would make a
23 recommendation apart from you and apart from the
24 assessor's department as far as what I thought your
25 market value of your property should be. And that is

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1 only a recommendation. But the BOE would be the one
2 who would make the final determination.

3 Q. Okay. Great. As you -- as they came in and
4 they sat down and met with you, what kind of
5 information did you review with them or did they share
6 with you as they -- as you're making this
7 determination?

8 A. Well, since I told them I didn't know
9 anything about their property at the time, what it
10 looked like, the first thing that I did is that I --
11 if they didn't have pictures of their property, I
12 pulled it up on Google maps to take a look at it.

13 Q. When you say if the taxpayer had pictures of
14 the property?

15 A. Right. If they didn't have a picture of the
16 front of it. Sometimes they just had pictures of
17 damages. But they didn't really have a picture of the
18 outside. So I wanted to be able to look to see what
19 the property looked like. I wanted to be able to see
20 what the neighborhood looked like as well.

21 Q. Okay. And, generally speaking, were people
22 coming in because they agreed with assessment that
23 they had received?

24 A. No. They were there because they wanted to
25 lower their value.

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1 Q. Right. And were there times -- did you have
2 any times that you went back to the assessment
3 department and said, man, you got it right here.
4 Thinking about this time period there in the 2023
5 assessment period?

6 A. No. That was never the case. We
7 eventually, we eventually came up with -- on a lot of
8 them -- a resolution. But the majority of the time it
9 was always disputable.

10 Q. Yeah. And in almost every instance, the
11 assessment from the assessor's department, in your
12 view, was always much higher -- or higher than what
13 you thought it should be?

14 A. Oh, egregiously higher.

15 Q. So let's talk a little bit about -- you
16 talked, again, about that general process. Let me
17 back up. Sorry. Let me back up and ask a question.
18 When you say you went back to see the assessors, the
19 assessor's office, are you talking about just Jackson
20 County assessment employees or were there others as
21 well?

22 A. Well, when I'm using the term "assessor,"
23 I'm actually interchanging both the assessment
24 department and Tyler Technologies. Because they were
25 actually kind of operating as one and the same.

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1 Q. Okay. So, from your understanding, they
2 were essentially interchangeable?

3 A. Yes.

4 Q. Okay. Now, at a certain point or maybe the
5 entire time, did you have concerns about, you know,
6 Jackson County Assessor's Office and what was
7 happening?

8 A. Yes, I did. One of the first things,
9 actually, that I did after I started looking at the
10 person's property, I would -- after taking a look at
11 the outside of it, I would pull the comp sheet that
12 Jackson County used to determine the valuation.
13 Because, oftentimes, many of the taxpayers came in and
14 they didn't have a clue as to how they you came up
15 with what the valuation.

16 So I would show them that these -- this is
17 your subject property here. And then there was like
18 five other comparable properties on the sheet of
19 paper. And then I would go over the characteristics
20 of their house and make sure they matched up with what
21 Jackson County had on their comp sheet. And what I
22 mean by the characteristics, I'm referring to the
23 number of bedrooms, square footage, the style of the
24 house and so forth.

25 Q. And did you, did you notice problems with

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1 the comparables that Jackson County was using?

2 A. Yes, I did. I actually -- initially I, I
3 didn't. But then I kept seeing the same pattern over
4 and over and over again. That they were using invalid
5 comparables to value people's properties. And what
6 I mean by invalid comparables, after I had taken my
7 oath, I re-familiarized myself with the Missouri
8 statute, 137.115. And that statute, it delineates
9 exactly what constitutes a comparable, according to
10 Missouri law.

11 And so I would use that as my basis to make
12 sure that the comparables that they use were -- fit
13 the subject property that was in dispute. And I found
14 out that the majority of them, they were all invalid.
15 They did not -- were not within the square footage
16 range. The style of the house was different. The
17 number of bedrooms were different. All of the houses
18 could be eliminated because they were invalid.

19 Q. Uh-huh. As you looked at all of these
20 comparables -- well, let me ask you this. When you
21 went back to see the assessor's department or Tyler
22 Technologies, what did -- did they have these same
23 comparables? What -- how were they treating the
24 comparables?

25 A. Well, that's when things really got

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1 interesting because I started noticing at that
2 particular point in time, every time we went back
3 there -- and they were not using the comps that they
4 had used to assess the properties. What they were
5 doing -- they were rerunning the comps. That's one of
6 the reasons why we were in for so long because they
7 were doing the work that they should have been doing
8 during the reassessment period. They were doing it
9 right then and there.

10 And so I started putting together everything
11 that was going on. When people first came in through
12 the door, they had this sheet of paper for them to
13 collect data from all of the property taxes, to hand
14 out, to make them feel that it was required for them
15 to fill this form out. Well, they were taking that
16 form, trying to update their records, and going back
17 through reassessing the properties all over again.

18 Q. Right. If you will, a sort of moving target
19 with respect to comparables and reassessment?

20 A. Correct.

21 Q. Okay. And did you have a sense that they
22 were choosing comparables that were favorable to or
23 unfavorable to the taxpayers?

24 A. Unfavorable. And the reason I would say
25 that is because, when we went back into the room, they

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1 all had their individual laptops. And so when it was
2 my turn to go to one of them, I sat next to each and
3 every last one of them that I had a conversation with.
4 So I could see -- since I was sitting next to them --
5 when they would pull up on their laptops what comps
6 that they were using, what comps they were not using.
7 And it was interesting that a taxpayer could bring in
8 a comp and it was like amazing that it wouldn't show
9 up on their system. It was just like it wasn't there.
10 But it was a legitimate comp because it was an MLS
11 listing. But it didn't show up.

12 Q. Was there a -- do you recall, I mean, times
13 at which somebody came up with, essentially, an
14 identical comp and it wasn't there or it wasn't used?

15 A. Yes. This one particular comp was two
16 blocks from this guy's house. Now, most comps are not
17 identical. But this particular house was identical to
18 this man's house. And it didn't show up. But he had
19 brought in the actual MLS sheet. I verified it and I
20 also looked it up on Google maps to see exactly where
21 it was located. It was two blocks from this man's
22 house.

23 Q. And did they accept that comp?

24 A. They did not accept it.

25 Q. Did you also notice instances in which

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1 Jackson County assessor's office, Tyler attempted to
2 redirect people away from the BOE?

3 A. Yes. We were kind of -- was wondering why
4 people were so confused. Well, I had my own property
5 that I was appealing. And when I received tax notice
6 from the BOE for my scheduling, all of a sudden, the
7 next day I received another one from Jackson County,
8 in order for me to report to them, to go over to their
9 informal process, even though they were supposed to
10 have not doing their informal process. Supposed to
11 have stopped it. So it gave the appearance as though
12 the first one was canceled and the second one was the
13 one that I was supposed to go to. And so that was why
14 a lot of people were confused.

15 Q. Yeah. I was going to say, did you observe
16 confusion by lots of taxpayers?

17 A. Yes, they were. Yes.

18 Q. What all did this cause you to think about
19 the whole process, in terms of how it was being run or
20 what the reasons were?

21 A. Well, I can firmly say that both the
22 assessment department and Tyler Technologies, they
23 were defrauding the taxpayers. They were defrauding
24 the taxpayers. Because not only were they using
25 invalid comps, okay? They were also bringing in

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1 people. And these people that they were bringing in
2 reassessing them, they were finding every reason that
3 they could not to evaluate their properties fairly.

4 And what I mean by that is, let's say a
5 person brought in an appraisal. They would find a
6 reason to say, well, that's not a valid appraisal.
7 Okay? If they brought in an appraisal a couple of
8 years, let's say, it was 2023. Let's say they brought
9 it in for 2022. Then they came up with the excuse
10 that says that the BOE says, well, you have to add
11 10 percent per year for inflation.

12 Q. Wait a minute. Who said that?

13 A. Bill Brickle with the Tyler Technologies.

14 MR TAYLOR: Your Honor, I'm going to object.
15 I mean, I know it's a bench trial, as we talked
16 about general process. But now we're going into
17 specific statements by other people. I object as
18 to hearsay.

19 THE COURT: I'll take it with the case. You
20 may proceed.

21 BY MR. MORGAN:

22 Q. So Bill Brickle communicated to you that
23 just add an additional 10 percent?

24 A. Yeah. He told us to add the 10 percent on
25 to the appraisal for every year.

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1 Q. Who does Bill Brickle work for?

2 A. Bill Brickle worked for Tyler Technologies.
3 And he was kind of the, kind of the head honcho for
4 them that was running things there. Why the
5 10 percent was wrong is that inflation was never
6 10 percent back in the time. Inflation was only five
7 to seven percent and he was trying to add 10 percent
8 on.

9 Q. And, again, in this sense Tyler Technologies
10 and the Jackson County Assessment Department are
11 really interchangeable from your perspective?

12 A. Yes, sir. That is correct.

13 Q. Was there a time at which you felt like
14 Jackson County Assessment Department -- again, I'm
15 going to -- instead of saying both of them, I'll just
16 say the Jackson County Assessment Department,
17 recognizing that that included both of those. That
18 you felt like they were trying to influence your work
19 on the Board of Equalization?

20 A. Yes. Indeed.

21 Q. And how did that happen? What did that look
22 like?

23 A. Well, they were trying to -- well, Bill
24 Brickle, he approached me. And he tried to tell me
25 directly that this is how I'm supposed to make it come

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1 up with my determination. He wanted me to finagle the
2 numbers around. And I told him that I was not going
3 to do that.

4 Q. Did he really even have authority to do
5 that, I mean?

6 A. He didn't have authority over me to do that.

7 Q. Okay. And was this something that he did to
8 just you or was this for all hearing officers?

9 A. Well, he told all of them. But when he
10 approached me and told me directly that this is what
11 he wanted me to do, I told him, no, because what he
12 was doing is wrong and I wasn't going to participate
13 in defrauding the taxpayers because it wasn't right.

14 Q. Did, from your perspective or your
15 observation, did the assessment department appreciate
16 your approach to this?

17 A. No. Because as soon as I told them that, he
18 became very hostile. And they started creating a
19 hostile environment. As a matter of fact, he told me
20 on two different occasions that he was going use his
21 influence and get me fired.

22 Q. And was it just you? Were there other
23 hearing officers that had this same kind of problem?

24 A. Well, I was the only one that stood up and
25 told him that I wasn't going to do it. But he said it

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1 in front of all the rest of them because he used fear
2 and intimidation. And that's what he was trying to
3 do. He was trying to intimidate me and the rest of
4 the valuation officers.

5 Q. Now, I want to back up and ask a little bit
6 about -- we've heard already some testimony about the
7 number of appeals, maybe 54,000 or 58,000, total.
8 Have you, in your experience, all your real estate
9 experience as well the 2021 BOE work and then the
10 2023, have you ever seen anything like that?

11 A. No. It's unprecedented because that's why
12 it was -- it made the news because over 40,000. And
13 what they did and why there was such a public outcry
14 is because I realized after seeing so many of them,
15 what they had did is that they purposely raised all
16 these people's property taxes so high so when they
17 came in, during the reassessment period, there was
18 going to be a certain number of people that are just
19 not going to appeal their taxes.

20 Q. They were just going to give up?

21 A. Right. They're not even going to do it.
22 They're just going to accept it. Then there's going
23 to be a certain amount of people who are going to
24 appeal. And then there's going to be a number, a
25 certain amount of people that are going to give up in

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1 the process and just go ahead and accept whatever.
2 Q. Yeah. And in your experience as the ones
3 that you handled, was there ever a time that the Board
4 of Equalization said, yeah, we'll take, we'll take the
5 assessor's number instead of your recommendation?
6 A. Would you repeat that one more time?
7 Q. Yeah. Were there times -- or if there are
8 anywhere the Board of Equalization said or concluded,
9 yeah, we'll take the Jackson County assessments number
10 instead of your recommendation?
11 A. Yeah. In the formal process, yes, they
12 could do that.
13 Q. They can. Did they?
14 A. Yes. They did.
15 Q. How often in the context of all them that
16 you did?
17 A. I don't know because they never finished
18 them. You know, I had started tracking a lot of the
19 ones that I had did. But I couldn't complete it
20 because they had stopped the hearings.
21 Q. Okay. Okay. And I want to, in this
22 process, you know, of the informal processes, what was
23 your observation about the kind of pressure or
24 influence that was being exerted on the taxpayers?
25 A. It was, it was a very, very terrible thing.

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1 Because a lot of people that came down here, some of
2 them displayed their -- they had anger. Some was
3 tears. And I'm referring to both men and women.
4 Because it was the emotional stress of it all. A lot
5 of people were very fearful of losing their homes,
6 their mortgages being raised up significantly because
7 of the high valuation they had put on there.
8 And it was fraudulent because they had used
9 invalid comps. And these people had to come and try
10 to prove that their property wasn't worth what they
11 had said that it was worth, when it was not worth it.
12 If you looked at any of the comp sheets, all of those
13 were invalid, over and over and over again. They were
14 all using invalid comps.
15 And those people's property taxes shouldn't
16 have been raised at all because they were using
17 invalid comps.
18 Q. And on the -- did you, did you personally
19 observe people, taxpayers, just giving up on the whole
20 process?
21 A. Yes, I did.
22 Q. Okay. You have talked a little bit
23 previously about your observation, your thought, that
24 there was a clear objective to raise the tax rates,
25 not tax rates -- the assessment rates significantly.

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1 Did that raise questions in your mind about, you know,
2 their intent or purpose?
3 A. Yes, it did because --
4 MR. TAYLOR: -- objection, Your Honor, to
5 speculation about other people's intent or
6 purpose. I would object.
7 MR. MORGAN: I'll withdraw it. That's fine.
8 THE COURT: Thank you.
9 BY MR. MORGAN:
10 Q. Did you also personally have experiences
11 with the assessor, Gail McCann-Beatty?
12 A. I did.
13 Q. And what were those -- what were your
14 experiences with her in this regard?
15 A. She also would -- was trying to direct us,
16 to influence us to do things in a way that she wanted
17 them to be done.
18 Q. Yeah.
19 A. And one of the reasons that that was, was
20 during our orientation, Ron Jurgeson, the BOE
21 counselor, he had stated to us -- and she was there
22 present as well -- that the BOE relied very heavily on
23 us as the hearing officers. Because we were really
24 kind of doing a lot of the grunt work for them and
25 doing our research.

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1 And so our recommendation was something that
2 they relied on very heavily. So in order -- if they
3 were able to control us, then they were able to get
4 the valuation that they wanted. So when I was dealing
5 with the Gail Beatty, she too was very hostile towards
6 me because I -- she had called a meeting with the
7 hearing officers and had stated that she wanted to try
8 to get as many resolved without going to the BOE.
9 And that if we had any one that we thought
10 shouldn't go to the BOE that we need to come to her
11 directly. Because she had given all her people
12 marching orders saying that if it was below the 2022
13 valuation, that she had to be the one to approve it
14 directly. So in this particular occasions --
15 Q. -- I was going to say, did you have an
16 occasion where that happened and you went and visited
17 with her about it?
18 A. Yes. So on this particular occasion, I went
19 in to speak with her because a young lady had
20 purchased her house but all of the comps in the
21 neighborhood was far less than what she had paid for
22 it. And none of the assessors from Tyler
23 Technologies, they were afraid to accept that lower
24 valuation because they didn't want to get in trouble
25 with Gail.

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1 So I went over to her office and I presented
2 it to her and she looked it up. And I said, There are
3 no other comps that support this higher valuation for
4 this woman's property taxes to be raised this high.
5 And so she screamed at me. And she kicked me out of
6 her office. She said, Get out of my office. She
7 said -- she called me crap. She said, You're crap.
8 Get out of my office.

9 Q. And then you were terminated?

10 A. I was terminated not right then and there,
11 but somewhat down the line.

12 MR. MORGAN: Okay. No more questions, Your
13 Honor. Thank you.

14 THE COURT: Cross-examination?

15 MR. TAYLOR: Yes, Your Honor.

16 CROSS-EXAMINATION

17 BY MR. TAYLOR:

18 Q. Good afternoon, Mr. Jones.

19 A. Hello, sir.

20 Q. All right. I'm just going to walk through
21 some of the stuff you talked about, just to clarify
22 some things. First, are you a licensed appraiser?

23 A. No, I am not.

24 Q. And what is a licensed appraiser?

25 A. It's someone who receives their license from

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1 the state.

2 Q. From the State of Missouri to conduct
3 appraisals?

4 A. Yes.

5 Q. So talked about the -- did you say a broker
6 price opinion is that what --

7 A. -- yes --

8 Q. -- you talked about?

9 And that's not an appraisal; correct?

10 A. It is not.

11 Q. All right. So he then walked through and
12 you talked about kind of the process you did as a
13 hearings officer. And I just want to make it clear,
14 all the stuff that you were talking about was before
15 any formal hearing at the Board of Equalization;
16 correct?

17 A. That's correct.

18 Q. So this is basically an informal where
19 you're like a mediator, trying to resolve a dispute
20 between two parties that may disagree about the price
21 of a piece of property. Is that accurate?

22 A. Well, the BOE attorney, Jurgeson, he doesn't
23 like the word "mediate," but I think that what they
24 wanted us to do, it was the sort of type of a
25 mediation. But he particularly didn't like that word.

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1 Q. That's fine. But, I guess, just -- but you
2 testified you basically would look at the information
3 and you would determine this is what I think the
4 property is worth. Is that accurate?

5 A. I would.

6 Q. Yeah. And then so then you would have a
7 conversation with the taxpayer about that; correct?

8 A. I would make my determination after I had a
9 conversation with the taxpayer and after I had a
10 conversation with the assessor.

11 Q. Right. So you have talked to both sides.
12 Kind of get their viewpoint about whatever this
13 particular piece of property, the market value was?

14 A. That's correct.

15 Q. You were asked about, you know, would
16 taxpayers would bring and I was a little confused.
17 Because, on the one hand, I think you said first that
18 the taxpayer didn't have any information and they
19 didn't know anything about the property. Is that
20 accurate?

21 A. No. I didn't know anything about their
22 property. When I first would meet a taxpayer, I had
23 no knowledge about anything except for the address on
24 the piece of paper.

25 Q. So you had an address on the piece of paper.

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1 So now you're meeting -- what's the next step, you
2 meet with the taxpayer first? Or do you have two
3 people there, the taxpayer and somebody from
4 assessment there at the same time?

5 A. No. I would meet with the taxpayer first.
6 And then I went through the process, I explained the
7 process to them. And then after they had a firm
8 understanding of the process, then I went into looking
9 at their property and any information about their
10 property.

11 Q. Right. Yeah. And so what kind of things
12 would the taxpayer bring to this initial meeting?

13 A. A lot of them, they brought pictures,
14 videos. They brought repair receipts. Anything that
15 they felt that needed to be brought to the assessor's
16 attention so that their property would not be valued
17 at what they had assessed it.

18 Q. And that could be a wide range of things
19 each -- from taxpayer to taxpayer would bring to these
20 meetings; is that fair?

21 A. That would be fair.

22 Q. I guess the people that are coming to talk
23 to you, these are the people that are appealing their
24 property tax assessment; correct?

25 A. Yeah. That's correct.

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1 Q. So you only talked to the people that
2 disagreed about their values; right?

3 A. Yes.

4 Q. And was it fair to say if there's
5 approximately 300,000-something properties in Jackson
6 County and there's approximately 50,000 appeals,
7 there's 250,000 people that didn't bring any type of
8 appeal and never talked through this informal process
9 you just discussed; correct?

10 A. That's correct. Only those people who
11 appealed their taxes.

12 Q. All right, sir. Let's talk about the next
13 step. So I think -- did you say an MOS? There's a
14 sheet?

15 A. Yeah. That's the acronym. It's a
16 memorandum of settlement.

17 Q. And, I guess, how would this form be filled
18 out? Kind of each step of the process? How that
19 would be completed and where would it end up?

20 A. Well, the top portion of the form would be
21 completed -- it was already typed up through their BOE
22 system. So the name, address, parcel number, all that
23 was at the top part of the sheet. The second part of
24 the sheet -- well, let me take it -- the second
25 section of the sheet rather. That's where I would --

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1 there was room for me to write my notes.

2 And then on the third part was down below if
3 there was a settlement. And in the settlement there
4 was two boxes. There was one to put the old value and
5 put the new value. And then below that were the three
6 signatures.

7 Q. Yeah. So I guess, fair to say that the
8 taxpayer would come in and they would have their
9 proposed value when they approach you and said, you
10 know, I think my house or my piece of property is
11 worth this amount?

12 A. Yeah. I would ask them, yes. And then when
13 they had filled out the appeal process, they would
14 also put their value on there. And then sometimes it
15 was confusing to them because sometimes they would
16 say, well, no, that's not what I meant. Because I
17 misinterpreted that. This is what I felt my house and
18 my property should be valued it.

19 Q. Right. I guess all I'm getting at is so the
20 taxpayer has got a point of view about what the
21 property is valued at; correct?

22 A. Yes.

23 Q. Then the assessment's got their view, based
24 on their appraisals and what the property is valued
25 at; correct?

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1 A. Not based on the appraisals, no.

2 Q. Or the assessment process, just generally
3 speaking, they've got a view of what the value of the
4 property is? There -- that's what you talking
5 about -- going to talk to them about changing the
6 values?

7 A. Right. They made an assessed value at that
8 time, yes.

9 Q. And then you would make -- you would look at
10 everything and make your own independent
11 recommendation, this is what I think the value is
12 worth; correct?

13 A. Yes.

14 Q. You know, how that did compare? Would yours
15 match the taxpayers?

16 A. No. Because actually when I was going
17 through my orientation with them, I would tell them
18 since I don't know anything about your property, when
19 I make my recommendation, I may agree with you, I may
20 not. And then I told them that it's possible that I
21 could agree with the assessment department. But one
22 thing I would tell them is that I will tell you what
23 my recommendation is and how I arrived at my
24 recommendation.

25 Q. Right. So let me ask it this way, so

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1 between June of 2023 and October of 2023, just a rough
2 estimate of, you know, how many appeals you did during
3 that time frame or informal hearings and discussions
4 over time?

5 A. I don't know.

6 Q. You don't know? I mean, several hundred?

7 A. I really don't know.

8 Q. Multiple? Many? More than a couple?

9 MR. MORGAN: Your Honor, I'm going to
10 object. Asked and answered. He's already
11 indicated he doesn't know.

12 THE COURT: He said he doesn't know.

13 MR. TAYLOR: Sure.

14 BY MR. TAYLOR:

15 Q. I guess -- let me get -- so you just
16 testified about you would tell the taxpayer that you
17 might agree with them, you might not agree with them.
18 Is it fair to say that whatever your value was, it
19 could be different from case to case?

20 A. It was different from case to case.

21 Q. In other words, sometimes you might agree
22 with the taxpayer. Sometimes might be higher than the
23 taxpayers. Sometime you might agree with the
24 assessment department. It would just depend on your
25 review of the information?

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1 A. That is correct.
2 Q. That's correct? And that would -- that was
3 for every, every review that you did?
4 A. Yes.
5 Q. And I guess the first -- it ended up people
6 were -- would come to a resolution? You know,
7 would -- what, what -- back up. Strike that. So
8 going back to this form, this memorandum of settlement
9 that you were talking about. I was asking this -- to
10 show these -- kind of --
11 THE COURT REPORTER: I'm sorry. You're
12 speaking so quickly I cannot understand. Can you
13 start again?
14 MR. TAYLOR: Yeah. I'm sorry.
15 BY MR. TAYLOR:
16 Q. So going back to the form that we were
17 talking about, the memorandum of settlement, I guess
18 is -- you said there's different signature lines on
19 that form and different information about the
20 property. I guess if a taxpayer came to an agreement
21 with the assessment department what would happen? You
22 know, what would the form look like? What would the
23 next step be?
24 A. It was the same form, whether they agreed or
25 not agreed. The only difference is that there would

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1 be no signature from the assessor or me on that form.
2 Q. So if all parties agreed, you would sign it,
3 assessment department would sign it, and the taxpayer
4 would sign it?
5 A. Right. And after we put what the old value
6 is and would put in new value.
7 Q. Right. So there would be the original value
8 and then, if all the parties agreed, now we have the
9 new value; correct?
10 A. Correct. But then also depending if it was
11 a property that would have agriculture on it, I would
12 make sure that I made sure that it was divided
13 properly. And there wasn't enough space on that form
14 for that. Because residential is a tax at 19 percent,
15 where agriculture is only taxed at 12 percent. So
16 some people's parcels had a combination of both. So
17 we had to separate the two out so that it could be
18 properly assessed at 12 percent and 19 percent.
19 Q. Okay. Is it fair to say taxpayers came to
20 an agreement and their tax values were lowered during
21 the hearings and the reviews that you conducted?
22 A. I'm sorry? One more time.
23 Q. Is it fair to say that out of -- there was a
24 certain number of -- I know you don't remember how
25 many of these you did. But is it fair to say that

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1 there was taxpayers that came to an agreement and had
2 their property value lowered during the process with
3 you?
4 A. Yes. That would be correct.
5 Q. Just to be clear, so we have talked about
6 you in particular. And I know during your direct
7 testimony you talked about assessment people, Tyler
8 people. I just kind of want to break this down. You
9 yourself, as a hearings officer, you weren't the only
10 hearing officer; correct?
11 A. Correct.
12 Q. How many -- do you know how many hearing
13 officers there were between this time period of June
14 of 2023 and October of 2023?
15 A. I believe there was about ten. But they
16 were not always all at the same time.
17 Q. Yeah. And you didn't witness -- they were
18 all doing kind of the same thing that you were doing;
19 correct? But you didn't witness every single one of
20 these reviews?
21 A. I witnessed a lot of things. And I could
22 hear because our tables are next to each other. I
23 mean, they were all vertically. And so I had a person
24 to the right of me and a person on the left of me.
25 Q. Sure. But I guess what I'm saying is if

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1 you're doing your thing over here and you've got nine
2 other people in the room over here, you're not hearing
3 every single thing that's going on during that
4 process; correct?
5 A. Not every single thing at all given times,
6 no.
7 Q. Were you ever accused by taxpayers of
8 coercion?
9 A. No.
10 Q. Taxpayer ever accuse you of doing anything
11 improper?
12 A. No.
13 Q. They're never angry and said you treated
14 them unfairly?
15 A. No. As a matter of fact, when all of the
16 taxpayers came in, they were angry. I had not one
17 taxpayer who was ever angry with me. Never got into
18 an argument with a taxpayer.
19 Q. Okay. And then so -- going back, I think
20 you were asked about this during direct about the,
21 kind of next step in the process. So we kind of
22 talked about when there was a resolution. But,
23 obviously, there's times where there was no resolution
24 through your reviews; is that fair?
25 That basically there was not agreement

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1 between the taxpayer and the assessment department?

2 A. Correct.

3 Q. And then so what would happen next? You
4 know, what would the form look like and what would be
5 the next step in the process?

6 A. So the memorandum, with my notes, that would
7 be sent to the BOE for the formal process. So it was
8 at that point in time that I would write my notes on
9 there. And I wrote notes such as if they were using
10 dissimilar properties. I wrote on there the condition
11 of the taxpayer's property, if they had issues with
12 it.

13 I wrote all of those notes down so that the
14 board members would be able to have that. And then I
15 also wrote down if I used -- they had check boxes on
16 the form. And I wrote on there if I had used MLS.
17 Used a parcel viewer. What means that I used to make
18 my determination and my recommendation.

19 Q. That was all sent to the Board of
20 Equalization for the formal hearing?

21 A. Yes.

22 Q. And what is your -- how would you briefly
23 describe what a formal hearing is?

24 A. Well, the formal hearing was where all the
25 board members -- and I believe -- not just the BOE but

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1 I think the school districts, they would all be on --
2 they were doing it via telephone, teleconference. So
3 they would all be on there. And they had some type of
4 system where they could look at the documents of where
5 the location that they were at. And then they would
6 make the final decision.

7 Q. Yeah. It's fair to say at that proceeding,
8 taxpayer present information; correct?

9 A. Yes. The taxpayer would be given an
10 opportunity. I believe the county went first. And
11 the county would say, I feel this property is worth
12 X-amount. And then they would ask the taxpayer what
13 they felt that their property was worth. And then
14 they would ask the county to present their evidence
15 and then listen to what the taxpayer had to say about
16 it.

17 Q. And the Board of Equalization would also
18 have your form that you filled out, your memorandum of
19 settlement with your information; correct?

20 A. Yes. And -- but sometimes the county had
21 failed to deliver the memorandum. They didn't scan it
22 in there. But I had always told --

23 Q. -- sorry to cut you off. But you weren't at
24 these formal hearings. So I'm just talking about your
25 understanding of that process, you know. So you don't

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1 know what may or may not have happened at each
2 individual Board of Equalization hearing; correct?

3 A. No. I don't know for each individual, no.

4 Q. And kind of like your review, your
5 understanding -- you were asked about it earlier --
6 there's times where the Board of Equalization's final
7 decision they would agree with the assessment
8 department; correct? And then sometimes they would
9 agree with your recommendation. And then sometimes
10 they would lower -- agree with the taxpayer and there
11 would be values all over and the taxpayers had their
12 property values lowered during that process; correct?

13 A. Yes. Or sometimes they would come up with a
14 decision of neither number. They would come up with
15 their own number.

16 Q. Right. So kind of like you. They kind of
17 independently looked at the evidence that was
18 presented and made their view of what the value was?

19 A. Yes.

20 Q. I'm going to go back to -- so you started
21 testifying about how the assessment department, you
22 know, the assessment department of Jackson County was
23 defrauding the taxpayers. And you started talking
24 about, you know, invalid comps and various things
25 related to that. I just want to make that clear.

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1 What you're talking about, at that point, is before
2 the formal Board of Equalization hearings; correct?

3 A. Yes. This was during their informal
4 process.

5 Q. So this is just basically back and forth and
6 the taxpayer saying I think it's this. I got this
7 information. The assessment department saying I got
8 this information. So we're just kind of spit balling.
9 See if we come to an agreement or not. And the
10 allegations that you were talking about, that's -- was
11 it regarding that process? During your process at the
12 Board of Equalization informal hearing level; correct?

13 THE COURT: Could you rephrase? I don't

14 know what his answer -- how that's going to
15 supply any meaning to what you asked.

16 MR. TAYLOR: That's fair.

17 BY MR. TAYLOR:

18 Q. So I just to clarify. So when you were
19 talking about the assessment department was relying on
20 information and disagreeing with you and the taxpayer,
21 this was during what we just talked about, during the
22 informal review process, before the formal Board of
23 Equalization hearing?

24 A. Yes. This is before the formal, yes.

25 Q. Let's talk about that. A lot of people said

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1 a lot of things about comps. Let's turn this sort of
2 around to comps. And is that your understanding that
3 that's comparables?

4 A. Yes.

5 Q. And I think you testified earlier about how
6 you reviewed Statute 137.115. Is that fair?

7 A. That is correct, yes.

8 Q. And what did you say was required for there
9 to be a comp?

10 A. Well, I didn't say what was required. But I
11 can tell you what's required.

12 Q. Yeah. I thought you gotta -- to be valid
13 it's got to be square footage, bedrooms, and there's a
14 bunch of details and stuff that you listed out.

15 A. Well, it, it states that the property, a
16 comparable property has to be within one mile of the
17 subject property or the disputed property. Except in
18 case where no similar properties exist and then the
19 closest comparable property could be used. And then
20 it also says must resemble the disputed property, the
21 comparable in age, floor plan, rooms, and other
22 relevant characteristics.

23 And when it comes to the square footage it
24 says it has to be within 500 square feet of the
25 disputed property as far as square footage is

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1 concerned.

2 Q. You're saying that's what the statutory text
3 says?

4 A. Yes, it does.

5 Q. I guess, a lot of people have a lot of
6 different -- even with -- separate and apart from
7 whatever the statute says, there's a lot people within
8 the taxpayer assessment department, you know, they're
9 saying I've got a comp. I'm going to use this comp.
10 And that could be, you know, whether it's a taxpayer
11 or the assessment department they're -- when you're
12 doing your process there's different versions of what
13 a comp would be. Is that fair?

14 A. No. There's not different versions of a
15 comp. The law clearly defines the parameters. And so
16 if someone brings me a comp and it doesn't meet the
17 parameters, whether it's a taxpayer or it's the
18 county.

19 Q. Let me phrase it differently. So what were
20 typical amount of comps that somebody would have?
21 Like three, four, five?

22 A. It varies. Some people didn't have any when
23 they come, some taxpayers because they didn't know how
24 to get comps for themselves and then there were some
25 people who had comps that they got from real estate

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1 agents and they were all -- they were invalid as well.

2 Q. Okay. So the taxpayers would bring invalid
3 comps as well?

4 A. Sometimes they did. From the real estate
5 people that they got it from.

6 Q. And that's kinda -- getting back -- within
7 whatever parameters, whether it's a mile -- I mean,
8 there might be a thousand houses in a mile radius
9 around a piece of property; correct?

10 A. It could be a thousand, yes. A thousand
11 properties, yes.

12 Q. Yes. So there's different factors. But,
13 you know, one person could pick out three houses in
14 that radius and another person could pick out another
15 three, different three houses; correct?

16 A. As long as it's -- if it's a comp. And when
17 say "comp," it has to be comparable or resemble the
18 disputed property. So you can't say you have a split
19 level and then you say, oh, I'm going to pick these
20 ranches out. A ranch is not a comparable to a split
21 level or you could say a two story.

22 Q. Sure. But people have a lot of difference
23 of opinions about what should be used as a comp; isn't
24 that fair?

25 A. But that's irrelevant. It's what does the

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1 statute say that is relevant as to what a comp is.

2 Q. Sure. But I'm just saying, as a factual
3 matter, a lot of people showed up and had different
4 opinions about what a comp is and should be used;
5 correct?

6 A. Yeah.

7 Q. Earlier you testified about the unfavorable
8 comps. I guess I want to start with what, to you, is
9 a favorable comp and what is an unfavorable comp? You
10 were using those terms. What do those terms mean?

11 A. I didn't use the term favorable or
12 unfavorable comp.

13 Q. I'm sorry.

14 A. I didn't use the term favorable or
15 unfavorable comp.

16 Q. Oh, well, I'm just -- I think maybe you said
17 unfavorable comp. And I guess -- so I'll just start
18 with that. What is an unfavorable comp?

19 A. I use the term invalid comp. Is that what
20 you're referring to?

21 Q. Maybe I got it wrong. I know you said
22 invalid comp. But I also thought, at one point, you
23 started talking about every comp was an unfavorable
24 comp. And I just wanted to understand what you meant
25 by that.

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1 A. Okay. No, but I didn't use the word
2 "unfavorable." I used the word "invalid." And what I
3 meant by invalid is that the comps that were used by
4 the county, they were comps, but they were not comps
5 they could use for that particular disputed property.
6 They did not match.

7 Q. Okay. I think you mentioned that you,
8 you -- you yourself appealed your own property
9 assessment; is that accurate?

10 A. Yeah. It's still -- it hasn't been
11 resolved.

12 Q. It's not been resolved. I guess, where,
13 where is it at in the process?

14 A. Well, they're waiting for this thing to be
15 over with.

16 Q. Who is "they?"

17 A. The Board of Equalization.

18 Q. But you're not currently part of the Board
19 of Equalization. So you don't have any internal
20 knowledge about what they're currently doing regarding
21 appeals; correct?

22 A. No. I don't know what they're doing.

23 Q. You also made a number of claims about
24 somebody named a Bill Brickle. Did I say that right?

25 A. Yes.

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1 Q. And certain things that he said to you. Is
2 there -- do you have any, you know, documentation,
3 emails, correspondence, like that kind of --
4 there's -- along the same lines of what you testified
5 to?

6 A. No. I just have eyewitness accounts because
7 of what he said to me. He said out in front of the
8 other hearing officers.

9 Q. Just a few more questions. You know,
10 sometimes when people are talking about this
11 assessment process, kind of slip into talking about
12 taxes, you know, the value goes up so I'm paying more
13 taxes. But what is your understanding of the
14 difference between the value of a piece of property
15 and the actual taxes that someone pays?

16 A. Well, there's a formula for that. I mean,
17 everything is based off of the market value. And
18 there's a formula that's used to determine what the
19 actual taxes will be.

20 Q. Right. And so what is your understanding
21 about how that tax rate is set and how that interacts
22 with the property values?

23 A. I don't know who sets the tax rate. But I
24 know the levy is comprised of I think the school
25 districts, everybody gets a particular share. But I

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1 don't know exactly what the formula is and how that is
2 computed.

3 Q. So let me ask it this way. Is it your
4 understanding that each school district, each
5 jurisdiction might have a different tax rate?

6 A. I believe so.

7 Q. And so if someone owned a piece of property
8 in Lee's Summit and then another person owned a piece
9 of property in Blue Springs and the value of the
10 pieces of property were exactly the same, what is your
11 understanding about whether their tax rates -- the
12 taxes they were paid would be the same or not?

13 MR. MORGAN: Your Honor, I'm going to
14 object. This is outside the scope of my direct
15 examination and I think we're just wasting time
16 here.

17 THE COURT: What is the relevance?

18 MR. TAYLOR: I'm just wrapping to, you know,
19 he talked about how there's this plan to defraud
20 people, increase taxes. And I'm trying to get
21 his understanding and knowledge of how the actual
22 taxes are set. And just have him answer those
23 questions about his understanding about that
24 since he testified to this plan to raise taxes.

25 THE COURT: Overruled. You can answer.

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1 A. The tax levy -- I think that's what it's
2 called. Every city and depending upon what
3 neighborhood you live in has a different tax levy.
4 BY MR. TAYLOR:

5 Q. Right. So I could have a hundred thousand
6 dollar house in Grain Valley and a hundred thousand
7 dollar house in Independence and my taxes might be
8 different; correct?

9 A. Yes.

10 Q. Just to wrap up. You testified about your
11 time as a -- you know, your role with the Board of
12 Equalization. Now, I think you said you were a
13 hearings officer. But I just wanted to clarify, you
14 weren't an employee of Jackson County; correct?

15 A. No.

16 Q. Were you a contractor?

17 A. I was an independent contractor.

18 Q. Independent contractor. So you had a
19 contract to receive money under that contract?

20 A. Yes.

21 Q. And you testified that you were terminated.
22 And I think you said Ron Jurgeson told you about your
23 termination. What were you told about why were you
24 terminated? Or why your contract was being
25 terminated?

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1 A. When Bill Brickle had -- was upset because I
2 would not follow his course of action and he said he
3 was going to go get me fired. They started a campaign
4 of making complaints about me, unwarranted lies
5 about -- you asked me, so I'm telling you.

6 Q. Well, I was going to say -- I didn't want to
7 cut you off, but that's not the question I asked you.
8 I asked you what you were told by Ron Jurgeson?

9 A. I'm getting there. This is relevant.
10 Because they were making all these unfounded
11 complaints towards me. And then they started to send
12 these complaints to Ron Jurgeson and to, I think, Gail
13 Astolt as well. And so all of these complaints was
14 the basis for him saying that that was a reason for
15 them letting me go.

16 Q. And do you believe you're owed money under
17 the contract?

18 A. I am owed money.

19 Q. How much money are you owed?

20 A. They had me working through my lunch hours,
21 because they had scheduled so many people there. And
22 they told us that if we worked through our lunch hours
23 they would pay us. They haven't paid us. They didn't
24 pay me through my lunch. And then when they breached
25 the contract, they didn't give me a five-day notice

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1 per the contract, written notice. And so they owe me
2 over \$8,000. I don't know the exact amount.

3 Q. Over 8,000?

4 A. Yes.

5 Q. And have you threatened to sue regarding
6 this amount?

7 A. No. I haven't threatened to see anybody.

8 Q. Are you planning to sue regarding this
9 amount?

10 A. I haven't made that determination yet.

11 Q. You haven't decided?

12 A. Well, I had contacted --

13 MR. MORGAN: -- Your Honor, this far afield
14 and now he's, you know, speculating as to what he
15 may do in the future. I think it's totally
16 irrelevant to this case.

17 MR. TAYLOR: Goes to his credibility and
18 bias for his testimony.

19 THE COURT: Overruled.

20 A. So what was your question?

21 BY MR. TAYLOR:

22 Q. I was just asking, are you planning to
23 pursue legal action related to the money you believe
24 you're owed?

25 A. I know where I was going. Yes, I had spoken

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1 with -- not spoken with -- what's his name? Ryan?
2 He's an attorney. I was trying to get the thing
3 resolved.

4 Q. Ryan Taylor? Did you send an email to Ryan
5 Taylor?

6 A. Yes. But he has been ignoring me.

7 Q. I'm Ryan Taylor.

8 A. You're the person I have been talking to.
9 But you never got back to me.

10 Q. I challenge that. I did respond and I said
11 I needed to review everything and I'd get back to you.
12 It's been a busy couple of months.

13 A. I have been trying to get this thing
14 resolved and amicably. You know, I have worked for
15 the money. I need to be paid for what I worked for.
16 But this -- my payment has nothing to do with my
17 testimony. I think that the facts, if you pull up the
18 MOSs it all proves that what I said is true.

19 MR. TAYLOR: All right. Thank you. No
20 further questions.

21 MR. MORGAN: Just a few questions.

22 THE COURT: Go right ahead.

23 REDIRECT EXAMINATION

24 BY MR. MORGAN:

25 Q. Is it -- you were asked a little bit about,

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1 you know, determinations by the Board of Equalization
2 and so forth. Was it a rare case in which the Board
3 of Equalization or that you agreed with the assessor's
4 assessed value for property?

5 A. Yes. It was very rare, yeah, that I did
6 agree with them.

7 Q. Almost -- the great majority of the time, in
8 your view, they greatly inflated the assessed value?

9 A. Yes, they did. Beyond a doubt.

10 Q. Now, the question got struck but I'm going
11 to go ahead and use the word. But is the assessment
12 department just supposed to spit ball the value? Is
13 that what they're supposed to do?

14 A. No. They're supposed to find comparable
15 properties to be able to justify the assessed value.

16 Q. In your experience, all that experience and
17 your work at BOE, did you feel that this process was
18 broken and unfair to the property owners?

19 A. I would say, yes. Because ...

20 Q. No further questions. Well, you can finish
21 that statement. I would say yes, because?

22 A. Because it's just, you know, the
23 reassessment was unfair to the taxpayers, them using
24 the invalid comps. That was just unfair to them. And
25 then it was so unfair during the whole process that we

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1 actually even asked the tax -- I mean the assessor's
2 there, are you all getting paid more money? Because
3 why are you not treating these people fairly? And
4 they said, well, no, no, no, we're not. Well, come to
5 find out, yeah, they are. They were getting paid.
6 And that's not fair to the taxpayers that these people
7 are in a position to get -- to keep their taxes high
8 and they benefit from it. No, I don't think that
9 that's fair.

10 MR. MORGAN: No more questions. Thank you,
11 Your Honor.

12 MR. TAYLOR: No further questions, Your
13 Honor.

14 THE COURT: You can step down at this time.

15 MR. MORGAN: May we excuse the witness?

16 MR. TAYLOR: Yes, Your Honor.

17 THE COURT: The witness may be excused. We
18 are going to need to take a break. But I know
19 there's going to be some argument with what you
20 anticipate the next witness will be. So my
21 question is if I say we need to wait on
22 Mr. Smith, do you have another witness in line to
23 take up?

24 MR. MORGAN: Yeah. That's fine.

25 THE COURT: Let's go ahead and take a 15

1 minutes recess at this time.

2 (Recess.)

3 (Proceedings returned to open court.)

4 MR. MORGAN: Call Lance Dillenschneider.

5 LANCE DILLENSCHNEIDER

6 called as a witness herein, having been first duly
7 sworn by the Court, was examined and testified as
8 follows upon,

9 MR. MORGAN: Before I start with this
10 witness, I wanted to move for the admission of
11 certain exhibits. We have got 46A, B, C, D, and
12 E and 49.

13 THE COURT: That is not on my current list.
14 Do you have another list by chance? Or if I
15 could just have a blank exhibit list?

16 MR. MORGAN: These are certified copies of
17 resolutions and ordinances from Jackson County.

18 THE COURT: And you said exhibits?

19 MR. MORGAN: 46A, B, C, D, and E. I have
20 got the official -- Ryan's looking at it right
21 now. I have got the official records that I'm
22 going to hand to you shortly.

23 THE COURT: Okay. And was there any
24 objection to Exhibit 46A, B, C, D, and E?

25 MR. TAYLOR: I don't think so. I'm just

1 double checking.

2 THE COURT: No problem.

3 MR. MORGAN: And then 54 is an ordinance
4 from Jackson County. All of them are certified
5 copies from the clerk of the Jackson County
6 Legislature.

7 MR. TAYLOR: Yeah. I don't think we have a
8 problem with that. I'll just ask to have the
9 actual copies. Is that part of this stuff that
10 you sent us?

11 MR. MORGAN: Yeah. It's in there.

12 THE COURT: Show that 46A, B, C, D, E are
13 received. And Exhibit 54, the ordinances are
14 received.

15 DIRECT EXAMINATION

16 BY MR. MORGAN:

17 Q. Will you state your name for the record,
18 sir?

19 A. My name is Lance Dillenschneider.

20 Q. Now we've got some --

21 A. -- is that a little too loud for everybody?

22 THE COURT REPORTER: Hang on. If you'll
23 give me just a second here.

24 BY MR. MORGAN:

25 Q. She can adjust the volume. Part of it is I

1 think you're sitting up in your chair.

2 A. I moved it a little closer because some
3 people said they couldn't hear. So I thought I'd move
4 it a little closer.

5 Q. Okay. Tell us a little bit about your
6 background, educational, professional background?

7 A. My background in real estate is I have been
8 in real estate sales, residential and commercial, for
9 approximately 39 years. I have also been a home
10 builder, during that period. I've also been a
11 subdivision developer. I have developed probably 10
12 or 12 residential subdivisions. I was the president
13 of the Lee's Summit Home Builder's Association for two
14 years. I was the vice president of the Kansas City
15 Home Builder's Association for one year. I was on the
16 Board of Equalization for six years.

17 Q. Let me pause you for just a minute.
18 Describe to the Court any licensing, you know, some of
19 those things you talked -- you've been in real estate
20 for, you said, almost 40 years?

21 A. 39 years, approximately.

22 Q. Okay. What about licenses? Specialized
23 training or things like that?

24 A. Yes. Of course, I am a licensed real estate
25 broker through the State of Missouri.

1 Q. I'm going to actually back you up from that.
2 You're getting a little bit of feedback.
3 A. Oh, I'm sorry.
4 Q. I might recommend to you, if you want, you
5 can sit there or, if you want, you can sit back.
6 A. Can you hear me okay? Kinda? Okay. I'm a
7 licensed real estate broker with the State of
8 Missouri. I am -- I was a licensed mortgage broker
9 with the State of Missouri. The training that I have
10 had is I have attended Longview College night school
11 for many mortgage trainings, for -- mostly related in
12 real estate industry.
13 Q. Okay. And have you, yourself, given
14 trainings or led classes on some of these topics?
15 A. I have -- I did attend whole seminars a few
16 years ago.
17 Q. Okay. In this connection, you have a --
18 tell us -- the Court a little bit about your
19 understanding about how real estate is valued,
20 assessed, you know, and that process including the
21 using of comparables and so forth?
22 A. The, the best way to value real estate is
23 through the comparable process. I mean, there's
24 basically three. There's income approach. There's
25 the new construction approach. And there's the

1 comparable approach. Most of what is done, is used is
2 the comparable approach through -- for resale
3 purposes.
4 Q. And you mentioned just a bit ago that you
5 worked at the Board of Equalization?
6 A. Yes.
7 Q. Okay. So what resulted in you going to the
8 Board of Equalization to work there?
9 A. I was asked if I would, if I would serve.
10 And first I said no. And then I thought about it.
11 And I decided, okay, I'll go do my, my time.
12 Q. Civic duty. We'll call it civic duty.
13 A. I did it for one year. And then the mayor
14 of Lee's Summit, for five consecutive years after
15 that, asked me if I would serve again, so I did.
16 Q. So it was, essentially, a one-year
17 appointment, year after year?
18 A. Yes. I served six terms.
19 Q. Okay. And in that responsibility or that
20 position, who did you represent or what -- you know,
21 was there a specific entity that you were there for?
22 A. I represented the City of Lee's Summit.
23 Q. Each of those years?
24 A. Yes.
25 Q. Okay. And can you tell the Court a little

1 bit about what are the responsibilities of a
2 representative of a city or whatever that's sitting on
3 the Board of Equalization?
4 A. Personally, I felt it was to -- representing
5 the city. It was to represent the people, the
6 residents of the city. You know, I wanted a fair and
7 equitable system. I wanted them to get a fair and
8 equitable reassessment, if that's what -- or appeal if
9 that's what they were coming in for.
10 I also didn't want property taxes to go so
11 high that 291 would be -- I would generally say, I
12 don't want property taxes so high that businesses
13 leave and 291 ends up like some of the city, major
14 cities that you've got tattoo parlors and payday loans
15 and that's the only businesses that will thrive in
16 that type of community.
17 So those were my goals. Just to, in
18 general, to represent the people of Lee's Summit to
19 best of my ability.
20 Q. Okay. And tell us a little bit about the
21 appeal process and what your role in it is at the
22 Board of Equalization.
23 A. Well, in the appeal process, especially now
24 more than ever. But in the appeal process, it's more
25 or less done on a mass appeal situation. They will do

1 a mass appeal of a whole subdivision or a whole
2 section and base the values of properties pretty much
3 very, very similar unless there's some, unless
4 there's -- something that jumps out at them that is
5 different.
6 And the appeals process is basically where
7 the property owner, if they don't feel like they got a
8 fair tax assessment they have the right to appeal it
9 and go before the Board of Equalization. And they can
10 show the differences between their property and, say,
11 a property down the street that was assessed much
12 higher than theirs and -- or much higher and theirs
13 should not be assessed at that high level.
14 Q. So you had indicated, you talked a little
15 bit about acting as a fair and impartial --
16 A. -- uh-huh --
17 Q. -- member. How was that received? I mean,
18 that sort of approach that you had, how was that
19 received at Jackson County?
20 A. It was received very well by the, by the
21 property owners. It wasn't always -- I don't believe
22 I was always well, well appreciated, I'll say that, by
23 the assessment department.
24 Q. And you had a little bit of a -- you talked
25 a little bit about comparables. Tell us about the

1 process that you would go through to look at
2 comparables, either that Jackson County provided or
3 that, or the property owners provided. What process
4 would you go through in that regard?

5 A. Well, I would look at the, I would look at
6 the county's comparables and then I would look at the,
7 the appellant's or the individual's comparables. And
8 quite often, because I'm very, very knowledgeable of
9 my area, I knew of comparables also that were fair and
10 good comparables and I would also bring those out.
11 And the county assessment department did not like it
12 when I did that.

13 Q. And when you exercised your sort of
14 independent knowledge of the area?

15 A. Right. Right. Many situations that was the
16 case and they were very unhappy with that.

17 Q. And just on the question of -- you wanted to
18 be fair and impartial. You're not saying that
19 property values shouldn't go up or shouldn't be
20 increased in their assessments; are you?

21 A. No. I'm not saying that. I'm saying it
22 should be a fair and equitable situation and there's
23 been -- my experience was -- in looking at the 2019
24 debacle where property taxes went -- sky rocketed
25 from -- they went up 50, a hundred, 200, 300. I do

1 know of clients that I had that their property taxes
2 went up 700 -- went up 700 and 800 percent. I don't
3 think that's a fair and equitable increase in taxes.
4 And in 2023, I will say, in 2023, it was just 2021 all
5 over again on steroids.

6 Q. You mean 2029 -- or 2019 all over again?

7 A. Well, 2019 -- the 2019 -- or the 2023 tax
8 reassessment was the 2019 tax assessment on steroids.

9 Q. In terms of, like, what do you mean by that?
10 Like in terms of problems or concerns? Or what does
11 that mean?

12 A. No. They just -- well, the process became
13 so difficult in 2023 that it was my -- I don't want to
14 use the word "impossible." But it was extremely
15 difficult. And I will say for many, many people that
16 do not know the process it was impossible for them to
17 get a fair hearing.

18 Q. So in all those six years that you served on
19 the Board of Equalization, did you ever see a
20 situation in which there were 50,000, 54,000,
21 58,000-plus appeals?

22 A. No. Thank God, I didn't.

23 Q. How does that even compare to --

24 A. -- I think the most, I think the most that I
25 ever saw in six years was, I don't know, maybe it was

1 12,000 or 15,000. And at that period we were there
2 seven days a week, in some situations until 8:00 at
3 night. But we heard all the appeals. In the new --
4 in this, in this process, I sat there on my own
5 appeals in 2023 and 4:30 comes, 5:00, they're out of
6 there. So you sat there all day for nothing.

7 Q. Yeah. You personally experienced that?

8 A. And that discourages property owners for
9 coming back and appealing.

10 Q. Okay. In your -- when you worked at the
11 Board of Equalization or on the Board of Equalization,
12 did you recognize or identify efforts really to try to
13 continue to increase property values as much as
14 possible?

15 A. Absolutely.

16 Q. Yeah. And what efforts were done to do
17 that?

18 A. They were bringing in consultants from back
19 east, from -- out-of-state consultants on a regular
20 basis. And they would sit in on our meetings and they
21 would try to -- it was apparent what they were doing
22 was to try to figure out how to raise the taxes in
23 Jackson County.

24 Q. Now, again, you weren't there in 2023?

25 A. No.

1 Q. You were there --

2 A. -- this was, this precursor to 2019 and
3 2023.

4 Q. Okay. And I meant to ask you a little bit
5 earlier, if you don't mind, talking a little bit about
6 the process of when you were there, the process of
7 informal review, informal appeals, and then up to the
8 formal Board of Equalization appeals. Could you
9 describe that a little bit?

10 A. Yes. There was -- first of all, your first
11 shot was an informal appeal where you could go in, you
12 could just sit down with an appraiser, assessor. And
13 they would discuss it. You dealt with him. And you
14 came to an equitable agreement. And if you did not,
15 you had the right to continue on and go to the board
16 of appeals.

17 Q. Okay. And did you, you know, you talked a
18 little bit about the extraordinary number of appeals
19 in 2023?

20 A. Uh-huh.

21 Q. In all of the six years that you were there,
22 did you ever see the Board of Equalization just simply
23 cancel all the appeals?

24 A. No. We, like I said before, we stayed until
25 8:00 at night, if we had to, to hear them all.

1 Q. And that is -- what impact did that have on
2 property owners, taxpayers?

3 A. Well, again, you couldn't get your
4 property -- you couldn't get, you couldn't do your
5 appeals. You couldn't get your property appealed.
6 It's an impossibility. If they cancel the Board of
7 Equalization, it's pretty difficult to get a fair
8 hearing if they close the doors on you.

9 Q. Did you, did you personally observe people
10 that just simply gave up on the process?

11 A. Absolutely. Absolutely. Many times.

12 Q. Let's talk a little bit about your own
13 personal experience. Now, you have already indicated,
14 sort of your background, your expertise, and all those
15 things. How has the 2023 assessment process been for
16 you personally?

17 A. Extremely frustrating. I would say it
18 pretty much, pretty much ate up a big portion of my
19 summer.

20 Q. In what way? What happened? What are the
21 things that happened to you?

22 A. You have to go online and you have to do all
23 your appeals. And you have to do all this. And the
24 online process was not, was not a -- I wouldn't call
25 it user friendly. So that, in itself, took -- was

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1 very timely. And after you do that, then you could
2 get a hearing time. And you'd go down.

3 And if you had multiple properties -- it
4 used to be if you had multiple properties we would
5 hear them all. So you don't -- you didn't have come
6 down 15 times for a hearing. We'd hear them all.
7 We'd set it where we could hear it all and it's done.

8 This time you -- it was piecemeal. You'd
9 have one at a time is what you have. So you had to
10 keep going. And I just decided the only way I was
11 going to do this is to go to the informal appeals.
12 Well, you're only supposed to go to the informal
13 appeals once and then you go on to the Board of
14 Equalization. I could get never get into the Board of
15 Equalization. So I just kept showing up to the
16 informal hearings.

17 Q. Hold on. Let me dig into that one a little
18 bit. So you recognized that they weren't -- they
19 weren't progressing?

20 A. Right.

21 Q. So, I mean, were they returning your calls?
22 Were they -- I mean, tell us -- tell the Court a
23 little bit about that.

24 A. They never even answered the phone, let
25 alone return a call.

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1 Q. Yeah. And so your solution to it was I'm
2 just going to show up?

3 A. That's what I did.

4 Q. Yeah. And how often did you show up?

5 A. Well, I showed up, I showed up about three
6 times. And, finally, they said, well, you to have to
7 go to the board of appeals. So I tried to --
8 attempted to go to the board of appeals. And then I
9 got a notice from them, from the county to come back
10 down for an informal hearing. Well, had just sent me
11 home and then I had to go. So I went back down.

12 And I think on the fourth, the fourth
13 informal hearing, I, I -- with a grouping of my
14 properties -- I got nowhere. So I ultimately, I
15 ultimately -- even though I have been doing this for a
16 decade, I ultimately had to hire a tax consultant to
17 be able to get an appointment with who I needed to get
18 an appointment with.

19 Q. With all of your experience?

20 A. Absolutely.

21 Q. Your capacity, all those things, you
22 yourself had to hire a tax consultant?

23 A. Yes. Yes, sir.

24 Q. And in your observations, in your review,
25 and your experience on the Board of Equalization, were

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1 people, were lots of taxpayers, property owners, in a
2 position to hire tax consultants to try to --

3 A. -- no, they were not. They don't even know
4 who to hire. They don't even know who to call.

5 Q. Yeah.

6 A. They don't even know what a tax consultant
7 is.

8 Q. And these -- I'm going to use "impediments."
9 What -- are these all impediments to taxpayers,
10 property owners trying to get in to have a fair
11 assessment?

12 A. Yes. Absolutely.

13 Q. And you, yourself, struggled with this
14 process. And has it been resolved even for yourself?

15 A. Well, not to my satisfaction. But we -- it
16 is resolved. I finally resigned myself to that's the
17 best it's going to be, without going to the State Tax
18 Commission. And the State Tax Commission is so backed
19 up because of this kind of stuff that they might not
20 be able to hear my, my case for two years, three
21 years.

22 And in that time period you still have to
23 pay the higher taxes that you're assessed at. And
24 then if you win on down the road you might get some of
25 that back. So it's a business decision whether or not

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1 you go to that, go to those lengths or not. And I
2 decided it was not to my best interest. So I paid my
3 taxes under protest.

4 Q. Okay. And did you observe -- I mean, you
5 experienced sort of the no return calls, you know, the
6 having to show up multiple times. Did you experience
7 other people, taxpayers, property owners, for being
8 stonewalled and, you know, rejected?

9 A. Yes. Constantly. Constantly. I would
10 say -- I will throw this in. One day I sat in my
11 office. I was working. And I dialed the Assessor's
12 Office. And I thought, I wonder how long it will take
13 them to answer the phone? And my -- it was three
14 hours. And I decided they're never going to answer
15 that phone.

16 Q. So it was ringing for three hours?

17 A. Three hours. And nobody answered it. And
18 nobody would ever answer it when I called.

19 Q. And did you -- you think about somebody that
20 is maybe not -- doesn't -- isn't tech savvy or --
21 well, let me ask you this, did you have any experience
22 with anybody that, you know, didn't know how to use
23 computers and, you know, some of those things?

24 A. Yes, I did. I have had clients. I had one
25 in particular, a client, and they were, they were

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1 older. And they did not know the process. So they
2 were calling the assessment department to try to
3 figure out, can we show up personally? What do we
4 need to do?

5 And they never could get an answer so,
6 ultimately, they finally gave up. And they had a very
7 difficult time selling. We had a very difficult time
8 selling their house because it was way overassessed.

9 Q. Tell the Court a little bit about that.
10 What do you mean they had a difficult times?

11 A. Oh, their property taxes alone -- it was --
12 it's a starter home. I would say anymore today it's a
13 starter home, first-time home buyer's home. And in
14 that price range, the property taxes on that home were
15 somewhere between \$500 and \$600 a month. And with the
16 increased property taxes, they didn't qualify. Many
17 people didn't qualify for it, nor did they want to pay
18 \$3,500 a month in a home house payment for a starter
19 home.

20 Q. Did you, in the process, because of your
21 experience -- you know, on the Board of Equalization
22 and also this experience -- did you observe things
23 that you thought were sort of improper processes in
24 the, in this assessment of 2023?

25 A. During my term?

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1 Q. No. In the 2023, you know, did you
2 observe --

3 A. -- yes. Yes. When -- through the process,
4 I have to submit, I had to submit -- or the property
5 owner has to submit all of their comps with their
6 appeal. And you have to give that to the county so
7 they know what your -- what evidence that they're
8 dealing with. But they don't have to give you
9 anything. Or they refuse. They should but they
10 refuse to give it to you.

11 So you have to get it through the Sunshine
12 Law. You'd have to file a Sunshine Request with the
13 state to get it. And when I got mine back on my
14 properties, most of my multifamily -- I think all of
15 my multifamily -- most of my multifamily properties
16 were the comps that they were -- that they had used
17 were residential properties. Those are not even like
18 properties. You can't do that in an appraisal.

19 And when I went into my hearing, I thought,
20 oh, this is going to be an easy deal because they
21 don't have any comps. So they apparently started
22 pulling up comps from everywhere in the city, from
23 Grandview, from Blue Springs, from Raytown. Well,
24 that's not -- you can't do that in an appraisal. You
25 have to get your comps from the location that your

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1 appraising. But they, they just did whatever they
2 wanted to do.

3 Q. And they did it in the moment, like --

4 A. -- just like, just pull it up. And it
5 didn't matter if they had messed it all up or not.
6 They weren't going to go by their own rules.

7 Q. Yeah. And, you know, in your own
8 experience, how many people are even familiar with the
9 process of trying the Sunshine and get, you know,
10 these materials?

11 A. Very few. Very few. I wouldn't have any
12 idea. Maybe three percent, five percent. A very
13 small number of people.

14 Q. We have talked a little bit about the
15 different sort of different parties here: Assessors,
16 Jackson County Assessor's Office, and the Tyler
17 Technologies. Did you have experiences with both of
18 those and recognize those experiences with them?

19 A. Yes. It appeared to me that the -- appeared
20 to me at the end that Tyler, the Tyler guys kind of
21 took over. That was my perception. And they became
22 very, very difficult to deal with and were very
23 difficult to get to, no matter what you submitted.
24 They weren't interested. They were -- seemed to be
25 their only interest was in not lowering your taxes.

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1 Q. Yeah. And how would you compare 2023 to the
2 rest of -- to prior assessments?

3 A. A debacle. Terrible. Very unfair. Very
4 unfair to the property owners. Very unjust.

5 Q. And what was the effect of this debacle,
6 this 2023 assessment? What effect has that had?

7 A. It has -- well, it has created crippling
8 property taxes that have caused many, many people
9 hardships. I mean, elderly people that I have met on
10 occasion would -- were worried about whether they
11 can -- the decision is do I buy my medicine or do I
12 pay my property taxes? Because I can't do both.

13 Q. Yeah. Would you, in your experience,
14 consider this process, the 2023 assessment, your
15 experience, not only as the Board of Equalization
16 previously, but also your personal experience, really
17 a broken and unfair process?

18 A. Absolutely. It was a very one-sided
19 situation. For a one-sided purpose.

20 MR. MORGAN: No more questions.

21 THE COURT: Cross-examination?

22 MR. HANER: Yes, Your Honor. May it please
23 the Court?

24 THE COURT: You may proceed.

25 CROSS-EXAMINATION

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1 BY MR. HANER:

2 Q. Mr. Dillenschneider, what years were you a
3 member of the BOE?

4 A. I believe it was 2012 to 2018, I believe
5 were the years.

6 Q. So you weren't a BOE member in 2019;
7 correct?

8 A. No. Thank God, I wasn't.

9 Q. Did you -- were you a tax rep?

10 A. No.

11 Q. You indicated earlier you had clients. Are
12 you involved in those clients' BOE appeals?

13 A. No. None.

14 Q. Okay.

15 A. I have -- they have -- I might have given
16 them comparables to take to their hearings. But I was
17 never a tax rep. My clients consist of real estate
18 clients, buyers and sellers, property owners.

19 Q. And about how many properties do you own?

20 A. I think I have about 30 -- 37 units of my
21 own.

22 Q. So 37 units?

23 A. Rental units, yes.

24 Q. And does that -- do you have a personal
25 residence as well?

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1 A. Yes.

2 Q. So is that 38 total properties?

3 A. Approximately. Somewhere between 35 and 40,
4 yeah. I don't remember right off the top of my head.

5 Q. And those 37 units, are those rental
6 properties?

7 A. I'm sorry? Could you repeat that?

8 Q. Those 37 units, are those rental properties?

9 A. Yes. Yes, they are.

10 Q. Okay. And I believe you previously
11 testified that in a high year, when you were involved
12 in the BOE that you could see 15,000 appeals; is that
13 correct?

14 A. That we see what?

15 Q. 15,000 appeals to the BOE?

16 A. Did you say 15?

17 Q. Thousand. Yes.

18 A. Fifteen, yes. Yeah. That was astronomical
19 at that time.

20 Q. And do you know what year that was?

21 A. Oh, I don't. I really don't know. I think
22 it -- probably somewhere around 2015, 2016. Something
23 like that.

24 Q. And how would you describe the housing
25 market in Kansas City from 2015 to 2023? Did it

211

1 increase or decrease?

2 A. In what way? The number of houses?

3 Q. Did the home values go up or did they go
4 down between 2016 and 2023?

5 A. Well, home values, traditionally, always
6 increase. It's always been kind of a common knowledge
7 that property -- invest in real estate because it will
8 always go up.

9 Q. Okay. And would you agree with me that the
10 housing market in Kansas City went up significantly in
11 years 2020 and 2021?

12 A. It -- yes, it went up. Yes. It went up,
13 sure.

14 THE COURT: I'm going to ask you to just
15 back up a little bit. Every time you exhale, we
16 hear it in the microphone.

17 THE WITNESS: I'm sorry. Well, that's a
18 good thing. That means I'm still breathing. Let
19 me know if it's too loud.

20 BY MR. HANER:

21 Q. And you would agree with me if there's a
22 drastic increase in home values and then, therefore,
23 an increase in assessed values, that it's fair to
24 reason that more people are going to try to appeal
25 their value; correct?

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1 A. I would say it would go both ways. If they
2 drop, there's more appeals. If they go up, there's
3 more appeals. I'd say that's kind of a given.

4 Q. It's a given that if home values go up, then
5 assessed values should also go up and because the
6 values are going up, more taxpayers are going to
7 likely appeal and not agree with the value going up.
8 Is that fair?

9 A. Well, that's kind of, kind of a -- that kind
10 of has multiple answers. I would say, I would say
11 we're not talking about the home values. We're
12 talking about the assessments that went up drastically
13 is the problem, the massive assessments.

14 Q. And you would agree with me that assessed
15 values should be what the actual home values are
16 worth; correct?

17 A. Well, I'm giving my opinion. Now I'll give
18 you -- this is my opinion. I don't believe anybody
19 should be taxed out of their home. I don't think
20 anybody should be -- there will be people that will
21 lose their homes in three years. It takes three years
22 before you -- three years of not paying, being able to
23 pay your taxes before your home goes on the courthouse
24 steps. And we have not reached that point yet. I do
25 not think that is a fair system, that's a fair tax

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1 structure.

2 Q. Would you agree with me that the laws in the
3 State of Missouri require an assessor to assess values
4 at the fair market value? Is that correct?

5 A. I have heard that argument a lot. However,
6 I will say, Jackson County is the -- it is my
7 understanding, the last time I checked, Jackson County
8 had the highest property taxes in the State of
9 Missouri. And I have not heard of any -- I have not
10 heard of the State going after any other county in the
11 State of Missouri that has lower taxes than us.

12 So I, I guess I'm not sure I would say it
13 would be a fair thing to raise taxes the way they're
14 being raised in Jackson County. It would not be --
15 it's not justified because it's not equitable across
16 the State of Missouri.

17 Q. So your argument is that the county property
18 taxes have to be equitable across the State of
19 Missouri?

20 A. I'm not saying that at all.

21 Q. Then what are you saying?

22 A. I'm saying you should not be in a position
23 where you should be taxed out of your home.

24 Q. And you believe that's currently going on?
25 People are being taxed out of their home?

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1 A. It will be. In three years, it will be.

2 Q. And you mentioned in your direct examination
3 that there was a woman that had to choose between her
4 medicine and the paying property taxes?

5 A. That was her comments. She didn't know what
6 she was going to do because she couldn't afford the
7 high taxes and her medicine.

8 Q. And what is her name?

9 A. I don't remember her name. But I don't
10 think she'd want me to give her name. These are
11 people that I have met randomly across -- throughout
12 my -- I have, I have talked to thousands of people
13 through the process. I can't remember everybody's
14 name.

15 Q. You spoke about comps for a multifamily
16 home. Do you recall that testimony?

17 A. Uh-huh.

18 Q. In your experience at the BOE, is it harder
19 to find comps for multifamily homes or -- compared to
20 residential homes?

21 A. No.

22 Q. What if there's only one multifamily home in
23 the subdivision, where do you find the comp?

24 A. From other multifamily homes in that
25 geographic location or city.

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1 Q. And that geographic location can expand as
2 far as -- until it finds another multifamily home?

3 A. I'm not sure I understand where you're
4 going, what your question is.

5 Q. So if you own a multifamily home in one area
6 and there's no other multifamily homes, can you go
7 over three different neighborhoods to find the next
8 multifamily home to use as comparable sale?

9 A. Yes, you can. As long as you're in the same
10 area and you meet the appraisal requirements that
11 there are to do a certified appraisal.

12 Q. Okay. And it's your belief that people are
13 being taxed out of their home?

14 A. I believe they will be.

15 Q. Who do you believe is doing that?

16 A. I think it's obvious it would be the county.

17 Q. And what record or document do you have to
18 support your allegation that the county is taxing
19 people out of their homes?

20 A. Well, what I'm basing that on is that many,
21 many people that I have heard that said I can't pay
22 the taxes. I'll just have to live here for three
23 years and then I'll have to give it to them and give
24 them the keys and walk away. That is the comments
25 that I've heard and that's what I am basing it on,

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1 what people have told me.
2 Q. But you have no documents supporting that
3 allegation; correct?
4 A. No. Nobody gave me a sworn affidavit to
5 that effect.
6 Q. Now, try to work through this. Is it fair
7 to say that you were not personally involved in the
8 reassessment process done by the county for 2023?
9 A. Only from the capacity of somebody who is
10 appealing their properties.
11 Q. And did you appeal your properties in 2019?
12 A. Yes.
13 Q. Did you appeal them in 2021?
14 A. Yes.
15 Q. You're appealing them again?
16 A. In 2023, I did.
17 Q. Okay. And did you appeal --
18 A. -- I don't think -- I don't remember if I
19 appealed in 2021. I don't remember that. I know I
20 appealed in 2019 and 2023. I don't remember 2021.
21 Q. Okay. Did you, for year 2023, did you
22 appeal your residence property?
23 A. Yes.
24 Q. What was the outcome of that?
25 A. Well, I got it down some. But I didn't get

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1 it down to what I wanted it.
2 Q. What did you stipulate to?
3 A. Pardon?
4 Q. What value did you stipulate your property
5 to?
6 A. I don't remember off the top of my head. I
7 got 30 some properties. I can't remember the
8 stipulations on all of them. I'm sorry.
9 Q. And getting the stipulation for your
10 residence, was this one of the properties that you
11 said that you had to call multiple times and you had
12 difficulties?
13 A. On my personal residence? That wasn't the
14 most difficult one. The most difficult one were my
15 rental properties.
16 Q. So your resident appeal went smoothly; is
17 that fair?
18 A. Well, I wouldn't say it went smoothly. But
19 it wasn't the most difficult. None of them went
20 smoothly. It was not the most difficult one I had
21 though.
22 Q. What went unsmoothly about the appeal of
23 your resident home?
24 A. The process.
25 Q. What about the process?

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1 A. The fact that you couldn't get a -- that you
2 couldn't go before the Board of Equalization. That it
3 was extremely difficult to get in and to get
4 appointments set up with their computerized system.
5 You'd go down there and you might get there at 9:00
6 and 4:30 comes and they don't hear it. So you have to
7 set up another appointment.
8 Q. And when you're talking about getting the
9 appointments, is that informal hearings?
10 A. Did you say informal?
11 Q. Yeah. When you said getting the
12 appointments is that to do the first --
13 A. -- yes -- informal --
14 THE COURT REPORTER: Wait a second. Start
15 your question again, please.
16 Q. When you said you had difficulties getting
17 the appointments set up, are you speaking about the
18 informal hearing process?
19 A. Yes. That's all I was ever able to set up.
20 Q. Do you know about how long it took you in
21 that process to get an informal hearing?
22 A. Well, for all my properties it took me all
23 summer. It took me the entire summer. I didn't -- I
24 don't think -- well, I think it was September, maybe
25 the first of October before I was ever -- got it all

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1 finalized. Wait a minute. I take that back. I take
2 that back. Because I had to pay my taxes on some of
3 them, December -- no. It took me all year. Because I
4 had to pay my taxes on some of them before the end of
5 the year, before I ever got my final appeal done. So
6 it took all year.
7 Q. Took all year. All right. And I'm going
8 hand you what is marked as Defendant's Exhibit 2. It
9 is a printout from the Jackson County appeal case
10 information.
11 A. I don't have my glasses.
12 Q. Do you recognize this document?
13 A. I'm sorry. I didn't bring my glasses so
14 this is going to be -- bear with me here.
15 Q. I can read it for you, if you'd like.
16 THE COURT: Do you want to use mine?
17 THE WITNESS: Thank you.
18 BY MR. HANER:
19 Q. And, Lance, I can give you the computer if
20 that's easier as well.
21 A. No. That's fine.
22 Q. I have a tough time seeing things too.
23 A. This is better. Thank you.
24 THE COURT: You need it when you get old.
25 It's all right.

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1 A. Yes. I can see it better now.
2 BY MR. HANER:
3 Q. Does this look like the appeal of your
4 residential property?
5 A. To be honest, I'm not sure. I was thinking
6 my -- I was thinking my assessed value was different
7 than this. But I have nothing to reference it right
8 now. But this is appeals information. Yes, that is
9 correct.
10 Q. And it's -- the owner is Lance A. -- or
11 Lance Dillenschneider, Trustee; correct?
12 A. Yes, it is.
13 Q. And it says your opinion of value was
14 575,000?
15 A. That was -- yes. That was my opinion of
16 value.
17 Q. That's an opinion of value for your
18 residential property; correct?
19 A. I believe that was my opinion, as I'm going
20 by memory. So I don't have any of that information.
21 So, again, with 30-some properties I can't remember
22 all, all the specifics of all of them.
23 Q. I understand.
24 A. I'm old.
25 Q. But you would agree with me that this

1 document, Exhibit 2, says the appeal that it was filed
2 on July 27, 2023; correct?
3 A. That could be, yes.
4 Q. So you took advantage of the extended BOE
5 deadline by the county?
6 A. Yes. Probably so.
7 Q. Okay. And if you go down a little bit, it
8 says a stipulation was returned on August 9, 2023.
9 Stipulate 575, subject property, not in a
10 subdivision -- and square feet. Do you recall -- do
11 you see that?
12 A. Where are you looking at?
13 Q. So it's on the left side of the document
14 under case and hearing information.
15 A. First page or?
16 Q. I believe so. It says hearing status
17 closed. And it goes stipulation, stipulation returned
18 August 9, 2023.
19 THE COURT: I'll hand you this one back so
20 you --
21 A. -- well, the date that I, the date that I
22 actually submitted this to them -- well, actually, we
23 did submit them all. I can't remember the date that
24 we submitted this. But, actually, the day that I
25 talked to them and met with them on other properties,

1 I discussed this property for the first time.
2 And that day we resolved -- we had came to
3 an agreement on this one that day that I was meeting
4 with them on other properties. So this I did not have
5 a special time to meet with them on this one. This
6 one I just pulled it out of my briefcase and threw it
7 out in front of them and tried to slip it by them so
8 they'd hear it.
9 Q. So you would agree with me that your
10 testimony that you spent all summer doing this appeal
11 does not relate to your residential property; is that
12 correct?
13 A. No. I didn't say it did. It was all my
14 properties.
15 Q. But you would agree with me that you filed
16 your BOE appeal end of July?
17 A. Yes. Yes. Sure. Yeah.
18 Q. And then by August 9th, you had a
19 stipulation that you agreed to for your residential
20 value; true?
21 A. Sure. That's true. One property.
22 Q. So you would agree with me, your residential
23 property did not take all summer to appeal; correct?
24 A. No. My residential property didn't. All
25 the rest of my properties not only took all summer,

1 but all year.
2 Q. Well, I asked you about your residential
3 property and I asked you what did not go smooth about
4 the appeal process.
5 A. On the residential property?
6 Q. Yes.
7 A. Couldn't get an appointment for it. Like I
8 said, like I said, I pulled this out of my briefcase
9 and threw it out there in front of them when I had an
10 appointment for other properties. I tried to get as
11 many properties heard as I can. So I couldn't get, I
12 couldn't get a time for an appeal on this property.
13 That's not what I call going smoothly.
14 Q. But you'd agree with me that you stipulated
15 to a value, about 12 days after you filed your BOE
16 appeal you had a stipulated value for your home;
17 correct?
18 A. On this one, I did. I had a lot of battles
19 to fight. I had to take what I could get when I could
20 get it.
21 Q. I understand. And it goes back to you own
22 these 37 other parcels; correct?
23 A. Approximately, yes.
24 Q. And you have appealed those parcels in '19,
25 '21, and '23?

1 A. I don't remember '21. I'm just not sure. I
2 don't remember.

3 Q. Okay. So is your testimony today that you
4 did not appeal anything in 2021?

5 A. Sir, I don't remember. I don't remember
6 whether it was 2019 or 2021.

7 Q. Okay. And you were a BOE member for Lee's
8 Summit; is that correct?

9 A. Yes, sir.

10 Q. Who forced you off the BOE on behalf of
11 Lee's Summit?

12 A. We got a new mayor and he chose somebody
13 from his real estate company to take that position.

14 Q. So you weren't forced off because of the way
15 you were handling appeals as a BOE member. You were
16 forced off because of a political decision by the new
17 mayor?

18 A. Actually, I feel like -- I felt for years --
19 and my wife made this comment many times -- she said
20 they're going to fire you. I said, I don't care. I'm
21 here for the taxpayers, not the establishment. So I
22 did feel that way. I don't have any documentation or
23 certifications or sworn statements. But I did feel
24 that way for years.

25 Q. And how would Jackson County force you off

1 the BOE when it's the Lee's Summit mayor's decision?

2 A. Well, the county -- the -- I got to say I
3 don't have any testimony that I can state any
4 connection with anything. I'm just saying that is the
5 way I felt. Because the county assessors were not --
6 many of them were not favorable to me.

7 They would -- there were times that there
8 was one fellow -- won't mention any names -- he'd roll
9 his eyes when I'd win -- when I'd actually win
10 something for the property owners. He'd roll his eyes
11 and throw his pen down on the desk like he was very
12 disappointed. I felt like -- I made the joke many
13 times -- they must be taking this out of his salary or
14 he must be on commission or something because that's
15 what he acts like. And multiple times that, that
16 multiple people, that's the way they acted.

17 MR. HANER: And just before I forget, I'd
18 like to move into evidence what is marked as
19 Defendant's Exhibit 2.

20 THE COURT: Any objection?

21 MR. MORGAN: No objection.

22 THE COURT: Received.

23 BY MR. HANER:

24 Q. And going back -- and it's your testimony,
25 it's your beliefs, how would Jackson County have

1 punished you for your actions on the BOE that resulted
2 in you being kicked off the BOE by the Lee's Summit
3 mayor?

4 MR. MORGAN: Your Honor, I'm going to object
5 that's asked and answered. Already been down
6 this path and he's already answered.

7 THE WITNESS: I answered that.

8 THE COURT: Overruled. If he can answer.

9 THE WITNESS: I'm sorry? What?

10 THE COURT: I said, if you can answer it,
11 you should.

12 A. I really don't have any idea. I don't have
13 any -- I told you it was an opinion of mine. It's the
14 way I felt during the period of my tenure on the board
15 and I don't have any specifics that I can give you.

16 BY MR. HANER:

17 Q. Okay. You ran for election recently; is
18 that correct?

19 A. Correct.

20 Q. And you ran on the issue that you're going
21 to fix the property tax situation?

22 A. Well, I didn't say I was going to fix the
23 property tax situation. But I did run on the
24 crippling -- the fact that we are -- actually, I said
25 we were going to have crippling property taxes two

1 years before we actually had the crippling property
2 taxes. Because I had seen it coming through my years
3 on the Board of Equalization.

4 And I couldn't, I couldn't say I'm going
5 to -- if you elect me, I'm going to wave a magic wand
6 and everything is going to be fixed. But I'm
7 certainly going to stand up and be a voice for the
8 property owners of Jackson County, all of them.

9 Q. And how did you have this insight into the
10 future?

11 A. Because, well, one way was being on the
12 Board of Equalization for -- through 2012 to 2018.
13 And I saw the process of where it was going through
14 those years.

15 Q. So even though there's a four year gap from
16 your BOE experience, you still believe that it was
17 progressing as you saw it?

18 A. It absolutely did. It absolutely got worse
19 than what I saw it.

20 Q. And how did you become involved in this
21 case?

22 A. How did I get involved in this case?

23 Q. Uh-huh.

24 A. I talked to the Attorney General's Office.

25 Q. And you reached out to the Attorney

1 General's Office?

2 A. Uh-huh.

3 Q. I'm going hand you what is marked as

4 Defendant's Exhibit 1. And I believe this is an email

5 that you had sent. Do you recall sending this email?

6 A. Uh-huh.

7 Q. And I want to go through this a little bit.

8 A. I guess it was me. I don't remember whether

9 it was an email or a letter. But if you say this is

10 an email I won't dispute it.

11 MR. HANER: And, Judge, we have about ten

12 more minutes?

13 THE COURT: Yes.

14 BY MR. HANER:

15 Q. I'll try to work through this real quick.

16 Mr. Dillenschneider, in the fourth sentence, the very

17 first thing says "extortion." Do you see that?

18 Before the word "throughout?"

19 A. Sure. Uh-huh.

20 Q. What evidence do you have that Jackson

21 County is extorting property taxes?

22 A. What evidence do I have? The people that --

23 the people's property taxes that have gone up hundred,

24 200, 300 percent. I believe that's extortion.

25 Q. Okay. And you would agree with me that

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1 sometimes those huge increases could be an error in

2 the mass appraisal system; correct?

3 A. Not when it's so flagrant and so many of

4 them. Not when there's 58,000 of them. That's -- I

5 don't think that's an error.

6 Q. Okay. So you believe there's something

7 bigger going on?

8 A. Absolutely.

9 Q. Okay. And let's go down a little bit. You

10 indicate in this letter, about halfway down, it says:

11 It appeared to me the goal was to exact as much money

12 as possible from the Jackson County property owners.

13 A. Okay. Wait a minute. Let me catch up with

14 you. Okay. Yes. I'm with you.

15 Q. I ran for the county legislature in 2022

16 because I wanted to stop the crippling property taxes

17 that I knew were coming. Did that I read that

18 correctly?

19 A. Yes.

20 Q. Next sentence: I had numerous town hall

21 meetings explaining in detail the plan to eliminate

22 home ownership in Jackson County and America, as well

23 as who really owns Tyler Technologies. Did I read

24 that correctly?

25 A. Yes, you did.

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1 Q. What are you getting at there?

2 A. Well, it's very interesting. Not -- I don't

3 know how deep in the woods you want to get with this.

4 But the World Economic Forum has stated -- Klaus

5 Schwab has stated you will own nothing and be happy.

6 This is speaking to the word. That's the United

7 States, Canada. And Tyler Technologies is 90 -- I

8 believe when I last heard, I researched it --

9 90 percent of the counties across the nation and the

10 top three owners of Tyler Technologies are BlackRock,

11 Vanguard, and State Street.

12 Now, Larry Fink who started BlackRock, he

13 sits on the board of the World Economic Forum. It's

14 all tied together. It all is intertwined. It's -- I

15 guess I just call it corporate incest with these

16 companies that are intertwined. They may be separate

17 entities but they're all owned by the same groups of

18 people or run by the same groups of people.

19 I'm not here to give a speech on the world

20 economics and what the World Economic Forum is about.

21 But I would say research it. Google Klaus Schwab.

22 He's the head of the World Economic Forum and see what

23 he wants to do. And see who is in with him and

24 controls it.

25 BlackRock is owned by Blackgate. BlackRock

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1 started Blackgate. They started Blackstone. They

2 started Invitation Homes. These are the companies

3 that are calling you multiple times saying, hey, would

4 you like to sell your homes? We'll pay you top dollar

5 for it. That's the reason. But I don't know that

6 that's the purpose of why we're here. But you asked

7 the question.

8 Q. That's your belief; correct?

9 A. That's what my research has shown. And

10 that's what many people's research have shown if you

11 just get on the Internet and research it, you can

12 research it yourself if you'd like.

13 Q. And just to break that down a little bit.

14 What is BlackRock?

15 A. BlackRock is an investment firm that has --

16 actually the State of Missouri fired BlackRock from --

17 along with 13 other states a few years ago because

18 they felt like their political aspirations and goals

19 were -- overshadowed their investor's interest. And

20 that's when the State of Missouri fired them because

21 they didn't represent the interest of their investors.

22 And BlackRock as stated, they control 75 percent of

23 the world economy. They boast of it. Very powerful

24 organizations.

25 Q. And so is it your belief that BlackRock,

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1 working through Tyler Technologies, headed by the
2 World Economic Forum is trying to drive people out of
3 their homes? Is that fair?

4 A. I couldn't really say what they're going to
5 do. I do believe that everything is tied together.
6 There's -- it's all global. Everything is global now.
7 We have a global economy. We have global investments.
8 We have global corporations. Everything is global.

9 So I would say if, if I was going to look at
10 something, I always look at the global situation and
11 try to tie it to a local situation. But the fact that
12 they do own -- those three largest companies in the
13 world own -- are the top three owners of Tyler
14 Technologies is very curious. I'll just say that's
15 very curious; isn't it?

16 Q. And that's why you believe you need to this
17 in Defendant's -- or in this email to the State
18 Attorney General's Office; is that fair?

19 A. Yes. I was expressing my opinion to the
20 Attorney General's Office.

21 MR. HANER: And just to be clear for the
22 record, I'd like to move into evidence what is
23 marked as Defendant's Exhibit 1.

24 THE COURT: Any objection?

25 MR. MORGAN: No objection.

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1 pay Tyler Technologies almost \$18 million to come over
2 and take -- to come in and take over our assessment
3 department. I think, I think we lost the ability to
4 self-govern ourselves when we starting hiring these
5 global companies to come in and take over our
6 taxation. I don't know that they're complicit. I
7 think it was a bone-headed decision in my opinion.

8 Q. You believe it's bone-headed because it
9 opens the county up to be taken over by these global
10 corporate --

11 A. -- I don't think we're -- it's apparent in
12 the 2023 assessment, we are not in control of our
13 county assessments. We're not in control of our
14 taxation at all.

15 Q. But --

16 A. -- it's done by an outside corporation.

17 Q. But to finalize this, you appealed your
18 personal residence and obtained a stipulation that you
19 agreed to within about 12 days of appealing; true?

20 A. If that's what it says, that's true.

21 MR. HANER: No further questions.

22 THE COURT: Mr. Morgan?

23 MR. MORGAN: You need to leave?

24 THE COURT: I do. I just -- are you fine
25 with bringing him back tomorrow?

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1 THE COURT: Received.

2 BY MR. HANER:

3 Q. And I think I have got just one more minute
4 left, sir. How is Tyler Technologies and BlackRock
5 connected?

6 A. How are they connected?

7 Q. Yeah.

8 A. BlackRock is a major owner of Tyler
9 Technologies.

10 Q. And then how did you learn that?

11 A. Just researching. Just like you could.

12 Q. Once you researched that, did you just kind
13 of be like, oh, this makes sense now?

14 A. I did a lot of research and got a lot of
15 opinions. And, yes, yes. It was pretty obvious that
16 what the goal is when the founder of BlackRock sets on
17 the board of the World Economic Forum and they're just
18 telling you what they'll do. It's not that I figured
19 it out because I'm such a genius. They're telling you
20 what they're doing.

21 Q. Okay. And my final question is you believe
22 that the county is also complicit in this through
23 their relationship with Tyler Technology?

24 A. I don't think that that county is complicit.
25 I think it was a very bad decision for the county to

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1 MR. MORGAN: No. I won't do any questions.

2 THE COURT: Then you can go ahead and step
3 down. I am going to ask, before we recess for
4 the day -- oh, thank you for giving me the
5 glasses back. You can go ahead and step down.
6 Since I don't have chambers, I want to give back
7 the exhibits so that you guys can keep them. I
8 don't want to keep ahold of them. So I have
9 Defendant's 1 and 2. And then on these, can you
10 get stickers on them?

11 MR. MORGAN: Yeah. We'll get stickers on
12 them.

13 THE COURT: Instead of the post-it notes.
14 Are we planning on 8:30 tomorrow morning?

15 MR. MORGAN: Are we going to take up --
16 here's what I will say. We intend to call Sean
17 Smith first. And so what I would say is if we
18 can get in here earlier than that and work out
19 whatever it is we need to work out.

20 THE COURT: If you will be available, I will
21 be available. Want to do 8:00? I mean, I was
22 here before 8:00 today. Ms. Johnson says yes.
23 You'll be sure the gentleman are here then?

24 MS. JOHNSON: Yes.

25 MR. MORGAN: I was just going to ask, is he

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released?
MR. HANER: Yes.
THE COURT: He is released. Okay. And are
you guys going try to get that motion tonight?
MR. TAYLOR: Yes.
THE COURT: Can I ask that you email me a
copy, along with Mr. Morgan and everybody else?
That way I can hopefully have my iPad with me and
take a look at it before 8:00 tomorrow morning.
All right. Court will be in recess.
(Court adjourned.)

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REPORTER'S CERTIFICATE
I, Kathy J. Foley, Certified Court
Reporter, certify that I was the official court
reporter for Division 60 of the 16th Judicial Circuit
of Missouri, at Kansas City, Missouri; I was present
and reported all of the proceedings in State of
Missouri, ex rel., Attorney General Andrew Bailey,
Relators/Plaintiffs, vs. Jackson County, Missouri, et
al., Respondents/Defendant, Case No. 2316-CV33643. I
further certify that the foregoing pages contain a
true and accurate transcription of the requested
portion of the proceedings.

/s/ Kathy J. Foley
Kathy J. Foley, CCR #446/1449

Transcript Completed On: July 31, 2024