

\$215,851. Appellant agrees with the land value, however, contends the value of the improvements is \$149,500, totaling \$177,100.

The subject properties comprise both sides of a multi-level twin home property located in Pocatello, Idaho. Each subject residence totals 2,376 square feet in size, with 396 square feet on the upper level, 990 square feet on the main level, and 990 square feet in the basement, of which 770 square feet are finished. Both subject properties also include an attached two (2) car garage. The subject residences were constructed in 2003.

Appellant contended subjects' current assessed valuations were not supported by recent sales. In this regard, Appellant offered information concerning three (3) sales which occurred during 2019. Sale No. 1 was a multi-level residence constructed in 1994. The residence totaled 2,214 square feet spread over three (3) levels, with 650 square feet on the main floor, 914 square feet in the upper floor, and 650 square feet in the basement. This property sold in March 2019 for \$174,900. Sale No. 2 concerned a multi-level residence constructed in 2005 with a total of 2,034 square feet. The upper floor contains 802 square feet, with 616 square feet on both the main and basement levels. The property sold in October 2019 for \$186,900. Sale No. 3 was a 2,400 square foot residence which sold in March 2019 for \$175,000. The sale residence included 1,200 square feet on the main floor and 1,200 square feet in the basement. Appellant noted the sale residences were superior to subject in terms of interior finish, including tile floors and showers, vaulted ceilings, fireplaces, and larger overall size. In Appellant's view, these sales support a reduction in subjects' assessed values.

Respondent provided four (4) twin home sales in support of its value position. The sales were selected based on similar size, quality, and age to the subject residences. None of the

sale residences were multi-level designs, but were single-level residences with finished basements. Sale No. 1 was a 2,938 square foot residence constructed in 2007, with 1,478 square feet on the main level and 1,460 square feet in the basement. This property sold in June 2019 for \$220,000. Sale No. 2 concerned a one (1) story residence with 1,249 square feet on the main floor and 1,171 square feet in the basement. This property, which was constructed in 2007, sold in October 2019 for \$210,000. Sale No. 3, which occurred in October 2018 for \$231,000, was a 2006 residence comprised of 1,463 square feet both on the main floor and in the basement. Lastly, Sale No. 4 concerned a 2,746 square foot residence constructed in 2007. The 2,746 total square feet of this residence were split evenly across the main floor and the basement. This property sold in May 2019 for \$224,900. Based on these sales, Respondent argued subjects' current valuations are reasonable.

Appellant challenged the comparability of Respondent's sale properties. In particular, Appellant pointed out none of the sale residences included multi-level designs, and all had notably more square footage on the main floor. In addition, Appellant noted the sale residences included various amenities not enjoyed by the subject residences including vaulted ceilings, jetted bathtubs, fireplaces, granite countertops, and other similar type amenities. In all, Appellant characterized the subject residences as inferior to the sales offered by Respondent.

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, 2020, 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) approaches to 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). Residential property is commonly valued using the sales comparison approach, which in general terms examines recent sales of similar property and considers adjustments for differences in property characteristics compared to the subject property.

Both parties presented several sales for the Board’s consideration, which efforts were appreciated. Neither party, however, developed a traditional sales comparison model in which the sale properties were directly compared to the subject properties with appraisal adjustments made for differences in property characteristics. That being said, there were plentiful details concerning each sale property, which allowed the Board to meaningfully compare the sales to the subject properties.

Though the bulk of the sale properties shared some key characteristics with the subject parcels, there were some notable differences. Specifically, none of the Respondent’s sale residences were multi-level designs like the subject dwellings. This is a key difference, and it was not apparent in the record how Respondent accounted for the designs differences.

Further, due to their single-story designs, Respondent's sale residences enjoyed notably more main floor square footage, whereas subjects' above-grade living area is split between the main and upper floors. In the Board's experience, and as evidenced by the higher sale prices of single-level residences, the market generally places a premium on main floor living space. In this regard, the Board found Appellant's focus on sales involving multi-level residences appropriate and consistent with accepted appraisal practices. As such, Appellant's sales data weighed heavily in the Board's consideration of subjects' valuations.

There was also some concern regarding the interior finishes of the sale residences offered by Respondent compared to subjects. The subject residences were noted to have vinyl flooring, laminate countertops, single-piece fiberglass shower surrounds, and overall basic finishes. Some of the sales residences, however, enjoyed tile flooring and showers, granite countertops, jetted tubs, vaulted ceilings, and similar type amenities. Though Respondent considered its sale residences to share the same "average" construction quality rating as subjects, it is clear the sale residences had some upgraded features. Again, it was unclear if or how Respondent considered these differences in developing value opinions for the subject properties.

In appeals to this Board, the Appellant bears the burden of proving error in subjects' assessed values by a preponderance of the evidence. Idaho Code § 63-511. Given the record in these matters, the Board found the burden of proof satisfied, but did not find sufficient support for the values petitioned by Appellant. The sale prices reported by Appellant indicated a relatively narrow range of value, from \$174,900 to \$186,900. Two (2) of the sales occurred in March 2019 so should be time-adjusted to reflect pricing levels on the January 1, 2020, date

of valuation. Giving consideration to the various factors, the Board will reduce subjects' total assessed values to \$185,000 for each property. The decisions of the Bannock County Board of Equalization are modified accordingly.

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, MODIFIED as detailed below.

Appeal No. 20-A-1070 (Parcel No. RPRPAP3000602)

Land	\$ 27,600
<u>Improvements</u>	<u>\$157,400</u>
Total	\$185,000

Appeal No. 20-A-1071 (Parcel No. RPRPAP3000601)

Land	\$ 27,600
<u>Improvements</u>	<u>\$157,400</u>
Total	\$185,000

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 values for the current tax year shall not be increased in the subsequent assessment year.

DATED this 1st day of February, 2021.

Leslie
Appeal Nos. 20-A-1070 and 20-A-1071

IDAHO BOARD OF TAX APPEALS