

BEFORE THE IDAHO BOARD OF TAX APPEALS

KIMBERLY STEPHENSON,	)	
	)	
Appellant,	)	APPEAL NO. 20-A-1123
	)	
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. RPRCPM3001700. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing November 3, 2020, before Board Member Leland Heinrich. Appellant Kimberly Stephenson was self-represented. County Appraiser Jason Hooker 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 \$45,126, and the improvements' value is \$275,766, totaling \$320,892. Appellant contends the correct total value is \$280,000, with no details provided as to allocation between land and improvements.

The subject property is a .19 acre parcel located in Chubbuck, Idaho. The property is improved with a 3,496 square foot ranch-style residence constructed in 2005. The residence has a two (2) car attached garage.

Appellant's primary concern was the perceived over-assessment of subject when compared to recent sales. Appellant addressed six (6) of eight (8) sales presented by Respondent, and noted these properties possessed a number of upgraded amenities including high-end flooring, upgraded appliances, fireplaces, RV parking, and exterior ornamentation. Appellant contended these amenities, none of which are present in subject residence, increased the market value of these properties, which in turn over-inflated subject's most recent assessed value. Appellant further challenged Respondent's use of time adjustments and contended they further inflated assessed values by utilizing an extrapolated value versus a direct sale value.

Respondent submitted information on eight (8) sales in support of subject's assessed value. These sales, while not directly compared to subject, were presented to illustrate average sale prices of residences of similar square footage, effective age, and lot size. Time adjusted sale prices were between \$278,940 and \$348,773.

Respondent next isolated three (3) sales which were directly compared to subject. Sale No. 1 was a .21 acre property which sold in August 2019 for \$295,553. The property was improved with a 3,456 square foot residence constructed in 2003, valued at roughly \$86 per square foot. Sale No. 2 was a .20 acre property which sold in June 2019 for \$348,773. The property was improved with a 3,221 square foot residence constructed in 2004, valued at roughly \$108 per square foot. Sale No. 3 was a .17 acre property which sold in June 2019 for \$314,894. The property was improved with a 3,080 square foot residence constructed in 2003, valued at roughly \$102 per square foot. Respondent concluded Subject's assessed value of \$320,892, or roughly \$97 per square foot, was well in the range of indicated market values.

Appellant questioned the justification for Respondent's selection of primarily higher value properties for comparison with subject. Respondent stated the sales were chosen due to similarity in size, age, and quality of construction. Respondent noted the average of all three (3) time adjusted sale prices was \$319,740, which was almost exactly what subject was assessed at in 2020 after the Bannock County Board of Equalization reduction.

### 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. 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.

Both parties offered value opinions developed utilizing the same sales comparison approach presented by Respondent. The Board's primary concern in Respondent's sales analysis was the lack of adjustments necessary to present a direct comparison to subject. While all eight (8) residences were similar to subject in square footage, age, and construction quality, each sale property contained various upgraded amenities that, in the Board's opinion, affected the market value. Additionally, the Board found issue with the subject residence, which appeared inferior in amenities to all comparable sales. Further, subject was assessed higher than six (6) of Respondent's eight (8) sales.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Based on the record before us, we find the burden of proof satisfied; however, we did not find sufficient support to reduce the value to that requested by Appellant. The Board concurs with Appellant's contention with various upgrades present in Respondent's comparable sales; however, Appellant failed to account for time adjustments, which are necessary to bring sale prices relevant to the date of valuation. Respondent failed to adjust for upgraded amenities present in comparable sales which were not present in the subject residence. As such, the Board will reduce subject's improvement assessed value to \$262,000, totaling \$307,126. The decision of the Bannock County Board of Equalization is modified accordingly.

#### 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 to \$307,126, with \$45,126 attributed to the land and

\$262,000 to the improvements.

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 22<sup>nd</sup> of February, 2021.