

BEFORE THE IDAHO BOARD OF TAX APPEALS

JON DUFRESNE,)	
)	
Appellant,)	APPEAL NO. 19-A-1386
)	
v.)	FINAL DECISION
)	AND ORDER
BOISE COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Boise County Board of Equalization modifying an appeal of the valuation for taxing purposes on property described by Parcel No. RPH00080020070. The appeal concerns the 2019 tax year.

This matter came on for hearing November 15, 2019 in Idaho City, Idaho before Board Member Leland Heinrich. Appellant Jon Dufresne was self-represented. 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 \$35,047, and the improvements' value is \$38,116, totaling \$73,163. Appellant agrees with the assessed land value, however, contends the correct value of the improvements is \$20,000.

The subject property is a .25 acre parcel situated along the Payette River in Horseshoe Bend, Idaho. The property is improved with a 1,134 square foot, three (3) bedroom, two (2) bathroom manufactured home built in 1993. Subject's original assessment notice included

roughly \$6,000 in other improvements; however, the Boise County Board of Equalization removed those values because the improvements were no longer on the property as of the January 1, 2019 date of assessment.

Appellant purchased the subject property at a bank auction in August 2018 for \$81,000. Appellant estimated the property had sat vacant for as many as five (5) years before its purchase. Appellant detailed some of the deferred maintenance and the deteriorated state of the manufactured home at the time of purchase. Specifically, the roof needed to be replaced, as did some of the subflooring due to leaking from the roof. In addition, the lot was apparently filled with sawdust from a nearby sawmill, which caused one end of the manufactured home to sink approximately eighteen (18) inches into the ground. This in turn resulted in most of the windows being cracked or broken. Appellant reported spending roughly \$20,000 in repairs to bring the structure into “livable” condition. In Appellant’s view, the poor condition of the subject manufactured home was not reflected in the current assessed value.

Another issue raised by Appellant was whether the manufactured home should even appear on the subject parcel’s assessment. Appellant removed the manufactured home from the subject parcel prior to January 1, 2019. The manufactured home was moved to another parcel owned by Appellant, where it is currently rented to a third party. Respondent explained Appellant failed to follow the proper procedures for moving the manufactured home. Because the manufactured home had previously been declared real property, Appellant was required to follow the process outlined in Idaho Code § 63-305, which in relevant part provides an owner must notify the county assessor’s office of an intent to remove a manufactured home from a parcel at least thirty (30) days prior to moving such manufactured home. Appellant submitted

the “Reversal of Declaration of a Manufactured Home as Real Property” form to the assessor’s office on March 1, 2019, which was subsequently recorded on March 14, 2019. Respondent remarked that, had Appellant had notified the assessor’s office thirty (30) days prior to removing the manufactured home, the improvement could have been removed from the subject parcel’s assessment. However, as Appellant failed to follow the mandated procedure and did not notify the assessor’s office the manufactured home had been moved until March 2019, Respondent argued the manufactured home must remain a part of the subject parcel’s assessment for 2019.

In terms of value evidence, Respondent provided information concerning nine (9) manufactured home sales which occurred in 2017 and 2018. Sale prices were not shared; however, Respondent reported time-adjusted sale prices ranging from \$96,900 to \$161,000. None of the sale properties were riverfront like the subject parcel, so notable adjustments were made in Respondent’s analysis for this factor. Sale Nos. 7 and 8 were noted to involve manufactured homes in poor condition at the time of sale, similar to subject’s condition when it was purchased. Respondent further made adjustments to the sale prices for differences in property characteristics between the sale properties and subject for items such as age, condition, square footage, heating/cooling, decks, and outbuildings. Adjusted prices ranged from \$79,840 to \$129,429, with an average price of \$100,800.

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) approaches to 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). Residential property is commonly valued using the sales comparison approach. This approach, in general terms, seeks to compare the subject property to recent sales of similar property with appraisal adjustments made for differences in physical characteristics.

Appellant advanced two (2) arguments, which will be addressed in turn. The first argument centered on removing the manufactured home from the subject parcel because the structure was not physically on the parcel as of January 1, 2019. While the Board understands Appellant’s position, we disagree the manufactured home improvement should be removed from the 2019 assessment of the subject property.

At some point prior to Appellant’s purchase, the manufactured home was declared as real property. Once such declaration is made, it persists until an un-declaration is filed, and there is a specific process for accomplishing an un-declaration. As applicable here, Appellant was required to file a “Reversal of Declaration of Manufactured Home as Real Property” form

with the county assessor at least thirty (30) days prior to the planned removal of the manufactured home at issue because it had previously been declared as real property. See Idaho Code § 63-305; IDAPA 35.01.03.304. Appellant did not file the requisite form until March 1, 2019, which was too late for purposes of affecting subject's 2019 assessment. The fact the manufactured home was not physically present on the subject parcel on January 1, 2019 is irrelevant where Appellant failed to properly notify the county assessor of the planned removal of the improvement, and otherwise did not comply with required procedures to un-declare the manufactured home. All taxable property must be assessed annually at market value. The manufactured home cannot disappear from the tax roll simply because Appellant moved the structure without notifying the proper officials.

We turn next to Appellant's second argument, that the assessed value of the manufactured home improvement was excessive. Appellant detailed several notable deferred maintenance items affecting the manufactured home at the time of Appellant's mid-2018 purchase, which condition issues presumably also existed as of the assessment date. Appellant reported roughly \$20,000 in expenditures to remedy the issues, which cost figure also included a \$7,500 charge for moving the manufactured home from the subject parcel to its current location. In Appellant's view, the value of the manufactured home on the assessment date was approximately \$20,000.

Admittedly, the subject manufactured home did suffer some condition issues; however, the Board is unconvinced any further adjustment is warranted. Appellant purchased the subject property (lot and manufactured home together) in August 2018 for \$81,000 at a foreclosure auction. With a current total assessed value of \$73,163, the Board is strained to find support

for the reduced value petitioned by Appellant. Appellant was aware of the condition of the manufactured home at the time of purchase, and still paid \$81,000. In the Board's view, a recent sale of the very property being valued is strong evidence of its market value. As Appellant did not provide any market data to support a reduction in the value of the manufactured home, the Board is disinclined to disturb the value determined by the Boise County Board of Equalization.

In addition to subject's actual 2018 purchase, the sales data offered by Respondent provided further support for the assessed value. Nine (9) manufactured home sales were analyzed, with adjustments made for differences compared to subject. Respondent reported an average adjusted sale price of \$100,800. Two (2) of the sales were noted to involve manufactured homes with extensive deferred maintenance issues at the time of sale. These had time-adjusted sale prices of \$96,900 and \$139,900, both notably higher than subject's current assessed value. In short, all the value evidence in the record suggests subject's assessed value is reasonable, and perhaps on the lower end of the indicated range.

Idaho Code § 63-511 places the burden on the Appellant to demonstrate error in subject's valuation by a preponderance of the evidence. Given the record in this matter, we did not find the burden of proof satisfied. Subject's recent purchase, along with the other sales data provided by Respondent, adequately support subject's current assessed value. 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 the Boise County Board of Equalization concerning the subject parcel be, and the same hereby

is, AFFIRMED.

DATED this 2nd day of April, 2020.