

BEFORE THE IDAHO BOARD OF TAX APPEALS

REED WILLIS,	)	
	)	
Appellant,	)	APPEAL NO. 19-A-1402
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BANNOCK COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**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. RPRPPRD001100. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing, March 4, 2020, before Hearing Officer Cindy Pollock. Appellant Reed Willis was self-represented. Assessor Sheri Davies 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 modified.**

FINDINGS OF FACT

The assessed land value is \$41,175, and the improvements' value is \$71,540, totaling \$112,715. Appellant contends the land value is \$35,000, and the improvement's value is \$65,000, totaling \$100,000.

The subject property is a .28 acre lot located within the city limits of Pocatello, Idaho. The property is improved with a single-level dwelling originally constructed in 1940. The

residence totals 1,824 square feet. The property is further improved with a 14 x 26 square foot detached garage.

Appellant challenged subject's assessment and argued the actual age and condition of the property, and its inferior location, were not adequately considered by Respondent. First off, subject was described as a unique build, as a manufactured home was integrated on to the stick build at some point prior to Appellant's purchase. Because of this integration, subject could not receive HUD financing.

Further, Appellant described subject as being located in a neighborhood zoned light industrial, unlike Respondent's comparable sales, which were all in residential areas. Neighboring properties to subject include a busy construction yard and high-density, low-income housing. Appellant provided photographic evidence of these neighboring structures and their impact on subject's views in multiple directions. It was further argued that since no recent sales had occurred in subject's direct neighborhood, the market may not be increasing at the same rate as other areas of Pocatello.

Appellant provided information on six (6) sales occurring in 2019 in support of a reduced assessment. The sales were reported to be in subject's general market area and had prices from \$109,900 to \$155,000. These sales were generally similar to subject in age of dwelling, gross square footage, and lot size. Lot sizes were between .10 and .29 acres in size, and residences were built between 1930 and 1945. Residences were between 1,218 and 2,322 square feet in size.

Respondent likewise provided sales information, utilizing two (2) sales occurring in 2018 and one (1) occurring in 2017 to develop an opinion of market value for the subject. Sale

No. 1 was a .16 acre lot located .38 miles from subject which sold on May 31, 2018, for \$129,900. The property was improved with a 1,596 square foot dwelling constructed in 1941. Sale No. 2 was a .24 acre lot located 5 miles from subject which sold on May 31, 2017, for \$119,000. The property was improved with a 1,824 square foot residence constructed in 1976. Sale No. 3 was a .15 acre lot located 3 miles from subject which sold on November 9, 2018, for \$150,000. The property was improved with a 1,883 square foot dwelling constructed in 1915. Respondent first adjusted each price for time of sale, then directly compared the sales to the subject, and adjustments were made for differences in property characteristics. After all appraisal adjustments, Respondent concluded value indications ranging from \$181,060 to \$196,425.

#### 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.

Appellant provided information on six (6) sales in support of a lower assessment. While all six (6) sale properties were similar to subject in lot size, dwelling square footage, and date of construction, the sales occurred well after the January 1, 2019 date of assessment. In other words, the sales were untimely for purposes of establishing this retrospective market value estimate. The 2019 sales data did not exist as of the 2019 assessment date, and such information would not have reflected the market factors a knowledgeable buyer and seller could have been aware of at the date of assessment. As such, the Board was reluctant to put much weight on the 2019 sale information.

As to subject's location, Appellant described economic depreciation due to the surrounding properties and non-residential zoning. Appellant reported there were no sales which had occurred in subject's immediate neighborhood. Further, Appellant explained no adjustments had been applied to reflect the unique nature of subject's mixed use area location. Respondent further reported that none of its ten (10) sales submitted for the record were located in a light industrial location.

Respondent did, however, provide information on three (3) sales in support of its assessment. Sale No. 1 was most comparable to subject in residence age and square footage, and sold for \$129,900. Sale Nos. 2 and 3 were notably different in age than subject, yet little to no age adjustments were applied. Respondent further noted that all three (3) sales

appeared to be in superior condition when compared to subject, yet the values had not been adjusted to reflect that.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish Respondent's valuation is erroneous by a preponderance of the evidence. Both parties provided sales information for review. Respondent provided information on three (3) sales used to support subject's 2019 assessment. Appellant provided information on six (6) sales from 2019, which were untimely for this appeal. While the Board appreciated all sales in the record provided by both parties, on review the Board found subject's location and condition were not adequately considered. We find an adjustment is warranted for these factors. The decision of the Bannock County Board of Equalization is modified, setting the assessed value to \$106,300.

#### 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, MODIFIED, setting the assessed market value at \$106,300. The Assessor's Office may determine the allocation of value between land and improvements.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 1<sup>st</sup> day of April, 2020.