

BEFORE THE IDAHO BOARD OF TAX APPEALS

JO LYNN ANDERSON,)	
)	
Appellant,)	APPEAL NO. 19-A-1564
)	
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 an appeal of the valuation for taxing purposes on property described by Parcel No. RPRRFMS001300. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing April 9, 2020, before Hearing Officer Travis VanLith. Appellant Jo Lynn Anderson was self-represented. County 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 \$62,118, and the improvements' value is \$196,518, totaling \$258,636. Appellant did not have a requested value claim.

The subject property is a 9.88 acre parcel located within the city limits of Pocatello, Idaho. The property is improved with a 2,680 square foot residence constructed in 1988. The residence consists of 1,516 square foot on the main floor and 1,164 square feet in the basement, of which 240 square feet are finished. The property is further improved with a

number of outbuildings.

Appellant questioned subject's assessment and contended Respondent incorrectly assessed a number of subject's attributes. Appellant described for the Board five (5) primary areas of concern. The first concern was subject's primary heat source on record, is gas forced air, but according to Appellant it is cadet wall heaters. The secondary concern was subject was listed as a two-bedroom three-bathroom home, when it has two bedrooms and only two bathrooms. The third concern was Respondent's valuation of subject's basement with 240 square feet of finishing. Appellant noted subject's basement was flooded several years prior and since then has had zero finished square footage. The fourth concern was Respondent's valuation of paving at \$20,170. Appellant described the paving as being in poor condition and crumbling, with large holes filled with gravel. The final concern was with measurements and descriptions of the various outbuildings.

Respondent contended the difference in heat source would not have an effect on subject's assessment, but the variance in finished square footage and bathroom count would result in an approximately \$2,000 reduction in value. Respondent agreed the damaged paving would hold little to no market value.

Respondent offered sales information in support of its assessment. Respondent analyzed three (3) residential sales which occurred during 2017 and 2018. Details concerning the physical attributes of the sale properties were somewhat limited, though Respondent reported the residences ranged in size from 1,142 to 2,215 square feet and had an effective age range from 22 to 77 years. The sale prices ranged between \$150,000 and \$208,200. Respondent first adjusted the sale prices for time of sale. Next, each property was directly

compared to subject, and adjustments were made for any differences in property characteristics. After all the appraisal adjustments, Respondent concluded adjusted sale prices ranging between \$297,997 and \$322,237, or roughly \$170 to \$184 per square foot. In comparison, subject is assessed at \$258,636, or roughly \$147 per square foot.

In Appellant's view, the assessment is not supported by these sales. Appellant challenged the sales utilized by respondent. Appellant contended they do not share the same detriments as subject including the steepness of the lot and location on the hillside.

Respondent described the market conditions in Bannock County as inflationary, increasing at a rate of .75% per month in 2018. While the market has been increasing steadily the last several years, assessments had remained relatively stagnant. Subject's assessment had reportedly not changed since 2012. As such, a large increase was necessary to bring the assessment up to the property's current market value.

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.

Respondent used information on recent sales to develop valuation models utilizing the sales comparison approach. Though Respondent's sales were timely and in fairly close proximity to subject, the Board found some concerns. The sale properties were all notably smaller in acreage, thus necessitating rather large adjustments. Other sizeable adjustments were applied for quality of construction and total square footage. Net adjustments of 42% to 68% were necessary to make properties comparable with subject, indicating a high level of dissimilarity. The Board understands it can be difficult to find comparable sales for larger acreage properties; however, with value indications of \$301,625, \$297,997 and \$322,237, respectively, the Board struggled to find correlation between these values and subject's assessed value of \$258,636.

Of further concern to the Board were the property record errors in Respondent's accounting of subject's physical attributes and outbuildings. In regards to the amount of finishing in the basement, the number of bathrooms and quality of paving, Respondent calculated the correction of these errors would reduce subject's assessment approximately \$22,000.

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. In this instance, we find the burden of proof satisfied. The Board finds sufficient evidence to disturb subject's assessed value based on the incorrect valuation of the subject's finished square footage, bathroom count and the property's paving. As such, the value decision of the Bannock County Board of Equalization is modified.

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, to reflect a decrease in total value to \$236,636, with the county allocating between the components.

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 Appellant.

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 6th day of May, 2020.