

BEFORE THE IDAHO BOARD OF TAX APPEALS

BART ARMSTRONG,	)	
	)	
Appellant,	)	APPEAL NO. 19-A-1522
	)	
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. RPR4013017200. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing April 15, 2020, before Hearing Officer Travis VanLith. Appellant Bart Armstrong 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 affirmed.**

FINDINGS OF FACT

The assessed land value is \$57,249, and the improvements' value is \$403,746, totaling \$460,995. Appellant contends the land value is \$51,866, and the improvements' value is \$355,069, totaling \$406,935.

The subject property is a 35.78 acre agricultural parcel located outside Pocatello, Idaho. The property is improved with a 4,267 square foot log-style residence constructed in 1991. The residence includes 2,230 square feet on the main level, 1,650 square feet on the upper level,

and 1,230 square feet of finish in the basement. The residence also includes a 720 square foot built-in garage. The property is further improved with a pole building, a hay cover, and a utility shed.

Appellant disagreed with the increase in subject's 2019 assessment and argued the market did not support the new valuation. It was noted subject's log siding requires more maintenance than other types of siding, which in Appellant's view represents a detriment to subject's marketability. Appellant additionally stated the residence needs new windows and a new roof. Lastly, Appellant questioned the accuracy of Respondent's valuation system in general and pointed to homesite values ranging from \$39,000 to more than \$100,000 as evidence the system is inconsistent.

In terms of value evidence, Appellant provided information concerning three (3) rural residential sales. Sale No. 1 was a 4,354 square foot residence situated on a 3.1 acre parcel. The property sold in January 2019 for \$385,000. Sale No. 2 concerned a one (1) acre parcel improved with a 4,768 square foot multi-level residence. This property sold in May 2019 for \$470,000. Lastly, Sale No. 3 was a 2.71 acre rural parcel improved with a 4,788 square foot residence which sold in August 2018 for \$415,000. Based on the sales information and questions pertaining to Respondent's assessment methodology, Appellant argued subject's 2018 assessed value should be reinstated for the 2019 assessment.

In support of its assessment, Respondent offered information concerning ten (10) rural sales. Three (3) of the sale properties were selected for direct comparison with the subject property. The sale residences ranged in size from 3,031 to 3,532 square feet and in age from eleven (11) to forty-five (45) years. Sale prices ranged from \$350,000 to \$390,000.

Respondent first applied time adjustments to the respective sale prices to reflect pricing levels on the January 1, 2019 assessment date. Additional adjustments were made for differences in property characteristics compared to subject such as quality, age, finished living area, acreage, and outbuildings. Respondent determined adjusted prices ranging between \$476,705 and \$649,556. In comparison, subject's assessed value is \$460,995.

### 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 sales comparison approach, the cost approach, and the income approach represent the three (3) primary methods for determining market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, which analyzes recent sales of similar property and makes adjustments for differences in property characteristics, is commonly used to estimate the market value of residential property.

Appellant cited a few issues argued to warrant a reduction in subject's current valuation. Specifically, Appellant highlighted a couple condition issues related to the subject residence and questioned the reliability of Respondent's assessment program. The Board understands Appellant's concerns; however, there was insufficient support in the record to reduce subject's assessed value on these bases. First, the fact homesite values vary throughout the county is not surprising, and should in fact be expected. It is well known land values can vary greatly depending on the specific neighborhood, which appears to be reflected in the homesite values broadly referenced by Appellant. As for the condition issues, Appellant provided no cost-to-cure estimates or otherwise indicated a potential impact on subject's market value. In short, there was no evidence to support a reduction for these issues mentioned by Appellant.

As for market value evidence, both parties provided sales information for the Board's consideration. While the efforts were appreciated, two (2) of Appellant's sales occurred in 2019 and were therefore untimely. A value estimate is retrospective in nature and therefore relies on sales data from prior to the assessment date. In this case, January 1, 2019 is the relevant valuation date, which means sales from prior to January 1<sup>st</sup> are considered timely. The Board excluded Appellant's 2019 sales from the analysis.

Respondent's full list of sales data was timely, though it was widely scattered in terms of sale price, from \$323,000 to \$561,500. The three (3) sales included in Respondent's sales comparison model, however, had a tighter price range, from \$350,000 to \$390,000. These sales were directly compared to the subject property, and various appraisal adjustments were made for noted differences. Though some of the adjustments appeared somewhat aggressive, the basic methodology was consistent with a traditional sales comparison approach model.

After adjustments, the indicated value range was between roughly \$475,000 and \$650,000. As subject's assessed value is \$460,995, the Board found little support for a further reduction. Idaho Code § 63-511 places the burden on the Appellant to prove error in subject's valuation by a preponderance of the evidence. Given the record in this matter, the Board did not find the burden of proof satisfied. Respondent's analysis was found to be supportive of subject's current assessed value, which is further supported by the one (1) timely sale offered by Appellant after adjusting the sale price to January 1, 2019. In all, the Board found no error in subject's current valuation. As such, 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 26<sup>th</sup> day of May, 2020.