

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| DANA AND KIM KOEHLER, |) | |
| |) | |
| Appellants, |) | APPEAL NO. 19-A-1310 |
| |) | |
| 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. RPRPCD3001200. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing April 6, 2020, before Board Member Leland Heinrich and Hearing Officer Travis VanLith. Appellants Dana and Kim Koehler were 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 \$62,100, and the improvements' value is \$227,913, totaling \$290,013. Appellants did not contest the improvement value, but contend the correct land value is \$46,000, totaling \$273,913.

The subject property is a .30 acre lot located within the city limits of Pocatello, Idaho. The lot is improved with a 3,291 square foot dwelling constructed in 2003. The residence

consists of 1,665 square feet on the main floor and 1,626 square feet of unfinished basement.

Appellants did not contend subject's improvement value, however questioned the 50% increase in land value in subject's most recent, 2019 assessment and contends subject is unfairly assessed in comparison to surrounding properties. Appellants provided for the Board's review a number of assessments for neighboring properties and noted there was little consistency in land values. As the lots are all similar in size and characteristics, in Appellant's view, subject has been treated inequitably compared to the neighboring properties.

Respondent, for purposes of clarifying the record, questioned the amount of finishing in subject's basement. Respondent's valuation was based on zero (0) finished basement square footage. Appellants testified to approximately 70% of the basement as being finished; two (2) bedrooms, a living room, and a bathroom.

In support of its valuation, Respondent provided for the record three sales which occurred in subject's same subdivision. Sale No. 1 was a .30 acre lot located .14 miles from subject which sold January 1, 2018 for \$435,000. The lot is improved with a 3,136 square foot residence constructed in 2008. Sale No. 2 was a .31 acre lot located .06 miles from subject which sold July 7, 2017 for \$329,000. The lot is improved with a 2,317 square foot residence constructed in 2008. Sale No. 3 was a .25 acre lot located .15 miles from subject which sold February 23, 2018 for \$335,000. The lot was improved with a 3,409 square foot residence. Respondent first adjusted sale prices for time of sale to account for the inflationary nature of Bannock County's market. Next, sales were directly compared to subject and adjustments were made for any differences in property characteristics. After adjustments, Respondent reported value indications from \$270,186 to \$292,905 or \$162 to \$176 per square foot. Subject

is assessed at \$290,013 or \$174 per square foot.

Respondent testified the market in Bannock County had been increasing steadily the past several years. Conversely, subject's assessed value had remained relatively stagnant from 2012 to 2018. As such, a large increase was necessary to bring subject's assessed value current to its fair market value.

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, 2019 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.

Appellant's primary concern in this record was the 50% increase in land valuation along with value inequities when compared to neighbors. With concern to the land value, for purposes of assessment, the assessor must break out an improvement value and a land value. However, the question before this Board is the fair market value of subject parcel as a whole.

Respondent utilized recent sales to develop an opinion of value using the sales comparison approach. All three (3) sales were located in subject's same subdivision and were generally similar in lot size, square footage and effective age. With reported value indications of \$270,186 to \$292,905, the Board failed to find evidence that subject was assessed in excess of its most probable selling price.

Appellant's value evidence consisted of a comparison of assessments between subject and neighboring properties. While the Board understands Appellant's concerns here, a comparison of assessed values is not a recognized way in which to estimate or appraise the market value of a subject. Further, as explained by Respondent, subject is being assessed with zero (0) square feet of finish in the basement where Appellants estimates 70% is finished. As such, subject's improvement value, and subsequently subject's total assessment, were likely understated for the 2019 assessment year.

In accordance with Idaho Code § 63-511, the burden is with the Appellants to establish Respondent's valuation is erroneous by a preponderance of the evidence. We did not find the burden of proof met in this instance. Appellants provided a comparison of assessments, but failed to provide any competing market data. Respondent's analysis represented the only valuation data in this record. As such, the Board assumes subject's assessed value is correct. Respondent's analysis was found to be thorough and well supported.

The decision of the Bannock County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 13th day of May, 2020.

IDAHO BOARD OF TAX APPEALS