

BEFORE THE IDAHO BOARD OF TAX APPEALS

STEVE GALLAFENT,)	
)	
Appellant,)	APPEAL NO. 19-A-1515
)	
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. RPRPOAK006700. 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. County 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 a vacant residential property.

The decision of the Bannock County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$13,572. Appellant contends the value is \$3,500.

The subject property is a 3,600 square foot vacant lot located in Oaktree Manor Mobile Home Park. The park is located within the city limits of Pocatello, Idaho.

Appellant questioned the recent increase in subject's assessment. Appellant purchased subject on May 5, 2018 for \$250 at a Bannock County tax auction. Appellant challenged Respondent's comparable sales, noting that none are located in mobile home parks, all are

substantially larger than subject and all are now being improved upon with newly constructed residences.

In support of a lower assessment, Appellant provided information on four (4) sales. Sale No. 1 was a 4,000 square foot lot improved with a 1996 double-wide mobile home which sold in 2018 for \$8,500. The lot was located in the same mobile home park as subject. Sale No. 2 was a .56 acre vacant lot which sold on April 2, 2018 for \$10,000. Sale No. 3 was a .10 acre vacant lot which sold on April 4, 2018 for \$12,000. Sale No. 4 was a 1.8 acre vacant lot which sold on October 27, 2017 for \$14,000.

Appellant acknowledged the difficulty in finding comparable sales for mobile home lots and emphasized Sale No. 1 as the most relevant sale in determining subject's fair market value. Sale Nos. 2 through 4 were presented to reflect the market values of larger residential lots located outside mobile home parks. Appellant noted these lots were much more valuable, yet subject was assessed at near or higher than all of them.

Respondent described for the record the market conditions in Bannock County as inflationary for several years, and noted assessed values had not been keeping pace. Subject's assessed value had remained relatively stagnant from 2012 to 2018. In 2019, Respondent applied a trended increase that was derived from all vacant land sales in Bannock County. This large increase was described as necessary to make subject's assessment reflective of its fair market value. Respondent further noted that buying pressure on lower valued properties inflates sale prices and results in increased assessed values.

Respondent presented information on ten (10) sales from subject's general market area to represent these market trends and average selling prices of lots in subject's neighborhood.

These vacant land sales occurred in 2017 and 2018, and sale prices ranged between \$1,000 and \$55,000. Lots varied in size from .10 to .27 acres and were located 1.5 to 5 miles from subject. Respondent applied time and location adjustments and reported value indications between \$2,698 and \$60,901.

Respondent next selected three (3) of the ten (10) sales to directly compare to subject. Sale No. 1 was a .27 acre vacant lot located 1.58 miles from subject which sold on February 23, 2018 for \$24,000. Sale No. 2 was a .18 acre vacant lot located 1.6 miles from subject which sold on March 15, 2018 for \$23,500. Sale No. 3 was a .22 acre vacant lot located 1.78 miles from subject which sold on August 14, 2018 for \$34,900. Respondent first applied time adjustments to bring the sale prices relevant to the January 1, 2019 assessment date. Respondent then applied adjustments for location and lot size, which resulted in value indications of \$23,740, \$25,821 and \$35,282, respectively. In comparison, subject is valued at \$13,572.

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 presented opinions of value utilizing the sales comparison approach. Appellant provided information on one (1) improved mobile home lot sale from subject's same park and three (3) sales of vacant residential lots outside mobile home parks. Appellant additionally provided their own purchase of subject at a tax auction for \$250. Appellant presented Sale Nos. 2 through 4 to reflect sale prices for larger, vacant lots outside of mobile home parks.

Respondent presented information on three (3) sales of vacant lots which sold between \$23,500 and \$34,900. After review, the Board found Appellant's analysis to be better supported. The Board failed to see how lots much larger in size and located outside of mobile home parks would be comparable to subject. Respondent reported gross adjustments of 50% to 61%, which suggests a material degree of dissimilarity between subject and the sale properties.

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. In this instance, we

find the burden of proof satisfied. While it is unclear to the Board how Appellant's requested value was derived, we did find support for a lower value, but not the value petitioned by Appellant. The Board found in this instance, Appellant's sale No. 1 was the most relevant market data presented in this case. After review, we find subject's assessed value in excess of market value. As such, the decision of the Bannock County Board of Equalization is modified to \$7,500.

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, setting the assessed value at \$7,500.

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 April, 2020.