

BEFORE THE IDAHO BOARD OF TAX APPEALS

JOEL TINGEY,)	
)	
Appellant,)	APPEAL NO. 20-A-1064
)	
v.)	FINAL DECISION
)	AND ORDER
BONNEVILLE COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonneville County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPA0442002023O. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing November, 4, 2020, before Board Member Leland Heinrich. Appellant Joel Tingey was self-represented. Assessor Blake Mueller 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 Bonneville County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$74,339, and the improvements' value is \$526,680, totaling \$601,019. Appellant contends the correct total value is \$540,000

The subject property is a .71 acre parcel located in the Canterbury Park subdivision in Idaho Falls, Idaho. The property is improved with a seven (7) bedroom, three and one-half (3½) bathroom ranch-style residence constructed in 2002. The residence is comprised of 3,254 square feet on the main level and 3,215 square feet in the basement, of which 2,701 square

feet are finished. The property is further improved with two (2) garages.

Appellant purchased the subject property in late 2018 for \$540,000, which price included between \$15,000 and \$20,000 in personal property, in Appellant's estimation. It was noted subject's 2019 assessed value was approximately \$522,000, which in Appellant's view was reasonable given the recent purchase price. Appellant contended subject's 15% increase in value for the 2020 assessment year was unreasonable and inconsistent with increases other properties in the neighborhood received for 2020. In this regard, Appellant provided assessment information concerning seven (7) nearby properties with residences characterized as similar to the subject. The referenced properties received increases in assessed values ranging from roughly 5.5% to 9.1%, or an average of 7.5%. Based on the assessment data, Appellant argued subject's value increase of 15% was excessive.

In addition to the percentage increase in subject's assessed value, Appellant was concerned with the impact on subject's value due to its close proximity to a busy street. Appellant argued the heavy traffic negatively impacted subject's market value and questioned whether adequate consideration was given to the traffic influence. Respondent remarked the sales data did not indicate the traffic had any noticeable impact on values in the area; therefore, special consideration was not given for the traffic influence in this instance.

In support of subject's current valuation, Respondent offered several analyses. The first analysis was an examination of the assessed values referenced by Appellant above. Respondent pointed out a couple of the referenced properties were two (2) story residences, which in Respondent's view were not comparable to subject's ranch-style design. Respondent arrayed the assessment data in a table and removed assessed land values, as well as the

values of other improvements, from the respective total assessed values in an effort to isolate the values attributable to the residences. The residual residence values were then divided by the total amount of above-grade square footage, which yielded assessment rates per square foot. Focusing on the ranch-style residences, Respondent reported assessment rates ranging from \$159 to \$200 per square foot. The two (2) multi-level residences included in the data set had assessment rates of \$142 and \$155 per square foot. Subject's residence was assessed at approximately \$162 per square foot.

Respondent's next analyses were based on recent sales. The first sales analysis focused on subject's land value. Respondent offered eight (8) lot sales from nearby comparable subdivisions. Lot sizes ranged from .51 to 1.06 acres, and sales prices ranged from \$68,000 to \$115,000. Four (4) of the sales occurred during 2020, and therefore were not used to develop subject's 2020 assessed land value. Rather, subject's assessed land value was based on the four (4) sales from 2019, which ranged in size from .60 to 1.08 acres and in sale price from \$82,000 to \$91,000. Subject's .71 acre lot was assessed at \$74,339.

Respondent's next sales analysis focused on seven (7) sales from subject's subdivision, which occurred between May 2018 and April 2020. The sale residences were older than subject's residence, ranging in year built from 1993 to 1998. The sale residences ranged in above-grade living area from 1,784 to 4,378 square feet. Several of the sale residences were noted to be multi-level designs. Sale prices ranged from \$415,000 to \$687,500. After removing land and other improvement values from the respective sale prices, Respondent reported residual price rates for the sale residences from \$118 to \$225 per square foot, or an average of \$163 per square foot. The average price rate for only the ranch-style residences was \$197

per square foot.

Respondent's next analysis relied on six (6) sales from around the county with ranch-style residences. Though similar in size to subject, the sale residences varied in year built from 1972 to 2016. Sale prices ranged from \$495,000 to \$950,000. Using the same method described above of extracting other values from the sale prices, Respondent calculated residual price rates ranging from \$141 to \$261 per square foot, or an average of \$192 per square foot, for the sale residences.

Respondent's final sales analysis focused on seven (7) sales with residences similar to subject in terms of age and quality. All the sale residences in this analysis were ranch-style designs. The residences ranged in above-grade living area from 2,200 to 3,066 square feet, and in year built from 1991 to 2007. Sale prices ranged from \$440,000 to \$525,000. After removing land and other improvement values from the sale prices, Respondent reported price rates for the sale residences ranging from \$144 to \$194 per square foot, or an average of \$173 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, 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) primary 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.

Neither party developed a traditional sales comparison model for the Board’s consideration. Instead, Appellant focused on a comparison of assessed values between subject and several nearby properties. The referenced properties averaged a 7.5% increase in assessed value for the 2020 assessment year. Subject, by contrast, experienced a 15% increase for the current year. In Appellant’s view, subject’s assessment increase was excessive and inconsistent with the referenced assessments. While the Board appreciates Appellant’s concerns regarding subject’s assessment increase, a comparison of assessed values is not a recognized appraisal approach. Furthermore, there were some notable differences in property characteristics between the subject property and the referenced properties, and it was not clear how such differences factored into Appellant’s analysis. Lastly, the determinative question in assessment is whether a property’s assessed value is supported by relevant market data, not the percentage change in assessed value from one year to the next.

Though Respondent likewise did not develop a traditional sales comparison approach model in which recent sale properties were directly compared to subject, with adjustments made for differences in property characteristics, Respondent did offer several analyses based on recent sales. In each sales analysis, the average price rates, ranging from \$173 to \$197 per square foot for the sale residences, were notably higher than the assessed value of subject's residence at approximately \$162 per square foot. Based on the available sales data, the Board was strained to find subject's assessed value was excessive or otherwise erroneous.

Pursuant to Idaho Code § 63-511, the Appellant bears the burden of demonstrating 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 provided numerous recent sales in support of subject's current valuation, whereas Appellant relied on a comparison of assessed values. Though the Board would have preferred a more direct comparison between subject and the sale properties, the analyses offered by Respondent were judged to better indicate subject's assessed value in this instance.

Based on the above, the decision of the Bonneville County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonneville County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 1st day of March, 2021.

IDAHO BOARD OF TAX APPEALS