

BEFORE THE IDAHO BOARD OF TAX APPEALS

GORDON OLSON,)	
)	
Appellant,)	APPEAL NO. 19-A-1569
)	
v.)	FINAL DECISION
)	AND ORDER
BANNOCK COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

The appeal is taken from a decision of the Bannock County Board of Equalization modifying a protest of valuation for taxing purposes on property described as Parcel No. RPR4433008300. The appeal concerns the 2019 tax year.

The parties stipulated to have the Board hear this matter on the documentary record without the necessity of personal appearances at hearing. The Board subsequently ordered all information and evidence be submitted by both parties, after which the record was closed. The Board now renders its decision based upon the record created. Appellant Gordon Olson was self-represented. Bannock County Appraiser Celeste Gunn represented Respondent.

Board Members Leland Heinrich, David Kinghorn 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 current assessed land value is \$35,000, and the improvements' value is \$114,933, totaling \$149,933. Appellant does not dispute the improvements' value, but contends the land value is \$12,000, for a total of \$126,933.

The subject property is a one (1) acre parcel located on the outskirts of Downey, Idaho. The parcel is improved with a ranch style dwelling, over a basement and was constructed in

1979. The dwelling totals 3,288 square feet in size, with 1,644 square feet on the main level and 1,644 square feet in the basement, of which 800 square feet are finished.

Appellant challenged subject's assessment, and argued the land is overvalued in comparison to neighboring sites. In support of a lower assessment, Appellant provided limited assessment data for three (3) neighboring properties. The properties range in size between 3.05 and 15.27 acres. Additionally mentioned was a current real estate listing of an unimproved one (1) acre parcel for \$10,000.

Respondent offered sales information in support of its assessment. Respondent analyzed information on three (3) improved residential sales, two (2) of which occurred during 2017 and one (1) which occurred during 2018. Details concerning the physical attributes of the properties were somewhat limited, though Respondent reported the sale residences ranged in size from 1,469 square feet to 2,444 square feet, with an effective age range from 36 to 119 years. The sale prices ranged from \$163,000 to \$240,000. Respondent first adjusted the prices for time of sale. Next, each sale property was directly compared to the subject and adjustments were made for differences in property characteristics. After all appraisal adjustments, Respondent concluded adjusted sale prices ranging from \$197,422 to \$281,265, or from \$90 to \$129 per square foot. Subject is assessed at \$149,993, or roughly \$69 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. 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 properties and considers adjustments for differences in property characteristics between the subject and the sale properties.

Appellant’s value evidence consisted of a comparison of assessments between the subject and neighboring properties. Appellant provided limited assessment data on three (3) nearby properties. While the Board understands Appellant’s concerns, a comparison of assessed values is not a recognized way in which to estimate or appraise the market value of a property.

In regards to the active listing of a one (1) acre parcel for \$10,000, while the Board understands a listing can be indicative of market trends, such transactions are not typically in themselves used to determine market value.

In support of subject’s assessment, Respondent used mass appraisal techniques, utilizing recent sales to develop valuation models with the sales comparison approach. Respondent provided three (3) sales in support of its assessment, two (2) sales which occurred in 2017 and

one (1) sale which occurred in 2018. The adjusted sale prices ranged from \$197,422 to \$281,265. Subject is an improved property, and this is how it would most likely sell in the open marketplace. The Board found Respondent's sale information involved large adjustments, but there was nothing in the appraisal that suggested subject was over-assessed.

Pursuant to Idaho Code § 63-511, the burden is with the Appellant to establish error in subject's assessment by a preponderance of the evidence. We did not find the burden of proof met in this instance. Appellant raised concerns with Respondent's assessment of subject's land, but did not contest subject's improvement value. Appellant's evidence for land values was found to be thin. Respondent is charged with determining a property's full market value for purposes of assessment. Based on the information and evidence provided in this matter, the Board is unable to find support warranting an adjustment.

Based on the above, 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 31st day of March, 2020.

