

BEFORE THE IDAHO BOARD OF TAX APPEALS

LARRY AND GLORIA HILL LIVING TRUST,	)	
	)	
Appellant,	)	APPEAL NO. 22-A-1010
	)	
v.	)	FINAL DECISION AND ORDER
	)	
BONNEVILLE COUNTY,	)	
	)	
Respondent.	)	
	)	
_____	)	

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bonneville County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPA0663001018O. The appeal concerns the 2022 tax year.

This matter came on for hearing September 13, 2022, in Idaho Falls, Idaho, before Board Member Leland Heinrich. Larry and Gloria Hill appeared at hearing for Appellant. County Assessor Dustin Barron represented Respondent.

Board Members 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 Bonneville County Board of Equalization is affirmed.**

**FINDINGS OF FACT**

The assessed land value is \$48,112, and the improvements' value is \$288,031, totaling \$336,143. Appellant does not dispute the land value but contends the correct improvements' value is \$178,847, totaling \$226,959.

The subject property is a .26 acre parcel located in the East View subdivision of Idaho Falls, Idaho. Subject is improved with a 2,716 square foot ranch-style residence, of which 2,430 square feet are finished. The residence also includes a 528 square foot attached garage. The main level of the residence is 1,428 square feet, and the basement has 1,288 square feet, of which 1,002 feet are finished. The residence has no air conditioning, various deferred maintenance items, and is reported to have had no significant remodels since Appellant's purchase in 1988.

Appellant's primary concern was that subject's assessed value increased approximately 48% in a single year. Appellant was additionally concerned that property sales outside subject's subdivision were used to set subject's value. Appellant provided assessment information for eleven (11) properties from subject's neighborhood to demonstrate similar properties saw a 35% increase in assessed value on average. This difference was concerning to Appellant, who believes subject's value should not have increased more than the average for the neighborhood. Appellant emphasized all properties compared were within the same neighborhood as subject and had similar floor plans, square footage, and were built in the 1970s like subject. Seven (7) of the residences had original radiant heat and no air conditioning like subject, while four (4) had updated HVAC systems. Five (5) of the eleven (11) had been remodeled in the last four (4) years.

In addition to neighborhood assessment information, Appellant shared information and photos of subject's condition. Appellant stated subject has only had routine maintenance since it was purchased in 1988. The metal roof is over thirty (30) years old, as is the dishwasher. The stove, three (3) of the four (4) toilets, and all other bathroom

fixtures are original to the residence, according to Appellant. The residence was built in 1975, which would make these fixtures 47 years old. The residence's Masonite siding and aluminum windows are also original. Appellant reported the siding on the south and east walls need replaced, as well as all the windows, to be comparable to the rest of the neighborhood. Appellant also believed the heating would need serious updating and air conditioning added, which is currently cost prohibitive, to be marketable.

Respondent reported approximately 95% of residences in the East View neighborhood are in good condition and thus were not comparable to subject, which is in average condition. It was explained the average condition rating means there are deferred maintenance and obsolescence issues due primarily to age. This difference in condition accounts for subject's comparatively large increase, as Respondent explained properties in average condition saw larger percentage increases in sale price than residences in good condition in subject's market.

Respondent did not use comparable sales from subject's neighborhood to set subject's 2022 value, explaining this was because the sale residences from the East View subdivision were not comparable to subject due to their superior condition rating. Respondent did however use comparable sale properties outside of subject's neighborhood which it believes demonstrate subject is assessed fairly and accurately. Respondent provided information on five (5) sales outside of subject's subdivision regarded to be comparable with subject. All sale residences were in average condition; had a ranch-style design; and were similar in size, quality, and year built as subject. All had radiant heating and no central air conditioning, the same as subject, though it was reported heat and air conditioning type does not influence value much in subject's market.

Respondent calculated an average rate of \$218 per square foot for the comparable properties, which sold for between \$327,500 and \$385,000, or roughly \$204 to \$244 per square foot. The subject property is currently assessed at roughly \$202 per square foot, which Respondent noted was below the average.

Respondent additionally shared information on five (5) properties which sold in the East View subdivision in 2021. Respondent explained these sales demonstrated why sales in subject's own neighborhood were not used to set subject's 2022 value. Two (2) were split-level, and while the other three (3) were ranch-style like subject, they were in good condition compared to subject's average condition. The residences were all built more recently than subject, between 1976 and 1980, while subject was built in 1975. They sold between \$287,500 and \$439,900, or roughly \$165 to \$233 per square foot. In comparison, subject is valued at \$336,143, or roughly \$202 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 market value in fee simple interest or, as applicable, a property's exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2022, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

“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. *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 the differences in property characteristics between subject and the sale properties.

Appellant did not use a traditional approach to value and instead shared assessed values of properties near subject. While the Board understands it can be difficult to see a 48% increase in assessed value in one (1) year, a comparison of assessed values is not a recognized appraisal approach. Idaho requires assessments to be based on market data, making Respondent's analysis more appropriate and therefore resulting in a more accurate value conclusion for assessment purposes.

Respondent provided several comparable sales which indicated subject's value to be well-bracketed and justified by the market. The comparable sales Respondent used to set subject's assessed value sold for \$327,500 to \$385,000, roughly \$218 per square foot on average, while subject is assessed at \$336,143, or approximately \$202 per square foot.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The Board does not find the burden of proof satisfied in this instance. Respondent provided the only market data in the record, and Appellant's comparison of assessed values is not an accurate or

acceptable approach to reach a market value conclusion for assessment purposes. The Board will deny this appeal and affirm the decision of the Bonneville County Board of Equalization.

FINAL ORDER

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

DATED this 15<sup>th</sup> day of November, 2022.