BEFORE THE IDAHO BOARD OF TAX APPEALS

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| IN THE MATTER OF THE APPEAL OF ALLEN WILSON from the decision of the Board of Equalization of Valley County for tax year 2006. | ) ) ) | APPEAL NO. 06-A-2456 FINAL DECISION AND ORDER |

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing November 16, 2006, in Cascade, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Allen Wilson appeared for himself. Assessor Karen Campbell, Chief Deputy Assessor Deedee (Kimberly) Gossi and Appraiser Michael Johnson appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RP18N03E257135A.

**The issue on appeal is the market value of a residential property.**

**The decision of the Valley County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed land value is $181,610, and the improvements' valuation is $172,430, totaling $354,040. Appellant requests the total value be reduced to $155,000.

The subject property is 4.591 acres and a residence plus a detached garage and cabin near McCall, Idaho.

Mr. Wilson contends property values have been decreasing for the past 6 to 8 months. Appellant does not know of sales and does not understand how assessed values are arrived at in a non-disclosure reporting of sale prices state.

The subject residence was built around 1969. The residence is average construction and Appellant has done some work to maintain the condition. The roof could be replaced and there is some water damage to the interior. Carpet is the green shag carpet from the 1970's. The

cabin was built in 1939 and Appellant put a foundation under it when it was moved. It is not hooked up to water or electricity. It is not insulated and could use a new roof. Photographs of the cabin show some deferred maintenance to the logs.

Appellant contended there is only one sale comparable to the subject. About 4 years ago, a neighboring residence sold. No sales information was submitted.

Taxpayer's value claim is $155,000, the purchase price in 1995.

Respondent gave a history of the subject assessed values. The cabin was added to the property in 1998. The subject residence was inspected in November 2006 and several minor changes would reduce the 2007 value by $870.

Several photographs of subject improvements were submitted by the County. Several maps were submitted with the location of subject noted.

Respondent's exhibit included two ratio studies of the 2005 assessed values compared to sale prices of 70 properties with categories 15 and 37, Improved Rural Residential Subdivision. The original study noted assessed values were not in compliance with standards. The second study completed at a later date, indicated assessed values did meet the compliance requirements, after assessed values were adjusted. The ratio study prompted the increase in assessed values

Several market value statutes were submitted by Respondent.

Respondent submitted characteristic sheets for the subject improvements. Included were square footage, condition and construction quality for the residence, garage and cabin.

There was one reported sale in a subdivision adjacent to subject property, the exact sale price was not verified.

In closing Respondent contended a reduction in sale prices had not been seen yet, and

noted 2006 values were established from 2005 sales. If the 2006 sales do indicate a reduction in prices, this would be reflected in the 2007 assessed values.

## CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho is a market value state for property tax purposes. Idaho Code defines market value.

> 63-205. ASSESSMENT -- MARKET VALUE FOR ASSESSMENT PURPOSES. (1) All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied, except as otherwise provided. Market value for assessment purposes shall be determined according to the requirements of this title or the rules promulgated by the state tax commission. (2) Personal property coming into the state after January 1 shall be assessed as of the date of entry into the state in accordance with sections 63-311(3) and 63-602Y, Idaho Code.
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> "Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Respondent submitted two ratio studies and a group of sales which establish prior years assessed values were less than market value. After assessed values were increased, a new study indicated assessment levels were acceptable. Sale prices in Valley County continue to increase according to the Respondent.

Appellant noted Idaho is not a sales disclosure state, and sales information was difficult to locate. Taxpayer contended the 1995 sale price of subject $155,000 still represents the value of subject today when both appreciation and depreciation are considered.

After an interior inspection of subject in November 2006, Respondent noted some changes which would reduce the assessed value of subject property by $870. The reduction is planned for the next assessment year, 2007.

A listing of sales was presented by Respondent which were analyzed to indicate an increase in assessed value of subject and other properties was warranted. The value of subject was based on sales analysis and correct property characteristics.

Although Appellant has not demonstrated an error in the assessed value, the Board will make the adjustment to the assessed value proposed by the County Assessor, and modify the decision of the Valley County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, modified, to reflect a decrease of $870 lowering the assessed value to $353,170.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant..

DATED this 5th day of March , 2007.