

BEFORE THE IDAHO BOARD OF TAX APPEALS

JACK WININGER,)	
)	
Appellant,)	APPEAL NO. 19-A-1554
)	
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. RPRPTLA002500. 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 Jack Wininger 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 \$64,800, and the improvements' value is \$286,249, totaling \$351,049. Appellant contends the land value is \$20,160, and the improvement value is \$250,540, totaling \$270,700.

The subject property is a .563 acre parcel located in Pocatello, Idaho. The parcel is improved with a two-story dwelling, over a basement and was constructed in 1990. The dwelling

totals 3,598 square feet in size, with 1,186 square feet on the main level, 1,362 square feet on the upper level and 1,050 square feet in the basement, of which 998 square feet are finished.

Appellant challenged subject's assessment, and argued subject is overvalued in comparison to neighboring properties. In support of a lower assessment, Appellant provided limited assessment data for nine (9) nearby properties. The information provided was address, lot size, land value, dwelling value, square footage and bed/bath count. Appellant also provided assessment data for subject from 2012 to 2018, challenging prior year increases.

Appellant contends subject's land is overvalued in comparison to neighboring land. Appellant questioned Respondent's use of a blanket valuation of \$48,000 per lot regardless of lot size or the improvements upon the land. Appellant contends the land value is \$20,160, which was derived by comparing a larger lot in subject's neighborhood at 1.33 acres valued at \$48,000 to subject's lot size of .56 acres.

Appellant further argued the condition of the residence was not adequately considered. Multiple condition issues plaguing the subject residence were detailed. Specifically, the roof and windows need to be replaced, there are drainage issues, the driveway needs new cement, the furnace is inadequate and broken exterior stairs need to be repaired.

Respondent offered sales information in support of its assessed value. Respondent analyzed information on three (3) residential sales, two (2) which occurred during 2017 and one (1) which occurred during 2018, including the Appellant's purchase of subject property in 2017. The sales were all located within 1.2 miles of subject. Details concerning the physical attributes of the sale properties were somewhat limited, though Respondent reported the sale residences ranged in size from 3,288 square feet to 3,591 square feet, with effective ages ranging from 14

to 30 years. The sale prices ranged from \$354,900 to \$385,000. Respondent first adjusted the prices for time of sale. Next, each property was directly compared to subject, and adjustments were made for differences in property characteristics. After all appraisal adjustments, Respondent concluded values ranging from \$357,378 to \$444,385, or from \$101 to \$125 per square foot. Subject is assessed at \$351,049, or roughly \$99 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's value evidence consisted of a comparison of assessments between subject

and neighboring properties. Appellant provided limited assessment data on nine (9) 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 subject. In regards to subject's prior year assessments, while the Board appreciates Appellant's concern regarding multiple large increases over past years, only the 2019 assessment can be considered in this appeal.

Appellant challenged subject's land assessment and contends the correct value is \$20,160, calculated by taking the percentage of subject's lot size in comparison to a neighboring lot size of 1.33 acres. The percentage size difference was applied to the neighborhood lot value of \$48,000. While the Board understands size can be a factor in determining land value, a per lot method, rather than per square foot or per acre valuation method, is a common land valuation method. Respondent's explanation of the development of the 2019 land values, though limited, was not found to deviate from standard appraisal practice.

Appellant described a number of issues plaguing the subject property. 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 for a dwelling with an effective age of 29 years in average condition.

In support of subject's assessment, Respondent utilized mass appraisal techniques, using recent sales to develop valuation models with the sales comparison approach. Three (3) sales were submitted in support of the assessment. Though Respondent's efforts to offer timely sales data and analysis were appreciated, the Board was concerned two (2) of three (3) provided sales occurred in 2017, relying on substantial time adjustments to bring them relevant to the January

1, 2019, assessment date. Sale No. one (1) was Appellant's purchase of subject for \$358,000. The sale of a property in a true market transaction can be the most relevant data in developing assessed values for that same property. Appellant is requesting an assessment of \$87,300 less than the 2017 purchase price. The Board was strained to see how subject's market value could depreciate that substantially since its original purchase in an appreciating market.

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 analysis 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 31st day of March, 2020.