

BEFORE THE IDAHO BOARD OF TAX APPEALS

LINDA AND GARY BUCHLI,	)	
	)	
Appellants,	)	APPEAL NO. 19-A-1434
	)	
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. RPRPSE1001000. The appeal concerns the 2019 tax year.

This matter came on for hearing March 17, 2020 in Pocatello, Idaho before Board Members Leland Heinrich and David Kinghorn. Appellant Gary Buchli 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 \$60,750, and the improvements' value is \$182,934, totaling \$243,684. Appellants contend the land value is \$45,000, and the improvements' value is \$172,256, totaling \$217,256.

The subject property is a .35 acre parcel located within the city limits of Pocatello, Idaho. The property is improved with a 3,118 square foot one-story residence with 1,559 square feet on the main level and 1,559 square feet in the basement, of which 1,162 square feet are

finished. The 1998 residence also includes an attached two-car garage.

Appellants contend the increase in subject's assessed value for 2019 was erroneous. It was noted subject's assessment had remained steady for several years then experienced a notable increase for 2019. Appellants discussed some difficulty in obtaining information concerning the subject property's assessment and the appeal process. Appellants referenced a natural gas line easement crossing the subject lot, which was noted to restrict the use of that particular portion of the property. Appellants also described a notable section of the subject lot as being rocky and difficult. In all, Appellants were doubtful subject's particular characteristics were adequately reflected in the assessed value.

In support of its assessment, Respondent offered information concerning three (3) recent sales located within a couple miles of the subject property. The sale residences shared the same quality grade as the subject residence, and were also generally similar in terms of age. There was, however, some variance in finished living area, which ranged between 2,433 and 3,342 square feet. Sale prices ranged between \$282,500 and \$329,000. Respondent first adjusted each price for time of sale to reflect pricing levels on the January 1, 2019 date of assessment. Further adjustments were applied to account for differences in property characteristics between the subject and each sale property. The largest adjustments were for location due to subject's superior neighborhood. Sale No. 2, with an adjusted sale price of \$333,932, or roughly \$123 per square foot, received the lowest gross adjustments, at 10%. In comparison, subject's assessed value is \$243,684, or roughly \$90 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, 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. 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 typically used to estimate the market value of residential property. In basic terms, the approach seeks to compare recent sales of similar property and considers appraisal adjustments for differences in property characteristics.

Appellants were primarily concerned with the seemingly excessive increase in subject's assessed value in a single year. While the Board appreciates Appellants' concerns, Idaho tax law requires all non-exempt property be either appraised or indexed annually to reflect market value on the relevant assessment date. Idaho Code § 63-314. Important to keep in mind in this case is the fact subject's assessed value remained unchanged for assessment years 2015, 2016, 2017 and 2018. Subject's stable assessed value over four (4) years runs contrary to the

sales data studied by Respondent, which indicated an accelerating market beginning in the latter part of 2016. So, while the current increase in subject's assessed value appears aggressive, the increase was necessary to "catch up" to current market levels because the assessment had not increased for several years despite market trends indicating an appreciating market. For this reason, the Board finds no error in subject's assessed value increasing for 2019.

In terms of subject's specific valuation, Respondent offered a sales comparison approach model using information on three (3) recent sales. Appraisal adjustments were made to account for differences between subject and the sale properties. Adjusted prices ranged roughly from \$335,000 to \$450,000. In comparison, subject's assessed value is approximately \$243,000, which appears reasonable given the available sales information.

As the party bringing forth this appeal, the Appellants bear the burden of proving error in subject's assessed value 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. Appellants' concerns centered more on the general assessment and appeal process for 2019, rather than subject's specific market value. Respondent provided sales data in support of subject's assessment. Though there were some questions of comparability concerning some of Respondent's sale properties, there was no other market data offered into the record. As such, the Board was left with the information available, which in this case was found to support subject's current assessed value.

Based on the above, 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 of the Bannock County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 21<sup>st</sup> day of April, 2020.