

BEFORE THE IDAHO BOARD OF TAX APPEALS

RALPH BOYETTE,)	
)	
Appellant,)	APPEAL NO. 19-A-1517
)	
v.)	FINAL DECISION
)	AND ORDER
BANNOCK COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bannock County Board of Equalization modifying the valuation for taxing purposes on property described as Parcel No. RPRPOLV002800. The appeal concerns the tax year 2019.

The parties stipulated to have the Board hear this matter on the documentary record without the necessity of personal appearances at hearing. The Board subsequently ordered all information and evidence be submitted by both parties, after which the record was closed. The Board now renders its decision based upon the record created. Appellant Ralph Boyette was self-represented. County Appraiser Vickie Sweitzer represented Respondent.

Board Members Leland Heinrich, David Kinghorn, 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 Bannock County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$30,618, and the improvements' value is \$87,832, totaling \$118,450. Appellant agrees with the land value, however, contends the correct value of the improvements is \$50,000, totaling \$80,618.

The subject property is a .193 acre parcel located on the west side of Pocatello, Idaho. The parcel is improved with a multi-level residence constructed in 1910. The residence totals

2,748 square feet in size, with 1,036 square feet on the main level, 964 square feet on the upper level, and 748 square feet in the unfinished basement. The property is further improved with a 288 square foot detached shop.

Appellant challenged subject's current assessed value and argued the condition of the residence was not adequately considered. In support of a lower valuation, Appellant offered an independent fee appraisal with an effective valuation date of October 9, 2019. The appraisal detailed multiple condition issues plaguing the subject residence. Specifically, the appraisal noted water intrusion and mold in the basement and in the attic scuttle area. The fee appraisal described deferred maintenance items including defective asphalt shingles and metal roof, older worn and deteriorated wood on the covered porch and deck, a broken window, original lead-based paint and a potentially hazardous fireplace. The appraisal further reported "older electrical with knob&tube with some electrical that appears to be deficient and inadequate with no light fixture [or] electrical available to one bedroom," and the "original wood windows for the original structure that are not adequately sealed with air leaks." The appraisal characterized the condition issues as having a "significant impact on the subject's marketability."

Moving to the valuation of subject, the fee appraisal explained the presence of comparable sales similar to subject in gross living area, age, condition and quality were scarce in the neighborhood. That being said, seven (7) sales were used to develop an opinion of value. Five (5) of the sales occurred during 2019 and two (2) transpired in 2018. Though there were notable variances, the sale residences were generally similar to subject in terms of square footage, age and design. The sale prices ranged from \$48,545 to \$166,000. Time adjustments were applied to the sale prices to reflect price levels on the date of valuation. The appraisal additionally

adjusted the sale prices to reflect differences in the property characteristics. The fee appraisal ultimately determined adjusted prices ranging from \$81,045 to \$105,400, and concluded a value of \$89,300 for the subject property.

Respondent likewise offered sales information in support of its market value position. Three (3) such sales from 2018 were submitted. The sale properties were generally comparable to subject in terms of lot size, finished living area and construction quality. The sale prices ranged from \$125,000 to \$142,000. Respondent applied a time adjustment to the sale prices, as well as adjustments for differences in lot size, finished living area and effective age. The sales comparison analysis yielded adjusted prices ranging from \$129,584 to \$132,872. By comparison, subject's current 2019 assessed value is \$118,450.

CONCLUSIONS OF LAW

This Board's goal in its proceedings 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 the evidence submitted by the parties in support of their respective positions, hereby enters the following conclusions.

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) primary methods for determining market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach is commonly used in the valuation of residential property. In general terms, the approach examines recent sales of similar property and considers the differences in property characteristics between the subject and the sale properties.

Both parties offered value opinions developed using the sales comparison approach. While the Board appreciated the parties' efforts in this regard, there were some concerns. To begin, the effective date of Appellant's fee appraisal was in October of 2019, and the value estimate was further developed using mostly 2019 sales. As noted above, the controlling date in this appeal is January 1, 2019, and the relevant issue concerns subject's market value as of that specific date. It is well understood the development of a market value estimate is necessarily reliant on the sales and other market data which existed prior to the valuation date. In other words, the 2019 sales included in the fee appraisal report were untimely for purposes of establishing a retrospective value estimate as of January 1, 2019. The 2019 sales data did not exist as of the 2019 assessment date and such information would not have reflected the market factors a knowledgeable buyer or seller could have been aware of at the first of the year. However, the appraisal did include information on two (2) sales from 2018, which were factored into the Board's consideration of subject's most probable selling price.

Though Respondent's three (3) sales were all timely, there were concerns regarding the comparability of the sale residences to subject and with the associated appraisal adjustments. With effective ages of 64, 73 and 72 years, the sale residences are all newer than subject's residence with its effective age of 109 years. Respondent adjusted only minimally for the age

differences. More concerning to the Board, however, was the absence of condition adjustments. As the fee appraisal noted, subject's residence suffers from numerous and serious deferred maintenance issues. No condition information concerning the sale residences was shared, but the photographs depict no obvious deferred maintenance issues. In the final analysis, the Board was not satisfied subject's condition issues were adequately considered in the current assessment.

In appeals to this Board, an Appellant bears the burden of proving error in subject's valuation by a preponderance of the evidence. Idaho Code § 63-511. Given the totality of the evidence, the Board found the burden of proof satisfied in this instance, however, we did not find adequate support for the value petitioned by Appellant. Based on the timely sales information in the record, plus some extra consideration for subject's condition issues, the Board will reduce subject's assessed market value to \$90,000. The decision of the Bannock County Board of Equalization is modified accordingly.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bannock County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease in market value to \$90,000, with \$30,618 attributable to the land, and \$59,382 to the improvements.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, 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.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value

for the current tax year shall not be increased in the subsequent assessment year.

DATED this 30th day of March, 2020.