

BEFORE THE IDAHO BOARD OF TAX APPEALS

SANDRA CAPPS,	)	
	)	
Appellant,	)	APPEAL NO. 19-A-1265
	)	
v.	)	FINAL DECISION
	)	AND ORDER
JEROME COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Jerome County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPJ13702050040. The appeal concerns the 2019 tax year.

This matter came on for hearing December 11, 2019 in Jerome, Idaho before Board Member Leland Heinrich. Appellant Sandra Capps was self-represented. County Assessor Rick Haberman 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 Jerome County Board of Equalization is modified.**

**FINDINGS OF FACT**

The assessed land value is \$27,976, and the improvements' value is \$52,880, totaling \$80,856. Appellant contends the correct land value is \$25,000, and the improvements' value is \$20,292, totaling \$45,292.

The subject property is a .16 acre residential parcel located in Jerome, Idaho. The property is improved with a single-level 733 square foot residence constructed in 1949. The property is further improved with a 352 square foot detached garage. Appellant described the

two (2) bedroom, one (1) bathroom residence as in generally poor condition and in need of a new roof and new siding.

Appellant highlighted subject's near doubling in the assessed value for 2019 and questioned whether the market supported such an increase. In this regard, Appellant offered detailed information concerning three (3) sales which occurred during 2018. The sale properties all shared the same 0.14 lot size, and all the residences were generally similar in age and condition to subject's residence. Sale No. 1 was a 686 square foot single-level residence constructed in 1920. This property sold in March 2018 for \$35,000, or \$51 per square foot. Sale No. 2 concerned a 768 square foot residence constructed in 1930. The property sold in August 2018 for \$50,000, or \$65 per square foot. Lastly, Sale No. 3 was a 758 square foot residence constructed in 1930. This property sold in April 2018 for \$52,000, or \$69 per square foot. From the sales, an average price rate of \$61.79 per square foot was calculated and applied to subject's square footage to arrive at the petitioned value of \$45,292.

Respondent explained the market in recent years has been active with rapidly appreciating prices. It was estimated values over the past three (3) years have increased roughly 1% per month, or approximately 40% over the last three-year span. In support of subject's assessment, Respondent provided information concerning two (2) sales from 2018. The sale residences were generally similar to subject in age, size and general design. Sale No. 1 was a 936 square foot residence originally constructed in 1930. The property sold in July 2018 for \$89,900. Sale No. 2 was an 847 square foot residence constructed in 1940. The property sold in May 2018 for \$84,177. Based on these sales, Respondent maintained subject's current assessed value is fair and reasonable.

Appellant challenged the comparability of the sales offered by Respondent. Citing the Multiple Listing Service (MLS) data sheets for the sale properties, it was noted, the residence in Respondent's Sale No. 2 had been renovated prior to sale. The MLS data sheet provided the residence had new paint, new carpet, remodeled kitchen and bathroom, stainless steel appliances in the kitchen (double oven, dishwasher, refrigerator), two (2) washing machines and one (1) dryer. The property also included full vinyl fencing around the yard and a "nice", large storage shed. Respondent's Sale No. 1 was characterized by Appellant as even more superior, due to having full vinyl siding, new windows, new roof, fresh interior and exterior paint and all new flooring. Appellant also pointed out was that this latter residence enjoys two (2) bedrooms and is approximately 200 square feet larger than subject's residence. In Appellant's view, Respondent's sale properties were not comparable to subject and should not be used to develop an estimate of market value.

### 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. *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 adjustments for differences in property characteristics between the subject and the sale properties.

Neither party offered a full sales comparison analysis, however, both did provide information relating to a handful of recent sales. In total, five (5) sales were submitted to the record. The sale properties were generally similar to subject in terms of lot size, location, design and square footage, however, a couple of the sale residences were revealed to be in notably superior condition than the subject dwelling. Specifically, both sales provided by Respondent involved recently renovated residences. According to the MLS data sheets, improvements to the sale residences included new paint, new flooring, new roof, new windows, remodeled kitchen and bathroom, stainless steel appliances and other updates. The extensive scope of the remodel work done to Respondent's Sale No. 2 is apparent in the 2018 sale price of \$84,177 compared to the prior sale price in 2016 of \$36,000. It is clear extensive upgrades were made between 2016 and 2018. From the limited record regarding Respondent's analysis, the Board was unable to identify the consideration, if any, given for subject's inferior condition compared to the sale residences.

Again based on the MLS data sheets, the sale properties offered by Appellant were deemed to be more similar to the subject in terms of condition. None were noted to have been recently upgraded and all appeared to be in average condition. Of the three (3), Sale No. 1,

with a sale price of \$35,000, appeared to be something of an outlier sale compared to the other two (2), which sold for \$50,000 and \$52,500, respectively.

In addition to Appellant's Sale Nos. 2 and 3, there is further support for subject's market value being close to the \$50,000 price range. Namely, the median price of all the sales offered by both parties is approximately \$52,000. Based on a number of relatively consistent data points, the Board is satisfied subject's assessed value should be reduced.

The burden is Appellant's to demonstrate error in subject's valuation by a preponderance of the evidence. Idaho Code § 63-511. Given the evidence presented in this matter, the Board finds the burden of proof satisfied, though we did not find sufficient support for the value requested by Appellant. Instead, the Board found the evidence supported a fair market value of \$52,000. The decision of the Jerome County Board of Equalization is modified accordingly.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Jerome County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED, to reflect a decrease in subject's assessed market value to \$52,000, with \$27,976 attributable to the land, and \$24,024 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 3<sup>rd</sup> day of March, 2020.