

BEFORE THE IDAHO BOARD OF TAX APPEALS

DANNY HIGGINS,)	
)	
Appellant,)	APPEAL NO. 19-A-1359
)	
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. RPRPPOC312500. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing March 3, 2020, before Hearing Officer Cindy Pollock. Appellant Danny Higgins 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 an improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$25,401, and the improvements' value is \$89,129, totaling \$114,530. Appellant contends the land value is \$22,680, and the improvements' value is \$71,304, totaling \$93,984.

The subject property is .1941 acre lot located within the city limits of south Pocatello, Idaho. The property is improved with a 3,134 square foot ranch style dwelling, over a basement, constructed in 1925. The residence has 1,677 square feet on the main floor and

1,457 square feet in the basement, of which 850 square feet are finished. The subject is further improved with a 12 x 23 detached garage.

Appellant questioned the increase for the 2019 assessment. Challenged was Respondent's utilization of mass appraisal techniques and the use of comparable sales that, in Appellant's opinion, do not represent the subject dwelling. Appellant cited concerns that incorrect property characteristics were included in the development of subject's market value estimate. Specifically noted were concerns regarding the amount of square footage in the basement and the condition of the unfinished basement bathroom.

The subject dwelling suffered from collapsed sewer lines in 2015. Appellant testified to demolishing parts of the basement and basement bathroom to repair and replace the lines. Photos were submitted to the record showing the basement floor torn up and the bathroom being completely removed. Appellant reported a portion of the repair work has been completed; however, due to a shortage of funds, the remainder of the repairs are unfinished, rendering the basement bathroom unusable and the rest of the basement unoccupied since 2015.

Respondent offered information on three (3) residential sales in support of its assessment. The sales occurred in 2018. Sale No. 1 was a .14 acre lot located 2 miles from subject which sold on December 7, 2018 for \$147,000. The property is improved with a 2,419 square foot dwelling constructed in 1940. Sale No. 2 was a .17 acre lot located 1.6 miles from subject which sold on October 4, 2018 for \$147,500. The property is improved with a 2,152 square foot residence constructed in 1958. Sale No. 3 was a .15 acre lot located 2.9 miles from subject which sold on May 30, 2018 for \$138,000. The property is improved with a 2,376

square foot dwelling constructed in 1930. Respondent first adjusted each of the prices for time of sale, then directly compared the sales to subject, and adjustments were made for differences in property characteristics. After all appraisal adjustments, Respondent concluded value indications ranging from \$139,976 to \$180,534, or \$55 to \$71 per square foot. Subject is assessed at \$114,530, or roughly \$45 per square foot.

Respondent provided a total of ten (10) sales, three (3) of which were referenced above. The sales occurred in 2017 and 2018. The parcels were located between 1 and 3 miles from subject and ranged in lot size from .14 to .29 acres. The sale dwellings ranged in effective age from 61 to 104 years and had square footages from 1,690 to 2,419 square feet. Sale prices for these properties ranged from \$95,000 to \$169,900. Respondent reported adjusted sale prices from \$81,222 to \$172,860. The sales were submitted to represent market trends in subject's general neighborhood.

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 described a number of physical condition issues that were not adequately considered in subject's most recent assessment. The basement condition, as of the assessment date of January 1, 2019, remained in a state of disrepair due to a sewer line collapse in 2015. Cost to cure estimates were not submitted; however, Appellant testified that approximately \$7,000 worth of repairs still remained.

Appellant further disputed Respondent's total measurement of basement square footage on its record. However, Respondent demonstrated through the dwelling sketch in Exhibit (2) that the footprint of subject's basement appeared to match that described by Appellant. The Board was satisfied the footprint of the basement was accurately represented in county records.

Respondent provided information on ten (10) sales in support of subject's assessment. Three (3) sales were directly compared to the subject, resulting in value indications of \$139,976 to \$180,534. However, Respondent asserted that older homes, when listed for sale, often have undergone some amount of remodeling and updating in order to be sold with conventional financing. Subject has not received such updating and was in fact missing a

functioning bathroom. On appeal, Respondent noted the basement was overall in poorer condition than was reflected in the 2019 assessed value. As such, Respondent suggested the 2019 assessment should be reduced by \$1,170, to reflect the unfinished bathroom.

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. Appellant provided photographic evidence and testified that the basement bathroom finishing was overstated for the 2019 assessment year. As such, we find the burden of proof satisfied. However, we did not find sufficient evidence to support a reduction in value to that requested by Appellant. The decision of the Bannock County Board of Equalization is modified, setting the assessed market value at \$100,000.

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 \$100,000. The Assessors Office may determine the allocation of value between land and improvements.

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 1st day of April, 2020.