

BEFORE THE IDAHO BOARD OF TAX APPEALS

STEVEN ELLIS,	)	
	)	
Appellant,	)	APPEAL NO. 19-A-1346
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BANNOCK COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bannock County Board of Equalization modifying an appeal of the valuation for taxing purposes on property described by Parcel No. RPRRRVR000900. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing March 3, 2020, before Hearing Officer Cindy Pollock. Appellant Steven Ellis was self-represented. Assessor Sheri Davies 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 Bannock County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$93,825, and the improvements' value is \$182,502, totaling \$276,327. Appellant does not challenge the improvement value, but contends the land value is \$69,500, totaling \$252,002.

The subject property is a 4.78 acre rural parcel located on the outskirts of Pocatello, Idaho. The property is improved with a 2,047 square foot two-story dwelling originally constructed in 1993. The dwelling has 1,177 square feet on the main floor and 870 square feet

on the upper floor. The subject is further improved with a 24 x 30 foot detached garage.

Appellant questioned the large increase in subject's assessed land value for 2019. Subject's land had remained stagnant at an assessed value of \$69,500 from 2009 until 2019, when it was increased to \$93,825. Appellant challenged the increase, as no improvements to the land had been made since the subject residence was built in 1993. Additionally, the property has 3.78 acres in two (2) designated flood zones, limiting its use for residential purposes. Appellant submitted for the record two maps representing FEMA flood hazard zones and Bannock County Planning and Zoning floodways, noting subject's location within them.

Appellant also offered information on four (4) active listings of vacant land ranging in size from 2.5 to 70 acres. Little information was provided as to proximity to subject or lot characteristics. The listing prices ranged from \$32,900 to \$200,000, or \$2,857 to \$13,140 per acre. On average, subject's land is assessed at \$19,628 per acre.

In support of its assessed value, Respondent provided information on three (3) residential sales which occurred in 2017. Sale No. 1 was a five (5) acre property located 3.7 miles from subject which sold July 21, 2017 for \$369,900. The property is improved with a 3,754 square foot dwelling constructed in 1993. Sale No. 2 was a five (5) acre property located 16 miles from subject which sold July 12, 2017 for \$298,000. The property is improved with a 2,787 square foot residence constructed in 2007. Sale No. 3 was a 2.94 acre property located 4.5 miles from subject which sold July 14, 2017 for \$317,300. Respondent first adjusted each price for time of sale, then directly compared sales to subject, and adjustments were made for differences in property characteristics. After all appraisal adjustments, Respondent concluded value indications ranging from \$275,365 to \$325,228, or roughly \$135 to \$159 per square foot.

Subject is assessed at \$276,327, or roughly \$135 per square foot.

Respondent provided a total of ten (10) sales in all, including the three referenced above. The sales occurred in 2017 and 2018, showing trending in sale prices in subject's market neighborhood. The sale parcels were located 16 miles or less from subject, and ranged in size from 1.45 to 8.53 acres. The sale dwellings ranged in effective age from 5 to 43 years and had square footages from 2,787 to 5,322 square feet. Sale prices for these properties ranged from \$298,000 to \$450,000. Respondent reported adjusted sale prices ranging from \$309,392 to \$473,198.

#### 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 always estimated as of a precise point in time. 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. There are three (3) approaches to value: the sales comparison approach, the cost approach, and the income approach. The sales comparison approach is commonly used in the valuation

of a residential property. In general terms, the approach examines recent sales of similar property and considers differences in the property characteristics between the subject and the sale properties.

Appellant questioned the increase in the land assessment despite no improvements being made to the property. While the Board understands Appellant's concerns, it is common for assessed values to increase during an appreciating real estate market despite there being no physical changes to a property. It appears this is the case with subject's assessment. In regards to subject's 3.78 acres located within flood areas, Respondent reported prior sales within such flood areas had sold for similar prices as properties outside of flood areas. Though no details were provided on these transactions, Respondent explained that, due to these prior sales, no adjustments are currently used for properties located within flood zones.

Appellant's value evidence consisted of information on four (4) active listings of vacant property. While the Board understands a listing can be indicative of market trends, generally arm's length sales are used in setting assessed values. As such, these listings have little bearing on subject's 2019 assessment.

Respondent utilized mass appraisal techniques, using recent sales to develop valuation models with the sales comparison approach. Information on three (3) sales were submitted in support of its assessment. The sales were well received by the Board and were generally comparable to subject in terms of lot size and effective age. Sales were further adjusted for differences in property characteristics. Respondent concluded adjusted values ranging from \$275,365 to \$325,228. Based on the sales information in the record, the Board failed to find evidence to support lowering the 2019 assessment set by the County Board of Equalization.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish

Respondent's valuation is erroneous by a preponderance of the evidence. We did not find the burden of proof met in this instance. While the Appellant provided some market information in the form of listings, the Board found Respondent's sales analysis better supported and more indicative of subject's most probable selling price. The decision of the Bannock County Board of Equalization is affirmed.

#### 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, AFFIRMED.

DATED this 1<sup>st</sup> day of April, 2020.