

BEFORE THE IDAHO BOARD OF TAX APPEALS

RICHARD AND JUNE ZWEIGART,	)	
	)	
Appellants,	)	APPEAL NOS. 19-A-1398
	)	and 19-A-1399
v.	)	
	)	FINAL DECISION
BANNOCK COUNTY,	)	AND ORDER
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEALS**

These appeals are taken from two (2) decisions of the Bannock County Board of Equalization modifying the valuations for taxing purposes on property described by Parcel Nos. RPR3853000702 and RPR3853000701. The appeals concern the 2019 tax year.

The parties stipulated to have the Board hear these matters 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. Appellants Richard and June Zweigart were self-represented. County Appraiser Celeste Gunn represented Respondent.

Board Members David Kinghorn, Leland Heinrich, and Kenneth Nuhn join in issuing this decision.

**The issue on appeal concerns the market values of two (2) residential properties.**

**The decisions of the Bannock County Board of Equalization are affirmed.**

FINDINGS OF FACT

Appeal No. 19-A-1398 (Parcel No. RPR3853000702)

The assessed land value is \$37,012, and the improvements' value is \$185,745, totaling \$222,757. Appellants contend the market value is \$140,000.

Appeal No. 19-A-1399 (Parcel No. RPR3853000701)

The assessed land value is \$26,453. Appellants contend the value is \$23,000.

The subjects are adjacent one (1) acre residential parcels located in Pocatello, Idaho. One (1) of the subjects is vacant and the other is improved. The improved subject has a one (1) bedroom single-level residence that was constructed in 1984. The residence consists of 1,120 square feet on the main level, with 1,120 square feet in the basement, of which approximately 560 square feet are finished. The property is further improved with a roughly 624 square foot detached three-car garage.

Appellants questioned the increase in subjects' assessments for the 2019 assessment year. As no improvements or other changes have been made to the properties, Appellants contended there was little basis for increasing the assessments.

Respondent offered sales information in support of its assessment for each subject parcel. With respect to the improved parcel, Respondent analyzed information on three (3) residential sales which occurred during 2018. Details concerning the physical attributes of the properties were somewhat limited, though Respondent reported the residences ranged in size from 2,058 to 2,816 square feet, and had an effective age range from 22 to 69 years. Sale prices ranged from \$275,362 to \$344,959. 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 adjusted sale prices ranging from \$198,764 to \$312,357, or from \$118 to \$186 per square foot. Subject is assessed at \$222,757, or roughly \$133 per square foot.

Appellants challenged the sales utilized in Respondent's analysis, and pointed out the sale residences were appreciably larger than the subject residence. In Appellants' view,

subjects' assessments were not supported by the sales presented by Respondent.

Turning to the assessed value of the vacant land parcel, Respondent likewise offered information on three (3) unimproved sales from 2018. Sale No. 1 was a roughly .64 acre lot located approximately sixteen (16) miles from subject, which sold for \$89,000. Sale No. 2, situated about five (5) miles from subject, was a one (1) acre lot which sold for \$91,140. Sale No. 3 concerned a one (1) acre lot located roughly sixteen (16) miles from subject with a sale price of \$85,000. Respondent applied time adjustments to each price. Though each lot was directly compared to subject, the only adjustment Respondent made was to Sale No. 1, due to its smaller lot size. Respondent reported the adjusted values ranged from \$92,769 to \$102,874, or from \$2.13 to \$2.36 per square foot. The land-only subject is assessed at \$26,453, or roughly \$0.61 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. The three (3) primary methods for determining 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 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 subject and the sale properties.

Appellants contended subjects' assessed values should not have increased for the current assessment year because no physical changes were made to the properties. While the Board understands Appellants' concerns, it is common for assessed values to increase during an appreciating real estate market despite there being no physical changes to a property. It appears such is the case here with subjects' assessments.

In terms of support for subjects' assessments, Respondent used recent sales to develop valuation models with the sales comparison approach. Respondent's efforts to offer timely sales data and analysis were appreciated however, the Board identified some concerns. With respect to the improved sales, all the sale residences were notably larger than subject's residence, necessitating rather large adjustments. The other sizeable adjustments were for lot size and construction quality. In all, the gross adjustments ranged from 37% to 39%, which suggests a material degree of dissimilarity between subject and the sales.

As for the value of the vacant subject parcel, it was not clear to the Board how the sales provided by Respondent correlated to subject's specific value. Based just on the reported sale prices, which ranged from \$85,000 to \$91,140, it is apparent the sale lots are not similar to

subject, which is valued at roughly \$26,000, or subject might be grossly undervalued. The Board would have preferred more explanation of the relationship between the sales and this subject's assessed value.

Pursuant to Idaho Code § 63-511, Appellants bear the burden of proving error in subjects' valuations by a preponderance of the evidence. As Appellants did not offer any sales data or other market value evidence, the Board did not find the burden of proof satisfied. Though there were concerns with aspects of Respondent's value evidence and analysis, it represented the only market data in the record. In the absence of competing value indicators, the Board concluded subjects' assessments are correct.

The market value decisions of the Bannock County Board of Equalization are affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Bannock County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED.

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