

BEFORE THE IDAHO BOARD OF TAX APPEALS

JACK SHIRLEY,	)	
	)	
Appellant,	)	APPEAL NO. 19-A-1366
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BOISE COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Boise County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP054110000020. The appeal concerns the 2019 tax year.

This matter came on for hearing November 14, 2019 in Idaho City, Idaho before Board Member Leland Heinrich. Appellant Jack Shirley was self-represented. County Assessor Chris Juszczak 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 Boise County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$192,000, and the combined value of the improvements is \$238,418, totaling \$430,418. Appellant contends the correct land value is \$87,000, and the improvements' value is \$78,000, totaling \$165,000.

The subject property is a 1.44 acre parcel with .290 acres of "waste land," situated along the banks of the Middle Fork of the Payette River, in the Pine Tree Ranch subdivision located in Garden Valley, Idaho. The property is improved with a 2,628 square foot manufactured

home built in 1997. The property is further improved with a 1,290 square foot detached garage constructed in 1999.

Appellant explained the subdivision is comprised of seven (7) parcels situated along a ridge overlooking the river. According to Appellant, all the parcels in the subdivision have access to the river, with the exception of the subject property, which is separated from the river by a roughly 40 foot decline sloped at approximately 70 degrees. With this in mind, Appellant compared subject's current land value to the assessed values of the other parcels in the subdivision. With the exception of a 2.8 acre parcel, subject's land value was the highest. Excluding the larger parcel, Appellant calculated an average assessed land value of \$178,000. As subject does not have easy access to the river, Appellant suggested a \$20,000 adjustment to the average value was appropriate. With the adjustment, it was contended subject's assigned land value should be \$158,000.

Turning to subject's residence, Appellant offered value opinions from several sources. The first was a price quote from a manufactured home dealer who reported a Kelley Blue Book value of \$38,500. Appellant next provided value opinions generated by three (3) internet websites. Zestimate.com estimated a total value of \$291,254 for subject. Realtor.com determined \$337,400 as the market value. And RealEstateProfessional.com offered a value estimate of \$352,000. Based on this information, it was contended subject's market value should be \$300,000.

Respondent addressed the various components of subject's assessment and also offered an analysis of recent sales to support the current valuation. Respondent described the riverfront real estate market as one of the fastest selling in the county over the past several

years. Per Respondent, land sales on the river averaged only 65 days on the market during 2018, compared to all other property types, which averaged 295 days. Based on this increased sale activity and price appreciation, Respondent determined an upward market trend of 1% per month.

Turning to the subject property, Respondent highlighted the manufactured home is a premium triple-wide model with large open rooms, spacious kitchen space and numerous windows. Subject's model also features built-in shelves, buffets, hutches and an entertainment center. In Respondent's view, the manufactured home is of the highest quality.

Respondent reported seventeen (17) residential sales in Garden Valley during 2018. In support of subject's land value, Respondent focused on three (3) sales from the list most comparable to subject in lot size. The first was a .93 acre parcel improved with a small shed. After removing the value of the shed and onsite improvements, and applying the above-referenced 1% upward time adjustment, Respondent calculated an adjusted raw land price of \$158,712. The next sale was a 1.0 acre vacant lot with a time adjusted sale price of \$165,000. The last sale was a 1.005 acre lot with considerable improvements. After removing improvement values and applying the time adjustment, Respondent reported an adjusted raw land price of \$164,092.

Respondent next presented four (4) manufactured home sales to support the value of subject's manufactured home. In this analysis, Respondent extracted the assessed values of everything except the values attributable to the respective manufactured homes. Time-adjusted sale prices ranged from \$211,946 to \$278,114. After removing all non-manufactured home values, Respondent calculated residual price rates ranging from \$54 to \$93 per square foot,

with an average price of \$71 per square foot. Subject's manufactured home is assessed at an average rate of \$63 per square foot.

Respondent then turned to the value of subject's detached garage improvement. Using the same manufactured home sales from above, Respondent endeavored to isolate the values attributable to garages in the sales. Values for all non-garage improvements were extracted from the respective time-adjusted sale prices. The result was a price rate from \$45 to \$70 per square foot for the garage improvements. Subject's garage is assessed at a rate of \$36 per square foot.

Lastly, Respondent developed a value opinion using a more traditional sales comparison analysis. Again, the same four (4) sales described earlier were used. Each sale property was directly compared to subject and appraisal adjustments were made for differences in physical characteristics, such as square footage, construction quality, decking improvements, garage size and location. After applying these various adjustments to the respective time-adjusted sale prices, Respondent concluded value indications for subject ranging from \$447,535 to \$516,086, or an average of \$480,202. Subject's assessed market value is \$430,418.

#### 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 sales comparison approach, the cost approach, and the income approach comprise the three (3) recognized methods for estimating the market value of real property. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, which in broad terms compares recent arm’s-length sales of similar property to subject and considers adjustments for differences in property characteristics, is commonly used to estimate the market value of residential property.

Appellant disagreed with all aspects of subject’s assessment. With respect to the land value, Appellant in effect argued subject was assessed inequitably compared to other parcels in the subdivision. Subject’s assessed land value was noted to be the next to the highest in the development. Though Appellant’s concerns are well understood by the Board, the evidence in this matter did not demonstrate subject was inequitably assessed. The fact subject’s land value is at the upper end of the range does not itself establish subject was inequitably assessed. There are many factors which may contribute to an individual value, whether it be lot size, amount of river frontage, view, privacy, location within the subdivision or some other factor. Further, without comparable sales to support a lower valuation, the Board was strained to find subject was singled-out or otherwise valued inequitably.

"Although uniformity in imposition of the tax burden is the goal, mathematical precision is, as a practical matter, impossible to achieve. 'Individual irregularities and inequality in taxation will always exist. It is a process which cannot be reduced to an exact science. The law does not require exactitude, but it does require uniformity.'" *Xerox Corp. v. Ada Cnty. Assessor*, 101 Idaho 138, 142, 609 P.2d 1129, 1133 (1980), quoting *Anderson's Red & White Store v. Kootenai Cnty.*, 70 Idaho 260, 265, 215 P.2d 815, 818 (1950). The Board found no error in the allocation of subject's market value to subject's land component.

Though the Board appreciated Appellant's efforts, we were not persuaded by the information offered regarding the value of subject's manufactured home. The first value opinion was \$38,500, which reportedly represented the Kelley Blue Book value. This of course represents the base price to purchase a similar manufactured home from a dealer's lot. It does not include any transportation, foundation or other required set-up work to make it a functional residence. These costs, which could be substantial, would need to be included in any realistic comparison with subject's manufactured home, as well as further appraisal considerations. Such analysis was not offered.

The Board likewise did not find the value estimates obtained from the online sources to be the best indicators of subject's current market value. One (1) of the estimates included references to some recently sold properties, however, the only details provided about the sale properties were bedroom and bathroom count and square footage. There was no description of any other improvements, parcel size or location. None of the web-generated price estimates offered any details or insight into the analysis used, nor any other support for the numbers generated. There are simply too many questions for the Board to rely on these value

estimates.

Respondent's value evidence was better received, particularly with respect to the amount of physical details provided about the sale properties. That being said, there were some concerns with aspects of the analysis. The extraction methodology used to estimate the values of subject's residence was not particularly persuasive evidence of value, as such a methodology is not found to be a recognized appraisal approach for valuing residential property improvements. Properties sell as a whole, not as a sum of component parts. The extraction method here effectively ignored this reality. The Board was also keenly aware the sale properties selected, though manufactured home properties, were not riverfront parcels. This necessitated rather large adjustments in the sales comparison approach. In the Board's experience, location is a key component of market value, so it would have been preferable if Respondent's sales properties involved river or water influences. Despite these concerns, Respondent's market data and appraisal analysis were judged to be the best indicators of subject's market value in this case.

In appeals to this Board, the burden lies with Appellant to prove error in subject's valuation by a preponderance of the evidence. Idaho Code § 63-511. Given the record in this matter, we did not find the burden of proof satisfied. Respondent's market value evidence was found to be superior to that offered by Appellant. In all, the Board finds no error in subject's current market value assessment.

The decision of the Boise County Board of Equalization is affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of

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the Boise County Board of Equalization concerning the subject parcel be, and the same hereby  
is, AFFIRMED.

DATED this 5<sup>th</sup> day of February, 2020.