

BEFORE THE IDAHO BOARD OF TAX APPEALS

LARRY AND LORRAINE CLARK,	)	
	)	
Appellants,	)	APPEAL NO. 19-A-1225
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BONNEVILLE COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bonneville County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP03N38E323020. The appeal concerns the 2019 tax year.

This matter came on for hearing October, 21, 2019 in Idaho Falls, Idaho before Hearing Officer Travis VanLith. Appellants Larry and Lorraine Clark were self-represented. County Assessor Blake Mueller represented Respondent.

Board Members David Kinghorn, Leland Heinrich and Kenneth Nuhn join in issuing this decision.

**The issue on appeal concerns the market value of an improved residential property.**

**The decision of the Bonneville County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$45,500, and the improvements' value is \$206,300, totaling \$251,800. Appellants contend the correct market value is \$190,000.

The subject property is a .95 acre parcel located along the Lewisville Highway a few miles north of Idaho Falls, Idaho. The residence is comprised of 1,530 square feet on the main floor and 1,530 square feet in the basement, of which 1,434 square feet are finished. The residence includes a 621 square foot attached garage, The property also has a 600 square

foot utility shed and some concrete improvements. The residence was constructed in 2003 and was rated by Respondent to be of average quality in average condition.

Appellants reported subject's assessed land value had remained at \$24,000 for several years, until the 2017 assessment year when the value increased to \$37,500. In 2018 and 2019, the value increased further to \$45,500. Appellants noted subject's close proximity to the Lewisville Highway and the attendant traffic noise was a notable detriment on value. In Appellants' estimation, subject's likely market value is \$190,000.

In support of subject's current valuation, Respondent offered information on three (3) improved sales. Though the sale residences were roughly 500 square feet smaller than the subject residence, they did share the same quality and condition ratings. All the sale residences included basements and attached garages. Sale prices were \$245,000, \$255,000 and \$258,450. In an attempt to isolate the values attributable to the sale residences, Respondent removed all other assessed values from the respective prices. The result was residual value indications of about \$150, \$163 and \$168 per square foot for the sale residences. On a similar basis, subject's residence (main floor and attached garage) reflected a rate of about \$110<sup>1</sup> per square foot.

Appellants challenged the comparability of Respondent's sale properties. Specifically, they contended the location of the sales, are all situated in the Iona area, which was superior to subject's location along the Lewisville Highway. Respondent countered the properties were located roughly ten (10) minutes from subject, and further explained there were no more proximate comparable sales available. As for the traffic noise, Respondent reported the

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<sup>1</sup>Since 2010, subject's residence has been the beneficiary of a 10% downward adjustment for "bad" carpet, a leak in the basement ceiling, and a leak in the concrete foundation.

Assessor's Office conducted a study a couple years ago to examine any potential impact from traffic noise along the Lewisville Highway had on sale prices. No impact on sale prices was observed, so it was concluded no special adjustment was needed for the traffic noise.

Respondent additionally provided information on three (3) unimproved rural residential lot sales. Each sale property was a raw lot, meaning it had no water or septic system. The first sale was a 1.02 acre lot which sold in December 2018 for \$39,733 per acre. Sale No. 2 was a 2.00 acre lot which sold in February 2017 for \$32,100 per acre. Lastly, Sale No. 3 was a 1.01 acre lot which sold in July 2018 for \$32,673 per acre. On average, the sales suggested a price rate of \$34,835 per acre. Subject's .95 acres are assessed at \$32,000, plus an additional \$7,500 for the well and an additional \$6,000 for the septic system.

#### 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 in fee simple interest, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2019 in this case. Market value is defined in Idaho Code § 63-201, as,

“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.

Market value is estimated according to recognized appraisal methods and techniques.

The three (3) primary methods for determining market value include the sales comparison approach, the cost approach, and the income approach. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, which considers recent sales of similar property, is commonly used to value residential property.

Appellants' primary concern centered on the increase in subject's land value over the past several years. They further questioned whether subject's location along the Lewisville Highway was adequately reflected in the current assessment. In Appellants' view, subject's market value should not exceed \$190,000.

Though the Board appreciates Appellants' concerns, none of the evidence suggested subject's current assessment is overstated. Subject's residence was valued at approximately \$110 per square foot, which is notably lower than the average price rate of \$160 per square foot indicated by the three (3) improved sales in record. In similar fashion, subject's land value of \$32,000 was less than the \$34,835 per acre average price rate of the raw land sales.

As for Appellants' concern about traffic noise from the Lewisville Highway, the Board found this too was addressed by Respondent. It was explained that a sales study was conducted a couple years ago to examine whether the Lewisville Highway traffic had any identifiable impact on sale prices. Respondent reported the study found there was no impact on the sale prices and maintained no adjustment is needed here.

In appeals to this Board, the burden is with Appellants to demonstrate error in subject's valuation by a preponderance of the evidence. Idaho Code § 63-511. Based on the evidence presented in this matter, we did not find the burden of proof satisfied. Appellants did not offer any market-based evidence to support the requested value of \$190,000. While Appellants'

concerns about escalating values is understandable, the real estate market in general has experienced notable appreciation over the past couple years. The Board found this was reflected in the sales information provided by Respondent. In all, subject's 2019 assessment was found to be fair and reasonable and supported by available market data.

Based on the above, the value decision of the Bonneville County Board of Equalization is affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonneville County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 15<sup>th</sup> day of January, 2020.