

Appellants challenged the increase to subject's assessment. Appellants pointed out that subject's assessment remained relatively stagnant from 2016 to 2018, then was increased by 37% for 2019. Appellants offered a quote from a newspaper article, stating the Idaho statewide average increase in sale values was 3.2% from 2018 to 2019. It was argued subject's assessment should have increased at a rate more comparable to the State's average of 3.2%, not the actual increase of 37%.

Appellants contended the comparable sales used by Respondent are not reflective of subject's characteristics. It was noted Respondent's sales were all stick built homes in superior locations, and it was contended such properties bear a different marketability and value. Appellants offered information on five (5) sales in support of a lower assessment. Sale No. 1 was a 1.9 acre property improved with a 1,464 square foot mobile home which sold on November 15, 2018 for \$160,000. Sale No. 2 was a 4.1 acre property improved with a 1,780 square foot mobile home which sold on August 23, 2017 for \$210,000. Sale No. 3 was a five (5) acre property improved with a 2,880 square foot mobile home which sold on July 20, 2018 for \$190,000. Sale No. 4 was a two (2) acre property improved with a 1,000 square foot mobile home which sold on October 20, 2017 for \$90,000. Sale No. 5 was an eight (8) acre property improved with a 1,404 square foot mobile home which sold on October 30, 2018 for \$254,900. Appellants reported the properties were located between approximately 6 and 15 miles from subject.

In support of its assessment, Respondent offered sales information for three (3) residential sales. One (1) occurred in 2017 and two (2) occurred in 2018. Sale No. 1 was a 3.13 acre property improved with a 1,752 square foot residence built in 1948. This sale was

located 3.2 miles from subject and sold on November 11, 2018 for \$222,900. Sale No. 2 was a 2.49 acre property located 6.9 miles from subject. This property was improved with a 2,970 square foot dwelling built in 1994 and sold on December 14, 2018 for \$340,000. Sale No. 3 was a 7.5 acre property improved with a 2,626 square foot dwelling built in 1990. This sale was located twelve (12) miles from subject and sold on August 17, 2017 for \$300,000. After Respondent applied appraisal adjustments for time of sale and differences in property characteristics, the value indications were \$367,864, \$332,170, and \$465,105, respectively. In comparison, subject is assessed at \$238,167.

Respondent provided a total of ten (10) sales, three (3) of which were referenced above. The ten (10) properties sold in 2017 and 2018, demonstrating sale price trends in subject's market neighborhood. The sales were all located less than 22 miles from subject and ranged in size from 1.31 to 7.5 acres. The dwellings ranged in effective age from 22 to 71 years and had square footages from 1,752 to 3,315 square feet. Sale prices for these properties ranged from \$222,900 to \$340,000. Respondent reported the adjusted prices ranged from \$228,323 to \$349,512.

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 market value using the sales comparison approach. Appellant provided information on five (5) sales of manufactured home properties which sold in 2017 and 2018. However, the Board had concerns regarding several sale properties. Sale No. 1 was reported by Respondent to be a HUD/foreclosure sale. Generally, unless foreclosure sales make up 20% or more of a market, these sales are excluded, as they often do not represent fair market value. Sale No. 2 was similar to subject in gross square footage and age; however, the lot was nearly half the size of the subject's. In addition, this property sold in 2017, and time adjustments would be necessary to bring this sale data relevant to the 2019 assessment date. Sale No. 3 included a 1973 built mobile home, which Respondent reported would not qualify for conventional financing without extensive remodeling and updating. The Board is strained to find a strong comparison of this much older residence to subject. Sale No. 4 included a mobile home which was ten (10) years older and over 1,000

square feet smaller than subject. In addition, the lot is nearly one-fourth (1/4) the size of subject's lot and is not improved with any outbuildings as subject is. Sale No. 5 was well received by the Board. This sale was similar in lot size, effective age, gross living area, and was the closest in proximity to subject. It sold for \$254,900 in 2017. Respondent agreed sale No. 5 best represented subject's probable selling price.

Respondent provided information on three (3) timely sales occurring in 2017 and 2018. The sales were located in subject's general area and were adjusted for time of sale and variances in property characteristics. The adjusted prices ranged from \$332,170 to \$465,105. In comparison, subject's 2019 assessed value is \$238,167. Respondent provided a total of (10) sales located in subject's general market area which demonstrate increasing prices. Though characteristic data was limited for this secondary analysis, Respondent reported adjusted value indications ranging from \$222,900 to \$340,000. Based on the sales information in the record, the Board was strained to find evidence subject's assessment exceeds its fair market value.

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 relevant market information, with the most weight placed on Sale No. 5. However, the Board found a number of concerns with other aspects of the remaining sale evidence. We do not find sufficient evidence to support lowering the assessed 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 14th day of April, 2020.