

BEFORE THE IDAHO BOARD OF TAX APPEALS

SANDRA CAO,	)	
	)	
Appellant,	)	APPEAL NO. 21-A-1019
	)	
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. RPRPBDS001800. The appeal concerns the 2021 tax year.

This matter came on for telephonic hearing October 25, 2021, before Board Member Leland Heinrich. Appellant Sandra Cao was self-represented. Appraiser Celeste Gunn 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 \$59,616, and the improvements' value is \$381,473, totaling \$441,089. Appellant contends the correct land value is \$49,680, and the improvements' value is \$333,876, totaling \$383,556.

The subject property is a .28 acre residential parcel located in the Boulders subdivision within the city limits of Pocatello, Idaho. The parcel is improved with a 3,814

square foot residence constructed in 2015. There are 1,694 square feet on the main floor of the residence, 420 square feet of finished living space above the garage, and 1,700 square feet in the basement, of which 1,400 square feet are finished. The residence also includes an attached 818 square foot garage. Due to its orientation on the lot, subject's residence is situated approximately ten (10) feet from the Fort Hall Main Canal, which runs along the back of the parcel. As such, subject does not have space for a backyard.

Appellant was concerned with the rather large increase in subject's assessed value since purchasing the property in 2015, particularly the rate of increase over the last couple years. For the 2021 assessment year, Appellant noted subject's initial assessed value equated to a roughly 18% increase over the prior year. After the value reduction ordered by the Bannock County Board of Equalization (BOE), the rate of increase was 15% over the 2020 assessed value.

Appellant questioned whether subject was assessed equitably with other properties in the neighborhood. In this regard, Appellant referenced assessment information which was previously submitted at the BOE hearing. Five (5) properties were included on the list. The properties were generally similar to subject in terms of lot size, age, and finished living area. Assessed values ranged from approximately \$245,000 to \$370,000, or from roughly \$87 to \$102 per square foot. Subject's current valuation is \$441,089, or about \$115 per square foot, which in Appellant's view was excessive compared to assessment data provided.

Respondent appreciated Appellant's concerns with the escalating values, but explained the local real estate market has been robust over the past several years, which has caused values to notably increase year after year. In support of subject's current

valuation, Respondent provided sales information concerning five (5) sales from subject's subdivision which transpired during 2020. Sale Nos. 1 and 2 were located across the street from subject, while the remaining sale properties were located within a couple blocks. Though not exact matches, the sale residences were generally similar to the subject residence in terms of design, finished living area, and lot size. Sale Nos. 1 and 2 were comparable to subject in age; however, Sale Nos. 3, 4, and 5 involved newer residences, constructed in 2019 and 2020. Sale prices ranged from \$404,000 to \$416,900. Respondent applied time adjustments to the respective sale prices to reflect pricing levels on January 1, 2021, the relevant date of valuation in this appeal. Respondent next removed assessed land and other improvement values from the respective sale prices, resulting in time-adjusted prices for the sale residences ranging from \$365,285 to \$390,909, or from roughly \$106 to \$155 per square foot. Subject's residence was assessed for \$376,112, or roughly \$108 per square foot, which Respondent noted was well within the range indicated by the sales.

### 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 methods for determining market 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). 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 subject and the sale properties.

Appellant's primary concern centered on the sizeable increases in subject's assessed value over the prior several years, with the current valuation representing a 15% increase over the 2020 value. In an effort to demonstrate subject was assessed inequitably, Appellant offered some assessment information concerning five (5) properties in subject's immediate neighborhood, which showed subject was assessed somewhat higher. While the Board appreciated the information, it was unclear whether the assessed values reported by Appellant were from 2020 or 2021. The assessment numbers for subject were from 2020, so presumably the other assessment data was likewise from 2020. In any event, a comparison of assessed values is not a recognized appraisal approach, and therefore little weight was afforded the assessment information reported by Appellant.

Respondent's value position, by contrast, was supported by five (5) recent sales from subject's same subdivision, two (2) of which were located directly across the street from subject. While the sales data was welcomed by the Board, none of the sale

properties were directly compared to the subject property as would be expected in a more traditional sales comparison analysis. Also, there were no details concerning the time adjustment applied to the sale prices, which appeared somewhat aggressive based on a comparison of actual sale prices and time-adjusted sale prices. Though the Board would have preferred a more detailed analysis, the sales data offered by Respondent represented the only current market value evidence in the record. And where subject's current valuation was in-line with the time-adjusted sale prices, the Board did not find support for a further reduction in subject's assessed value.

In an appeal to this Board, Appellant bears the burden of proving error in subject's valuation by a preponderance of the evidence. Idaho Code § 63-511. Given the record in this matter, the Board did not find the burden of proof satisfied. Appellant relied on assessment information of other properties in the neighborhood, which as noted earlier, is not a recognized appraisal approach aimed at determining current market value. Respondent's value position was supported by recent sales, which demonstrated subject's current assessed value is reasonable. Accordingly, the Board will affirm the decision of the Bannock County Board of Equalization.

#### 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 30<sup>th</sup> day of December, 2021.

IDAHO BOARD OF TAX APPEALS