

BEFORE THE IDAHO BOARD OF TAX APPEALS

JAMES AND CAROL MAHAR,)	
)	
Appellants,)	APPEAL NO. 19-A-1519
)	
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. RPRPVVS000101. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing March 11, 2020, before Hearing Officer Cindy Pollock. Appellant Carol Mahar was self-represented. County Appraiser Celeste Gunn 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 \$29,160, and the improvements' value is \$104,865, totaling \$134,025. Appellants agree with the land value, but contend the improvements' value is \$80,000, for a total value of \$109,160.

The subject property is a .09 acre lot located within city limits of Pocatello, Idaho. The subject is improved with a twin home constructed in 1997. The residence is a 1,063 square foot split-level house with 928 square feet above grade and 450 square feet in the basement, of

which 135 square feet is finished living, and 315 square feet is a basement garage.

Appellants challenged subject's assessment and questioned Respondent's selection of comparable properties. Appellants described subject residence as very tiny in square footage and lacking many desirable amenities including air conditioning and a fireplace. Appellants stated Respondent utilized sales of high quality, expensive homes in nearby neighborhoods and did not account for subject's location directly across from an apartment complex and parking lot that reportedly experience frequent police activity. Appellants acquired value opinions from three (3) Realtors who stated subject property was worth \$105,000.

Appellants further disputed the amount of subject dwelling's finished square footage. Appellants contend the residence consists of 1,020 total square feet, 894 square feet above grade and 126 square feet in the basement. Respondent assessed subject dwelling for 1,063 total square feet, 928 square feet above grade and 135 square feet in the basement.

Respondent provided information on ten (10) sales from subject's neighborhood. These sale properties were not directly compared to subject, but were presented to represent market trends in the area. Sales were located between .7 and 4 miles from subject and ranged in size from .2 to .15 acres. Sale properties were improved with dwellings constructed between 1976 and 1997 and ranged in size from 992 to 1,612 square feet. Sale prices ranged from \$87,500 to \$153,000. Respondent adjusted sale prices for time of sale and location, resulting in value indications from \$94,542 to \$188,070.

From these ten (10) sales, Respondent selected three (3) sales to directly compare to subject. Sale No. 1 was a .15 acre lot located .93 miles from subject which sold on August 6, 2018 for \$153,000. The property was improved with a 1,245 square foot dwelling constructed

in 1977. Sale No. 2 was a .03 acre lot located 1.03 miles from subject which sold on September 10, 2018 for \$137,500. The property was improved with a 1,088 square foot dwelling constructed in 1992. Sale No. 3 was a .08 acre lot located .7 miles from subject which sold on September 8, 2017 for \$155,509. Respondent first adjusted sales for time, then additional adjustments were made for any differences in property characteristics. Respondent concluded value indications ranging from \$148,663 to \$155,509, or roughly \$140 to \$146 per square foot. In comparison, subject is valued at \$134,025, or roughly \$126 per square foot.

Respondent noted subject's assessed value had changed very little since 2014 despite an inflating market. Influence from Salt Lake, Boise, and Twin Falls has pressured the Bannock County housing market, resulting in inflating sale prices.

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.

Appellants described the subject residence as being tiny in square footage and lacking many desirable amenities. Appellants stated that the opinion of three (3) Realtors was that the subject property was worth \$105,000. After review, the Board found that Respondent provided numerous sales of similar square footage homes from subject's market area, all with selling prices in range of subject's 2019 assessed value.

Appellants additionally argued Respondent's comparables were all very expensive homes from nearby neighborhoods. The Board failed to find support for this claim, as all comparable sales provided by Respondent were homes of similar square footage to subject, and were all graded as having "average" quality of construction, as subject is. The Board finds that, in general, all classes of properties, including unique dwellings, increase in value in an inclining market

Appellants contend Respondent over-assessed subject dwelling by 43 square feet and questioned if subject's crawl space was being considered living square footage. Respondent reported that the difference in square footage was due to a variance of interior measurements versus exterior measurements. Respondent does not often gain access to the interior of residences; as such, it measures dwellings from the exterior. The Board was satisfied with Respondent's accounting for subject's square footage.

Respondent provided information on ten (10) sales in subject's general market area. Sale prices ranged from \$87,500 to \$153,000. Subject's 2019 assessment was just over the median sale price for the area. Respondent directly analyzed and compared three (3) of these sales which were located within four (4) miles of subject. The Board found these sales to be generally similar in lot size, quality of dwelling construction, effective age, and gross square footage. Once adjusted, Responded concluded value indications ranging from \$148,663 to \$155,509. Subject was assessed lower than all three (3) comparable sales, at \$134,025. The Board failed to find support that subject's assessment was in excess of its most probable selling price.

In accordance with Idaho Code § 63-511, the burden is with the Appellants 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. Appellants provided some property characteristics which, in their opinion, would reduce subject's market value. However, Appellants did not provide any valuation evidence in support of a lower assessment. Respondent provided recent market information of similar properties which support its assessment. We do not find sufficient evidence to disturb the current assessed value. As such, the value set by 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 2nd day of April, 2020.