

BEFORE THE IDAHO BOARD OF TAX APPEALS

STEVE GALLAFENT,	)	
	)	
Appellant,	)	APPEAL NO. 19-A-1514
	)	
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 an appeal of the valuation for taxing purposes on property described by Parcel No. RPRPLT2001200. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing March 26, 2020, before Hearing Officer Cindy Pollock. Appellant Steve Gallafent 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 \$31,050, and the improvements' value is \$110,072, totaling \$141,122. Appellant contends the total value is \$131,710, with no detail given as to allocation between land and improvements.

The subject property is a .255 acre lot located within the city limits of Pocatello, Idaho. The lot is improved with a 1,676 square foot split-level dwelling constructed in 1958. The residence consists of 1,193 square feet on the main level and 1,128 square feet in the

basement, of which 483 square feet are finished living and 648 square feet are a basement garage.

Appellant questioned the increase in subject's assessment for 2019. The residence is primarily original, and no improvements or other changes have been made to the property. Appellant challenged the comparable sales used by Respondent, noting they are much larger in square footage and have been recently updated.

Appellant provided for the Board's consideration information on three (3) sales. Sale No. 1 was a .20 acre lot which sold on November 22, 2017 for \$110,000. The lot was improved with a 1,531 square foot residence constructed in 1950. Sale No. 2 was a .19 acre lot which sold on December 22, 2017 for \$134,000. The lot was improved with a 1,775 square foot residence constructed in 1960. Sale No. 3 was a .19 acre lot which sold on October 17, 2017 for \$149,000. The lot was improved with a 1,678 square foot residence constructed in 1968. Appellant directly compared the sales to subject and applied adjustments for variations in condition/remodel, number of garage stalls, dwelling square footage, air conditioning, number of fireplaces and bedroom count. Appellant reported value indications of \$120,068, \$141,287 and \$133,775, respectively.

Respondent likewise provided sales information in support of its assessment. Respondent first presented ten (10) sales from subject's general market area. While these sales were not directly compared to subject, they represent market trends and average sale prices in subject's neighborhood. The sale lots ranged in size from .1469 to .4484 acres and were located .5 to 2 miles from subject. The lots were improved with residences constructed between 1900 and 1950 and ranged in size from 1,436 to 1,956 square feet. Sale prices

ranged between \$95,000 and \$153,000. Respondent applied time and location adjustments and reported value indications between \$96,124 and \$157,965.

Respondent next selected three (3) of the ten (10) sales to compare directly to subject. Sale No. 1 was a .24 acre lot located 1.5 miles from subject which sold on September 14, 2018 for \$152,500. The lot was improved with a 1,938 square foot dwelling constructed in 1941. Sale No. 2 was a .27 acre lot located 1.7 miles from subject which sold on October 22, 2018 for \$134,900. The lot was improved with a 1,436 square foot dwelling constructed in 1933. Sale No. 3 was a .24 acre lot located 1.7 miles from subject which sold on November 7, 2018 for \$153,000. The lot was improved with a 1,880 square foot residence constructed in 1933. Respondent described the market conditions in Bannock County as inflationary, increasing at a rate of .75% per month. As such, Respondent first applied time adjustments to the sale prices to bring them relevant to the January 1, 2019 assessment date. Respondent then directly compared sales to subject and applied adjustments for any variance in property characteristics. Once all appraisal adjustments were applied, Respondent reported resulting value indications between \$140,806 and \$161,151, or roughly \$84 to \$96 per square foot. In comparison, subject is valued at \$141,122, or roughly \$84 per square foot.

#### 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.

Both parties developed an opinion of value utilizing the sales comparison approach. Appellant provided information on three (3) sales that were similar to subject in lot size, square footage and effective age. However, Appellant failed to make necessary time adjustments to reflect the inflating market conditions reported by Respondent. The Board found if the same time adjustment of .75% per month utilized by Respondent were applied to Appellant's adjusted sales, the resulting value indications would be approximately \$130,000 to \$154,000. Appellant noted that sale No. 2, in their opinion, was most similar to subject. Sale No. 2, once adjusted for time, resulted in an approximate value indication of \$154,000, which is supportive of subject's 2019 assessed value and not the reduction requested by Appellant.

The sales information presented by Respondent was well received by the Board. Respondent directly compared three (3) sales to subject and reported net adjustments of 2%

to 5%, which reflect a high level of comparability. With value indications ranging between \$140,806 and \$161,151, or roughly \$84 to \$96 per square foot, the Board was strained to find evidence that subject was valued in excess of its most probable selling price.

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. Both parties provided relevant market data in support of their respective valuations. All sales were well received by the Board. Appellant's sales were very similar in lot size, dwelling square footage and effective age. However, without necessary time adjustments, sale prices were not reflective of current market values. Respondent provided information on three (3) sales which required minimal adjustments in order to be comparable to subject. After review, we did not find the burden of proof met in this instance. Had proper time adjustments been applied to Appellant's sales, they would have been supportive of subject's assessed value and not the reduction requested. Respondent's sales were well supported and more indicative of subject's most probable selling price. We do not find sufficient evidence to disturb the value set by the Bannock County Board of Equalization.

#### 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 29<sup>th</sup> day of April, 2020.