

BEFORE THE IDAHO BOARD OF TAX APPEALS

MICHAEL AND DESIREE BUTTERFIELD,)	
)	
Appellants,)	APPEAL NO. 19-A-1299
)	
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 the valuation for taxing purposes on property described by Parcel No. RPRPRS2001500. The appeal concerns the 2019 tax year.

This matter came on for telephonic hearing March 23, 2020, before Hearing Officer Travis VanLith. Appellants Michael and Desiree Butterfield 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 modified.

FINDINGS OF FACT

The assessed land value is \$45,225, and the improvements' value is \$363,615, totaling \$408,840. Appellants contend the total value is \$330,000, with no detail given as to allocation between land and improvements.

The subject property is a .16 acre residential parcel located next to the Riverside Golf Course in Pocatello, Idaho. The parcel is improved with a one-story residence, which according to the county records is comprised of 2,451 square feet on the main level and 2,451 square

feet of unfinished space in the basement. The 2016-constructed residence further includes an attached three (3) bay garage.

Appellants contended the subject property was inequitably assessed compared to other properties on the same street. According to Appellants, each of the other five (5) properties on the street were assessed less than subject despite enjoying more finished living area. Appellants explained subject's higher assessed value resulted in a higher tax bill, which Appellants argued caused dis-uniform taxation in violation of the Idaho Constitution requiring uniform taxes upon the same class of property. Appellants contended subject's assessed value has been overstated since the 2017 assessment year, and petitioned any overpaid taxes stemming from the over-assessment be refunded.

In terms of market data, Appellants offered information concerning a sale on subject's street. Appellants noted it was the only sale on the street since the subdivision was developed. The remaining five (5) properties had not changed ownership since they were constructed several years ago. Appellants were unsure of the price and date of sale, but noted the property was listed with an asking price of \$299,900. Respondent clarified the property sold in August 2016 for \$305,000. In addition to the older sale date, Respondent argued the sale should not be included in the analysis because the sale residence was notably smaller than subject's residence in terms of finished living area.

Appellants additionally cited an error in subject's property records related to the amount of the finished living area. Appellants explained the third garage bay is a double-deep bay which spans the entire length of the south wall of the residence, not just thirty (30) feet as reflected in Respondent's records. Upon learning of this error, the hearing officer left the record

open for Respondent to calculate a new value based on the corrected size figures. After adjusting the residence size to reflect 2,180 finished square feet on the main level and 2,180 square feet of unfinished space in the basement, Respondent calculated a new value of \$315,178 for the residence and associated paving.

Respondent explained subject's assessed value was trended for the 2019 assessment year based on analysis of sales from subject's general neighborhood. This resulted in an initial assessed value of \$454,267. Following an appeal by Appellants, the Bannock County Board of Equalization reduced the value to \$408,840.

In support of its assessment, Respondent provided information on ten (10) sales from 2017 and 2018, of which three (3) were selected for direct comparison to subject. The sale residences shared the same "good" quality rating as subject, though there was some variance in terms of age and finished living area. Sale prices ranged from \$329,000 to \$435,000. Each sale price was adjusted for date of sale to reflect pricing levels on the January 1, 2019 assessment date. Each property was then directly compared to subject, and adjustments were made for differences in property characteristics, most notably age and the finished living area. The analysis yielded adjusted sale prices ranging between \$387,863 and \$459,726, which Respondent argued was supportive of subject's assessed value of \$408,840.

Appellants challenged the comparability of the sale properties included in Respondent's adjustment analysis. Appellants calculated the sale residences enjoyed an average of 64% more finished living area than subject and 84% more acreage, yet paid an average of 15% less in property taxes. Further, the sale residences were noted to have amenities that subject lacks, such as a walk-out basement, exterior shop, RV pad and vinyl fencing. In Appellants' view,

subject's assessed value should be based on data from subject's same street.

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 County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach is commonly used in the valuation of 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.

Appellants were primarily concerned with the potentially inequitable assessment of the subject property compared to other properties in subject's immediate neighborhood. In this regard, Appellants provided some assessment information for other properties on subject's

street. While the Board appreciates Appellants' concerns, the record did not demonstrate subject was inequitably assessed or otherwise treated unfairly compared to other properties in the neighborhood. "[A]n individual who claims that a selective assessment procedure had deprived him or her of the protection guaranteed by the state constitutional requirement of uniformity of taxation must show a deliberate plan to discriminate based upon an unjustifiable or arbitrary classification." *Xerox Corp. v. Ada Cnty. Assessor*, 101 Idaho 138, 144, 609 P.2d 1129, 1135 (1980). Respondent determined subject's assessment using the same methodology applied to all properties in the area. There was no evidence to suggest subject's valuation was the result of a deliberate plan to discriminate based upon an unjustifiable or arbitrary classification.

Turning next to the parties' respective sales data, the Board did not find an adjustment was warranted based on the information presented. Appellants referenced a sale in subject's immediate proximity; however, according to Respondent, the sale took place in 2016 and concerned a notably smaller residence. The Board agrees that sales information from 2016 is somewhat stale for purposes of estimating market value on January 1, 2019. As such, the Board afforded minimal weight to the 2016 sale.

Respondent provided a more complete sampling of sales data for the Board's consideration. Ten (10) sales were identified, three (3) of which were directly compared to the subject property. Though the Board appreciated the sales data and analysis, there were some concerns regarding the comparability of the sale properties. Rather notable adjustments were made to the respective sale prices for purposes of comparison with subject, gross adjustments ranged from 29% to 65%. Adjustments at these levels suggest a degree of dissimilarity

between subject and the sale properties. Respondent's sales data represented the only timely market value evidence in the record, and therefore it received primary consideration in the Board's review of the record.

Though Respondent's market data was judged superior in this case, the Board did find an adjustment is in order for the error concerning the amount of finished living area in the subject residence, due to the double-deep garage bay. Using the corrected size figure, Respondent calculated a value of \$315,178 for the residence and pavement, which value this Board will adopt.

Idaho Code § 63-511 places the burden on the Appellants to prove error in subject's assessed value by a preponderance of the evidence. Given the record in this matter, the Board finds the burden of proof satisfied, though we did not find sufficient support for the value petitioned by Appellants. Specifically, the Board found an adjustment warranted for the error in subject's square footage.

Based on the above, the decision of the Bannock County Board of Equalization is modified to reflect a reduction in subject's assessed value to \$360,403.

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, MODIFIED, to reflect a decrease in subject's assessed value to \$360,403, with \$45,225 attributable to the land, and \$315,178 to the improvements.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 4th day of May, 2020.