

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| STEPHEN WHEATLEY, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 19-A-1343 |
| |) | |
| 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 a protest of valuation for taxing purposes on property described as Parcel No. RPR4265004600. 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 Stephen Wheatley was self-represented. 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 assessed land value is \$35,234, and the improvements' value is \$213,856, totaling \$249,090. Appellant contends the land value is \$32,017, and the improvement value is \$186,848, totaling \$218,865.

The subject property is a 3.43 acre parcel located in Arimo, Idaho. The parcel is improved with a single-story ranch style dwelling, over a basement and was constructed in

1978. The dwelling totals 3,899 square feet in size, with 1,937 square feet on the main level and 1,962 square feet in the basement, of which 1,500 square feet are finished. The property is further improved with a detached garage.

Appellant questioned the increase in subject's assessment for 2019. It was reported there were no improvements or other changes to the dwelling or property. Appellant contended there was little basis for a large increase in the value. Instead it was contended the value should have increased 1%, which reflects the increase in Appellant's fixed income. In support of a lower assessment, Appellant provided photographic evidence of subject's current condition and overall lack of updating.

Respondent offered sales information in support of its assessment. Respondent analyzed information on three (3) residential sales which occurred during 2017. The sales were all located between eight (8) and nine (9) miles from subject. Details concerning the physical attributes of the sale properties were somewhat limited, though Respondent reported the sale residences ranged in size from 1,889 square feet to 3,626 square feet, and had an effective age between 11 to 79 years. The sale prices ranged from \$214,000 to \$292,000. Respondent first adjusted the prices for the time of sale. Next, each property was directly compared to subject, and adjustments were made for differences in property characteristics. After all the appraisal adjustments, Respondent concluded adjusted sale prices ranging from \$265,194 to \$328,906, or from \$77 to \$95 per square foot. Subject is assessed at \$249,090, or roughly \$72 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 property and considers adjustments for differences in property characteristics between the subject and the sale properties.

Appellant contended subject’s assessed market value should not have increased more than 1%, because no physical changes were made and the dwelling was primarily in its original 1978 state. In the Board’s experience, it is common for assessed values to increase during an appreciating real estate market despite there being no physical changes to a property. The Board understands Appellant’s concerns; however, arguing for a percentage increase is not sufficient evidence to prove market value.

Appellant provided photographic evidence and testimony detailing a lack of updating

of the subject residence. While the Board appreciates Appellant's condition concerns, no evidence was provided as to the cost to cure or support for the physical detriments' impact on market value. A general level of physical depreciation is expected in a dwelling with an effective age of 41 years in average condition.

In support of subject's assessment, Respondent provided information on three (3) residential sales. While there were some differences between subject and the sale properties, these sales represented the only timely market value data in the record. Subject's assessment was supported by the market data provided by Respondent.

Pursuant to Idaho Code § 63-511, the burden is with the Appellant to establish error in subject's assessed value by a preponderance of the evidence. We did not find the burden of proof met in this instance. The Board found Respondent's value analysis was better supported and more indicative of subject's market value. 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 1st day of April, 2020.