

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| JOAN SALAZAR, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 19-A-1268 |
| |) | |
| v. |) | FINAL DECISION |
| |) | AND ORDER |
| ADA COUNTY, |) | |
| |) | |
| Respondent. |) | |
| |) | |
| |) | |
| |) | |

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. 353360000. The appeal concerns the 2018 tax year.

This matter came on for hearing January 15, 2020 in Boise, Idaho before Board Member Leland Heinrich. Appellant's daughter Tina Salazar appeared via telephone. Chief Deputy Assessor Brad Smith 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 Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$214,000, and the improvements' value is \$508,000, totaling \$722,000. Appellant contends the correct total value is \$662,300.

The subject property is a 1.94 acre improved residential parcel situated in the Cavallo Estates subdivision in Eagle, Idaho. The property is improved with a 3,499 square foot single-level residence constructed in 2005. The residence includes four (4) bedrooms,

four (4) bathrooms, and an upper bonus room. The property is further improved with a 719 square foot attached three (3) car garage.

Appellant purchased the property in late 2016. At the time of purchase, Appellant was unaware Idaho's homeowner's exemption program so did not file an application as required by Idaho Code § 63-602G. It was not until discussions with the assessor's office in early 2019 that Appellant became aware of the homeowner's exemption and the associated filing requirements. Appellant claimed an application was filed in April 2019 in time for the 2019 assessment year. Respondent, however, testified an application for the subject property was received in August 2019. The parties resolved to work together on the filing issue outside the purview of the Board of Tax Appeals, which efforts the Board encourages.

Turning to subject's assessed value, Appellant contended it was too high compared to other properties in the neighborhood. Appellant identified five (5) neighborhood properties regarded by Appellant to be generally superior to subject in terms of square footage, and additional amenities such as outdoor swimming pools, detached garages, and larger covered patios. In four (4) cases, Appellant reported subject's tax bill was higher. Appellant noted one (1) of the properties had a higher tax bill, but only marginally more than subject's bill despite the referenced property enjoying roughly 800 more finished square feet. In Appellant's view, subject's tax bill, and by extension the assessed value, was too high given subject's property characteristics.

Appellant additionally referenced two (2) sales from subject's neighborhood. These same sales were also included in Respondent's exhibit materials and identified as Sale Nos. 1 and 3 therein. The first was a 4,318 square foot two (2) story residence constructed

in 2003. The property sold in April 2018 for \$759,9000. The other sale property concerned a 3,131 square foot single-level, four (4) bedroom, two (2) bathroom residence constructed in 2005. This property sold in October 2018 for \$650,000. Appellant considered subject to be generally inferior to both sale properties, particularly Sale No. 1, with the larger residence.

Respondent explained subject's subdivision was trended for the 2019 assessment year based on eight (8) sales which occurred within the development during 2018. Assessed values in the subdivision increased from 8.92% to 11.21%, with subject experiencing a 9.01% increase in value.

In terms of value evidence, Respondent offered information concerning six (6) recent sales, three (3) which were located in subject's subdivision and three (3) were situated within one-half ($\frac{1}{2}$) mile of subject. The sale residences were generally similar to subject in terms of age and quality, though did vary in size from 3,131 to 4,541 square feet. Garage sizes were mostly comparable, though two (2) of the sale properties were noted to also have detached garages. Sale prices ranged from \$650,000 to \$799,000. Respondent compared each sale property directly to subject and made appraisal adjustments to account for differences in property characteristics, such as square footage, bathroom count, lot size, and others. Respondent also applied a time adjustment to the respective sale prices to reflect pricing levels on the January 1, 2019 assessment date. Adjusted prices ranged from \$667,838 to \$837,599, or from roughly \$190 to \$240 per square foot. Subject is assessed at approximately \$206 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 submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2018 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) recognized approaches for estimating market 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 market value of residential property. In general terms, the approach relies on recent sales of similar property with consideration given to potential adjustments to account for differences in property characteristics compared to the subject property.

Appellant’s primary argument for reducing subject’s assessed value was a comparison of subject’s property tax bill to the tax bills of a handful of nearby properties. While the Board appreciates Appellant’s concerns, the Board’s jurisdiction extends only to

subject's assessed value, not the attendant property taxes. That being said, we do acknowledge a reduction in assessed value does impact taxes, and in this regard would encourage Appellant to pursue a homeowner's exemption for the subject property. Qualification for the exemption would have a material impact on the taxable value and could result in a lower tax bill.

Turning back to the market value of the subject property, we did not find sufficient evidence to support a value reduction. Respondent developed a sales comparison approach model based on six (6) recent nearby sales. Though there were some differences in property characteristics, the sale properties were largely comparable to subject in many key respects. Further, Respondent made appraisal adjustments in an effort to account for differences in property characteristics. In all, the Board found Respondent's analysis reasonable and consistent with accepted appraisal practice.

Pursuant to Idaho Code § 63-511, Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. Appellant's evidence consisted mostly of a comparison of tax bills, which is not strong evidence subject's value is erroneous. Respondent's analysis was thorough and supportive of subject's current assessed value.

The decision of the Ada County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Canyon County Board of Equalization concerning the subject parcel be, and the

same hereby is, AFFIRMED.

DATED this 2nd day of April, 2020.