

BEFORE THE IDAHO BOARD OF TAX APPEALS

DANNY HIGGINS,)	
)	
Appellant,)	APPEAL NO. 21-A-1052
)	
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. RPRPPOC312500. The appeal concerns the 2021 tax year.

This matter came on for telephonic hearing November 3, 2021, before Board Member Leland Heinrich. Appellant Danny Higgins 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 \$39,900, and the improvements' value is \$90,100, totaling \$130,000. Appellant contends the correct land value is \$25,401, and the improvements' value is \$74,599, totaling \$100,000.

The subject property is a .19 acre parcel located inside the city limits of Pocatello, Idaho, improved with a 3,134 square foot residence built in 1925. This includes 1,677

finished square feet on the main floor and a 1,457 square foot unfinished basement. The property also has a 276 square foot detached garage.

Appellant shared many concerns about the assessment. First, Appellant was concerned the property was assessed on a per-square-foot basis. Appellant was also concerned the property was assessed, in his view, at the cost to build a new identical residence. It was noted the residence has two (2) bedrooms, not three (3) as indicated by Respondent's exhibits. The 8 x 21-foot room indicated at the back of the residence is actually an enclosed, attached storage room not atop the property's foundation. Appellant additionally expressed concern the county's mass appraisal system does not take into consideration differences in residences and locations, and that the system is based on cost and not location.

Other older residences which sold in the area, according to Appellant, were all upgraded while subject is not. Because of this, Appellant claimed comparing sales prices to properties for assessment purposes results in a "value that is not true." Appellant testified subject's basement used to be an apartment, but it is currently approximately only one-half ($\frac{1}{2}$) finished and therefore unusable. The residence was noted to still use knob and tube wiring.

Appellant shared information on three (3) comparable property sales. All properties were located in Pocatello, but sale dates were not shared. Sale No. 1 included a 2,322 square foot residence with four (4) bedrooms and two (2) bathrooms built in 1958. The property sold for \$165,000. Sale No. 2 was located approximately two (2) blocks from subject and included a 1,770 square foot residence with four (4) bedrooms and two (2) bathrooms built in 1935. The property sold for \$210,000. No details were given regarding

Sale No. 3 except its sale price of \$125,000. Appellant argued the sales demonstrated subject was overvalued, as the residences were newer but sold for less than or similar amounts to subject's original assessed value of \$195,327¹. Appellant additionally believes a \$130,000 value for subject did not reflect a sufficient deduction from the Board of Equalization.

Respondent started their presentation by stating for the record they would need to update the property record and assessment for future years to reflect approximately 730 square feet of finish for the basement per Appellant's testimony. The current assessment shows zero feet of finish in the basement. Respondent next informed Appellant the residence is valued based on square footage, so it is inconsequential the attached room is used for storage and not as a bedroom; regardless, Respondent stated it would not be listed as a bedroom in the future. At hearing, Respondent additionally requested the original assessment of \$195,327 be reinstated as the 2021 assessed value.

Respondent provided information on three (3) comparable sales in support of subject's original assessed value. Sale No. 1 was a .54 acre property improved with a 1,814 square foot residence built in 1930. The property sold January 12, 2020, for \$230,000, or about \$126 per finished square foot. Respondent calculated a time-adjusted price of \$271,400. Sale No. 2 was a .15 acre property improved with a 1,458 square foot residence built in 1924. The property sold September 17, 2020, for \$186,000, or about \$98 per finished square foot. The time-adjusted sale price was \$197,160. Sale No. 3 was a .15 acre property improved with a 2,000 square foot residence built in 1923. The

¹ Subject's original assessed value was \$195,327, which was reduced by the Bannock County Board of Equalization to \$130,000.

property sold June 10, 2020, for \$179,500, or about \$76 per finished square foot. Respondent reported a time-adjusted price of \$198,348.

Upon hearing Respondent would change the property record to reflect the 50% finish Appellant testified to, Appellant claimed the way the basement is assessed does not need to be adjusted. Appellant stated, even though it is half finished, it cannot be rented out as a basement apartment due to plumbing issues. It has been a part of the residence since the 1950s, and Appellant argued it would not be right to change the way it is assessed now. Appellant also expressed concern Respondent's comparable residences were upgraded and of higher quality than subject.

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 subject and the sale properties.

Each party provided information on three (3) comparable sales for the Board's consideration. Appellant shared square footage, year built, and bedroom and bathroom count for two (2) sales, and shared sale prices for all three (3) sales. Sale prices ranged from \$125,000 to \$210,000. Where no details were shared regarding the third sale, dates of sale are unclear, and no adjustments were made for characteristic differences compared to subject, the Board was reluctant to give Appellant's sales much weight in considering subject's market value. Additionally, it was unclear how the sales demonstrated subject's value should be lower, as its assessed value of \$130,000 is already \$35,000 and \$80,000 lower than two (2) of Appellant's sale prices, and only \$5,000 more than the sale for which Appellant provided no details.

Respondent's sales information was better received by the Board, though it was still found to be lacking. While Respondent provided more information regarding their sales and applied a time adjustment to each price, no other traits were adjusted for such as condition, square footage, or age. The conditions and levels of updating of the sale properties were also unclear. Although it appears subject's valuation is conservative based on the sales information given by both parties, the Board was hesitant to adjust the assessment due to the scarcity of details.

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. In this case, the Board does not find the burden of proof satisfied. While both parties provided

sales information in support of their respective positions, neither demonstrated sufficient adjustments were made for property differences between the comparable properties and the subject. Therefore, the Board will uphold 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 27th day of December, 2021.

IDAHO BOARD OF TAX APPEALS