

BEFORE THE IDAHO BOARD OF TAX APPEALS

DAVID GOODMAN,)	
)	
Appellant,)	APPEAL NO. 19-A-1307
)	
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 denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPRPPOC425000. The appeal concerns the 2019 tax year.

This matter came on for hearing March 18, 2020 in Pocatello, Idaho before Board Members Leland Heinrich and David Kinghorn. Appellant David Goodman 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 \$29,030, and the improvements' value is \$126,356, totaling \$155,395. Appellant contends the land value is \$25,000, and the improvements' value is \$105,000, totaling \$130,000.

The subject property is a .22 acre parcel located in Pocatello, Idaho. The property is improved with a 2,496 square foot one-story residence constructed in 1925. The residence includes 1,394 square feet on the main level, plus 826 square feet of finished area in the 1,102

square foot basement. Appellant purchased the subject property in 2015 for \$126,000.

Appellant contested the increase in subject's assessment for the current tax year. It was explained subject's older age was a detriment to the market value. Specifically, Appellant cited the knob-and-tube wiring throughout the house, which would not only be costly to replace, but also did cause difficulty in obtaining insurance after subject's purchase. In Appellant's view, subject's older age was not adequately considered in the assessment.

Appellant additionally contended subject's assessed value should not have increased for 2019 because the property was reappraised by Respondent in 2018. Appellant argued the reappraisal value of roughly \$127,000 should remain in place until the property is reappraised according to the county's regular five-year revaluation program.

Respondent explained Idaho assessment law requires all non-exempt property be appraised or indexed annually to reflect market value each year. In terms of value evidence, Respondent provided a comparative analysis between the subject property and three (3) recent residential sales located in subject's general neighborhood. The sale prices ranged from \$111,150 to \$147,000. After adjusting each sale price for time of sale, as well as making adjustments for noted differences in property characteristics between subject and the sale properties, Respondent determined adjusted sale prices ranging from \$138,373 to \$159,769, or roughly \$62 to \$72 per square foot. In comparison, the subject property is assessed at \$155,395, or \$70 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. 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). The sales comparison approach is often used to estimate the value of residential property.

Appellant raised two (2) primary concerns; one (1) related to whether the age of the subject residence was adequately considered, and the other concerned whether subject’s 2018 assessed value, the result of a reappraisal effort by Respondent, should remain in place until the county’s next regular reappraisal of the property.

As for subject’s age, there was nothing in the record to indicate Respondent failed to consider the issue. Subject’s property record reflects a construction date of 1925, and the residence has a quality rating of “fair,” which is on the lower end of the rating scale. Though subject’s knob-and-tube wiring was not specifically mentioned, the “fair” quality rating would generally account for subject’s older age and incumbent issues. Without some market-based data to support a reduction, the Board did not find good cause to make an adjustment for

subject's age.

With regard to Appellant's contention subject's assessed value should remain static between reappraisal years, the Board disagrees. Idaho Code § 63-314, among other code sections, specifically requires the county assessor ". . . to conduct and carry out a continuing program of valuation of all taxable properties under his jurisdiction . . . to the end that all parcels of property . . . are assessed at *current market value*. In order to promote uniform assessment . . . taxable property *shall be appraised or indexed annually to reflect current market value.*" (emphasis added). Though the Board appreciates Appellant's argument, the statute is clear that all taxable property must be assessed at current market value each year. Accordingly, the Board found no error in Respondent's use of a market trend factor to estimate subject's 2019 market value.

In terms of value evidence, Respondent's sales analysis was generally well received by the Board. The sale residences were mostly comparable to subject's residence in terms of location, quality rating, and age. With the exception of adjustments for finished living area, which were the largest in the analysis, Respondent's appraisal adjustments were minimal, which suggested a reasonable level of comparability. Adjusted prices ranged from roughly \$140,000 to \$160,000, which brackets subject's assessed value of \$155,395. It was also not lost on the Board that Appellant purchased the subject property in 2015 for \$126,000 and the market since that time has appreciated markedly.

In appeals to this Board, the burden is with the Appellant to demonstrate error in subject's assessed value by a preponderance of the evidence. Idaho Code § 63-511. Based on the evidence presented, the Board did not find the burden of proof satisfied. Respondent's

valuation analysis was found to be reasonable and consistent with sound appraisal practice. Without competing market data or other evidence to counter the value conclusion reached by Respondent, the Board found no good cause to disrupt subject's current assessed value. Accordingly, 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 17th day of April, 2020.