

BEFORE THE IDAHO BOARD OF TAX APPEALS

BOWDEN FAMILY TRUST,)	
)	
Appellant,)	APPEAL NO. 22-A-1181
)	
v.)	FINAL DECISION AND ORDER
)	
TWIN FALLS COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Twin Falls County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel RPT38830060040A. The appeal concerns the 2022 tax year.

This matter came on for hearing October 21, 2022, in Twin Falls, Idaho before Board Member Leland Heinrich. Appellant Bowden Family Trust was represented by Trustee Jay Bowden. Twin Falls County Chief Deputy Assessor Brandon Saueressig 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 Twin Falls County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$70,250, and the improvements' value is \$383,536, totaling \$453,786. Appellant contends the correct land value is \$66,720, and the improvements' value is \$286,005, totaling \$352,725.

The subject property is a .21-acre lot located in the Twin Falls Northern Passage Subdivision in Twin Falls, Idaho. The property is improved with an 1,875 square foot, ranch-style dwelling constructed in 2018. The subject is further improved with an 894 square foot attached garage.

Appellant questioned the recent increase in assessed value, challenging Respondent's utilization of mass appraisal and contending comparable sales do not support the recent increase. Appellant described the residence as "spec-built" with no custom upgrades. In support of a lower valuation, Appellant presented five (5) sales believed to be more reflective of subject's market value. Appellant attempted to find sales close in proximity to subject and comparable in bedroom count. Sale No. 1 was a 2,594 square foot residence constructed in 2019 which sold in October 2021 for \$508,000. Sale No. 2 was a 2,530 square foot residence constructed in 2021 which sold in October 2021 for \$475,000. Sale No. 3 was a 3,130 square foot residence constructed in 2021 which sold in November 2021 for \$509,100. Sale No. 4 was a 2,636 square foot residence constructed in 2021 which sold January 2022 for \$495,990. Sale No. 5 was a 2,230 square foot residence constructed in 2019 which sold in January 2022 for \$480,000. Appellant determined the average dollar per square foot of these sale properties to be \$188 and pointed out this was much lower than the subject's current assessed value of \$244 per square foot. Appellant contended based on this average price per square foot, the subject property is over-assessed by as much as \$105,018. Appellant asserted the correct assessed value is \$352,725.

Appellant presented testimony on a property located on 2160 Settler's Ridge, noting this residence was a custom-built home on a .40 acre lot, in a highly desirable,

exclusive neighborhood. According to Appellant, this residence was of higher quality than subject, larger in square footage, larger in lot size, and sold in November 2021 for less than subject's most recent assessed value. Appellant offered this as further evidence subject's current assessed value is in excess of market value.

Respondent provided for the Board's consideration, eleven (11) residential sales which occurred between November 2020 and August 2021. All sale properties were located less than 1,300 feet from subject and ranged in size from .15 to .25 acres. The sale residences were of similar quality of construction to subject and were built between 2008 and 2021. The finished living space ranged from 1,461 to 2,950 square feet. Respondent adjusted each sale price 2.35% per month for time of sale and concluded adjusted sale prices ranging from \$399,869 to \$679,250, or roughly \$219 to \$279 per square foot. Subject is assessed at \$453,786, or roughly \$242 per square foot. Respondent maintained subject's most recent assessed value falls in line with both the time-adjusted sale price and rate. Respondent further noted the median of these sale prices, \$455,075, was within \$2,000 of subject's value.

Appellant challenged Respondent's use of a "blanket increase" of 35% to all homes in subject's market neighborhood, which Appellant asserted compounded properties that have been historically over assessed. Respondent maintained neighborhood-wide adjustments resulting of market analysis are the standard and accepted method of appraisal for tax purposes in Idaho. Respondent asserted the average assessment increase in Twin Falls County was 34%, with some areas receiving 15% increases, and others receiving up to 60% increases. The increase to subject's neighborhood was right near the county average.

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, 2022, 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.

Both parties developed an opinion of value utilizing the sales comparison approach. Efforts to provide timely sales were well received by the Board. Appellant provided sales information for five (5) properties. As only a screenshot of very limited property characteristics was provided, the Board had difficulty utilizing these sales in its analysis. While the sale residences were in close proximity to subject and were similar in age, all were substantially larger than subject: from 355 to 1,255 square feet larger.

Additionally, all five residences were multi-story compared to subject's single story design. It is difficult to make a dollar-per-square-foot comparison between these residence types, as two-story residences are more cost-efficient to build. The Board found Appellant's method of comparing sale rates of dissimilar residence types to be unreliable. Regardless, the sale prices of these properties were all well above Appellant's requested value, which further undermined Appellant's value position.

Appellant additionally described for the record a property sale on Settler's Ridge as evidence subject was over-assessed. According to Appellant, the residence was larger, newer, and of higher quality than subject, and the property was located in a much more desirable neighborhood. While the Board appreciates the sales information, the Board failed to see how the property was as comparable to the subject and therefore did not utilize it in its analysis of subject's value.

Respondent provided information on eleven (11) sales in support of subject's current adjusted value. Respondent's analysis of these sale properties with lot sizes and residences similar to subject resulted in net adjusted sale values of \$399,869 to \$679,250. Subject's assessment falls well within the range of the sale prices, and the Board was strained to find evidence subject was valued in excess of its most probable selling price.

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. We did not find the burden of proof satisfied in this instance. While Appellant expressed concerns with the assessment process, our primary concern is determining subject's fair market value. Appellant provided five (5) sales of properties which all sold for more than subject's current assessed value. Respondent's sales analysis reflected a median time adjusted

sale price of approximately \$455,000 which is less than \$2,000 from subject's value. Based on sales data from both parties, we do not find sufficient evidence to disturb subject's assessed value. The decision of the Twin Falls County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 27th day of January, 2023.

IDAHO BOARD OF TAX APPEALS