

BEFORE THE IDAHO BOARD OF TAX APPEALS

VICTOR JACOBSON,)	
)	
Appellant,)	APPEAL NO. 22-A-1009
)	
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. RPA4153009008O. The appeal concerns the 2022 tax year.

This matter came on for hearing October 7, 2022, in Idaho Falls, Idaho before Board Member Leland Heinrich. Appellant Victor Jacobson was self-represented. Bonneville County Assessor Dustin Barron represented Respondent.

Board Members Leland Heinrich, Kenneth Nuhn, and Doug Wallis 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 \$72,718, and the improvements' value is \$474,060, totaling \$546,778. Appellant contends the correct land value is \$64,000, and the improvements' value is \$421,000, totaling \$485,000.

The subject property is a .45 acre parcel located in the Stonebrook subdivision in Idaho Falls, Idaho. The property is improved with a 3,784 square foot residence built in 1991. The main floor and basement each have 1,892 square feet, but only 1,703 square feet of the basement are finished. The residence is further improved with a 744 square foot attached garage.

Appellant was primarily concerned subject's assessed valuation rose 55% in one year, by almost \$200,000. Appellant shared the Bonneville County Monthly Home Statistics sheet and pointed out the median sale price increased by an average of about \$100,000 from 2021 to 2022. The average percentage increase was not shared.

In support of the requested valuation, Appellant provided multiple sales for the Board's consideration. Appellant provided seven (7) sales and compared the properties to the eighteen (18) sales Respondent originally provided for the Board of Equalization (BOE) hearing. The sales presented by Respondent at the BOE hearing troubled Appellant, who shared that many of the sales had larger garages, all but one included newer residences, and every comparable residence was smaller than subject, along with other concerns. Appellant stressed smaller residences sell higher per square foot so should not be used to value a larger residence like subject. Appellant's seven (7) sale properties sold between March 2021 and April 2022, with sale prices between \$445,000 and \$500,000. The sale residences were between 3,254 and 3,788 square feet in size and were built between 1990 and 2002. Appellant calculated sale rates from approximately \$191 to \$229 per square foot. Subject is currently valued at \$546,778, approximately \$251 per square foot.

Respondent explained subject's subdivision was reappraised for 2022 and testified the increase in value was 100% market-driven. The only change made to subject's property record upon reappraisal was changing the size of the automated sprinkler system from medium to small based on lot size, which made a \$1000 difference in the assessment. The residence was described as being in Average condition, as it needs updated windows due to age and weathering. Respondent also explained some neighborhoods in the county, such as subject's, saw larger increases due to market activity in 2021 in those neighborhoods demonstrating assessments needed to rise to stay at market value as required by Idaho statute. It was also shared lower supply and increased demand in 2021 caused average residences to increase in value, as buyers were willing to pay higher prices for properties which have some deferred maintenance like subject.

Respondent supplied information on six (6) sales in similar neighborhoods which had ranch-style residences similar in size, quality, and year built as subject. The sales occurred between July and November 2021 and were improved with residences between 3,416 and 4,050 square feet. The properties sold from \$490,000 to \$620,000, or approximately \$245 to \$281 per square foot. Respondent reported the average price per square foot was approximately \$258, which Respondent noted was higher than subject's per-square-foot valuation rate of roughly \$251. Assessed value must be based on market value, so Respondent shared all property in the county is assessed using mass appraisal. The sales provided were not used to set subject's value, at least not by themselves. They were provided as a demonstration of how sales are utilized to determine market value.

Respondent also commented on Appellant's comparable sales. Two (2) sold in 2022, which sales could not be used as comparable sales because they occurred after the January 1, 2022, date of valuation. The other sale residences were stated to not be of the same construction quality, though Respondent did not have the property records on hand so based the quality assumption on appearance. Appellant likewise did not have official quality rating information and also relied on appearance.

Appellant was concerned with Respondent's sales, stating the homes were smaller, newer, had larger garages compared to subject, and were in "high class" neighborhoods. Appellant also expressed concern they were not all the same sales utilized in the BOE hearing. Respondent explained different sales were provided due to the concerns Appellant expressed at the BOE hearing regarding those. Respondent further explained the sales provided were not the only sales utilized in determining subject's value; rather, they were simply the sales which best illustrate how properties like subject are selling.

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 the subject and the sale properties.

Both parties provided sales for the Board's consideration, though neither side performed a traditional approach where adjustments were made for differences. Appellant provided seven (7) sales which sold between \$445,000 and \$500,000, or roughly \$191 to \$229 per square foot. Information regarding the properties' condition ratings and attributes compared to subject were sparse, but Appellant shared the square footage measurements, which ranged from 3,254 to 3,788 square feet. Subject's residence is 3,784 square feet, and its current total assessment is \$546,778, or roughly \$251 per square foot. Appellant petitioned the Board to reduce subject's valuation to \$485,000.

Respondent provided six (6) sales which sold between \$490,000 and \$620,000, or roughly \$245 to \$281 per square foot. The sale residences were between 3,416 and 4,050 square feet. Respondent did not make any adjustments for differences between subject and the sales; however, Respondent shared all the sale properties were in similar condition as subject. Respondent also shared the time 1% per month adjustment was conservative and did not affect the prices much. Given the range of sale prices bracketing

subject's current valuation, Respondent found the assessment reasonable and urged the Board to affirm it.

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. Although Appellant provided several comparable sales, there was too much uncertainty regarding the comparability of the sales to subject. And while the Board would have preferred a more traditional sales analysis with adjustments for different characteristics, Respondent's approach was found to be stronger here. Respondent's sales were generally more comparable to subject and, in the Board's view, substantiate subject's current valuation. The Board will uphold 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 27th day of January, 2023.