

BEFORE THE IDAHO BOARD OF TAX APPEALS

GARY SHELTON,)	
)	
Appellant,)	APPEAL NO. 22-A-1019
)	
v.)	FINAL DECISION AND ORDER
)	
ADA COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. R5181280020. The appeal concerns the 2022 tax year.

This matter came on for telephonic hearing November 1, 2022, before Hearing Officer Travis VanLith. Appellant Gary Shelton was self-represented. Ada County Chief Deputy Assessor Brad Smith 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 Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$350,000, and the improvements' value is \$614,200, totaling \$964,200. Appellant contends the correct total value is \$851,520, with no allocation given between land and improvements.

The subject property is a .27 acre parcel located along the Boise River and greenbelt in the Leaders River Woods subdivision in Garden City, Idaho. The property is

improved with a 2,661 square foot two-story residence built in 2003. The residence includes three (3) bedrooms and two and one-half (2½) bathrooms and is also improved with a 1,194 square foot garage.

Appellant purchased the subject property on November 18, 2021, for \$989,000, roughly 2.5% more than subject's 2022 assessed value. Appellant expressed concern prices were escalated and not equal to "true" value when subject was purchased. Appellant also shared the residence was appraised at \$950,000, but the date of appraisal was not provided, nor was any documentation.

Appellant provided a comparison of subject's assessment to twenty-one (21) other property assessments which were believed to demonstrate subject's sale price was inflated. Four (4) were on subject's same street, and the other seventeen (17) were in the broader neighborhood. Appellant asserted all the properties backed up to the Boise River and greenbelt on the same side of the river as subject. The properties were between .18 and .44 acres in size and were improved with residences from 2,214 to 4,446 square feet. The assessed values were between \$710,300 and \$1,540,500.

Appellant next presented a unique assessment analysis utilizing multiple techniques to discern a market value opinion for subject. Appellant explained subject's residence is assessed at approximately \$362 per square foot, so Appellant calculated how much each of the twenty-one (21) properties would be assessed for if valued at the same rate per square foot. Adjusted values ranged from \$784,474 to \$1,610,981. Appellant next developed a value per square foot which would result in the properties being closer to their 2022 assessed values, implying all residences in the neighborhood should be assessed at the same per-square-foot rate, or at least more closely aligned

with one another. Appellant calculated this rate should be approximately \$320 per square foot, which would result in a value of \$851,520 for subject.

Appellant also expressed concern that subject had a high valuation despite the residence not being a single-story design, only having three (3) bedrooms, and having less square footage than some of the properties with lower values. However, details concerning those residence's conditions and specific locations in comparison to subject, among other details, were not provided.

Respondent rebutted Appellant's claim that all twenty-one (21) properties provided were comparable to subject. Respondent shared, contrary to Appellant's claim, many of the properties were not bordering the greenbelt and river; one (1) property, Respondent shared, was over a mile away. Respondent stated there are reasons properties sell at different price-per-square-foot rates including residence size, location, and condition. Because of differences, it would not be logical to apply a single value rate, Respondent asserted, and thus Appellant's analysis was random and not strong support for Appellant's requested value.

Respondent shared subject was reappraised for the 2022 tax year and provided three (3) sales from subject's neighborhood to support the current assessment, including Appellant's purchase in 2021. The other two (2) properties were in subject's neighborhood and backed up to the Boise River and greenbelt. Sale No. 1 was subject's own sale in November 2021 for \$989,000, or roughly \$372 per square foot, less than two (2) months before the January 1, 2022, assessment date. Sale No. 2 was located approximately seven (7) doors down from subject. The .32 acre property was improved with a 2,870 square foot residence built in 1998 with three (3) bedrooms, three (3) bathrooms, and a

977 square foot garage. This property sold for \$1,195,000, or roughly \$416 per square foot, in September 2021. Respondent made adjustments for differences in property characteristics such as residence size and bedroom count, concluding an adjusted sale price of \$1,180,061. Sale No. 3 was a .23-acre property improved with a 3,302 square foot residence built in 1992 with four (4) bedrooms, three and on-half (3½) bathrooms, and a 638 square foot garage. The property sold for \$1,010,000, or roughly \$306 per square foot, in December 2021. Respondent concluded an adjusted sale price of \$970,793 for this property.

Respondent's sales analysis made net adjustments from 0% to 3.9% and gross adjustments from 0% to 9.2%. No time adjustments were applied, which Respondent explained was because the sales occurred so close to the lien date of January 1, 2022. The average increase in value across Ada County during 2021 was 30%, which would indicate an increase of 2.5% per month, if a time adjustment were to be applied.

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.

Appellant did not provide a traditional analysis to support the requested assessed value, which is approximately 13.9% less than subject's purchase price less than two (2) months prior to the January 1, 2022, date of assessment. Instead, Appellant provided a comparison of assessed values and performed some calculations to determine an equal valuation rate with other residences in the neighborhood. However, a comparison of assessed values is not a recognized appraisal approach and does not lead to an accurate estimation of market value. And while assessment information can demonstrate inequitable assessment in an area, there was insufficient information to conclude if such inequity exists where the only information Appellant shared was address and square footage of the properties. As Respondent stressed, there are many reasons properties sell for different prices per square foot, and assessments must reflect sale trends. Condition, location, residence size, and many other factors affect a property's valuation rate, which Appellant did not consider in the analysis of assessments. Fundamentally, Appellant's methodology is flawed because it seeks to apply a uniform valuation rate which gives no consideration to differences in property characteristics.

Respondent, on the other hand, provided three (3) sales, including subject's November 2021 purchase for \$989,000, roughly 2.5% more than subject's 2022 assessed value. The analysis utilized minimal adjustments, with gross adjustments less than 10% on each property, which suggests a high degree of similarity with subject. The best indicator of value in this case was subject's own November purchase. Subject's current assessed value is approximately \$25,000 less than the purchase price, so it is difficult for the Board to conclude the value is excessive.

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 finds the burden of proof was not met in this instance. Where subject's recent purchase price exceeds the current assessment amount, and Respondent's sales further supported the value, the Board will uphold the decision of the Ada County Board of Equalization.

FINAL ORDER

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

DATED this 30th day of January, 2023.