

BEFORE THE IDAHO BOARD OF TAX APPEALS

MARTIN BETTWIESER,)	
)	
Appellant,)	APPEAL NO. 22-A-1100
)	
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. R2928150280. The appeal concerns the 2022 tax year.

This matter came on for hearing December 7, 2022, in Boise, Idaho, before Hearing Officer Travis VanLith. Appellant Martin Bettwieser was self-represented. Ada County Chief Deputy Assessor Brad Smith represented Respondent.

Board Members 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 \$151,000, and the improvements' value is \$366,700, totaling \$517,700. Appellant contends the correct total value is \$441,337.

The subject property is a .15 acre residential parcel located in the Freedom Estates subdivision in southeast Boise, Idaho. The property is improved with a four (4) bedroom, two (2) bathroom split-entry residence with an attached garage constructed in 1980. The residence totals 1,710 square feet in size, with 1,052 square feet of above grade living

area and 658 square feet in the lower level. The property is further improved with a 480 square foot detached garage.

Appellant was primarily concerned with the accuracy of the characteristics reflected on subject's property record, as well as the assessed value compared to others in the neighborhood. According to Appellant, the subject residence totaled approximately 1,250 square feet when originally constructed in 1980. In 2013, Appellant began making additions to the property, starting with the detached garage. The building permit was amended in August 2013 to include a 121 square foot addition to the upper-level master bedroom. The building permit was amended again in mid-2015 to add a 240 square foot extension to the living and dining rooms, and to add a storage room. Using these size figures Appellant calculated a total of 1,611 square feet in the subject residence, and argued the property record should be changed to match.

Appellant stated the interior spaces of the additions have been finished, but, reported the exterior siding on much of the residence still needed to be installed. In this regard, Appellant provided a cost estimate of \$15,000 from a local contractor to install the siding. In Appellant's view, the missing siding was an attribute not accurately reflected in subject's current valuation.

In support of the claim subject's assessed value is overstated, Appellant provided 2022 assessment information for two (2) properties in the immediate neighborhood with original floorplans similar to subject's original floorplan. The first was a three (3) bedroom, two (2) bathroom split-entry residence with an attached garage constructed in 1980. The residence totaled 1,248 square feet in size, with 804 square feet on the upper floor and 444 square feet in the lower level. The current assessed value of this property is

\$461,600, or approximately \$370 per square foot. The second residence discussed by Appellant was another split-entry model constructed in 1980. This residence included four (4) bedrooms and two (2) bathrooms and a total of 1,552 square feet, with 804 square feet on the upper floor and 748 square feet in the lower level. This residence was originally constructed with 1,288 square feet of living space and an attached garage, but at some point, the garage was converted to finished living area. The current assessed value of this property is \$427,300, or roughly \$275 per square foot. By comparison, subject's current assessed value is \$517,700, or nearly \$303 per square foot.

Due primarily to the similarity of the second residence's original floorplan with subject's original floorplan, Appellant contended the same \$275 per square foot assessment rate should be used for subject's valuation. Applying this rate to Appellant's size figure of 1,611 square feet, yielded a total value of \$443,589 for the subject property. From this, Appellant deducted the \$15,000 estimated cost to install the missing siding and concluded a final value of \$428,589 for the subject property. Respondent argued no adjustment for the siding was warranted because subject's valuation already includes a roughly \$30,000 condition adjustment which has been in place since ordered by the Ada County Board of Equalization in 2014 for the incomplete state of the additions to the residence.

As permission has not been granted to take exterior measurements of subject's residence, Respondent explained its size total of 1,710 square feet was determined by comparing the various size measurements reflected in the multiple building permits against measurements taken from aerial images. Respondent emphasized the size figures reported on city building permits do not always match the finished product, as late

changes and alterations commonly occur during construction. In this regard, Respondent highlighted some size discrepancies reflected in the various building permits connected with the several additions made to the subject property. On the 2015 amended building permit to include the addition to the living and dining room areas, the permit shows a total of 2,033 square feet for the subject residence, noted to be considerably larger than either party's size estimate. In addition, the amended building permit issued in August 2013 reported a size of 430 square feet for the detached garage, not the 480 square feet claimed by Appellant and reflected in subject's property record. Respondent explained inconsistencies such as these are common with building permits, which is why structure sizes are verified with aerial measurements in those instances in which Respondent is not permitted by the owner to take its own measurements. Respondent maintained its size figure of 1,710 square feet for the subject residence was based on the best information available and represents the most accurate estimate of the size.

In support of subject's assessed value, Respondent developed a comparative sales model using three (3) sales located within a couple blocks of the subject property. All the sale residences were four (4) bedroom, two (2) bathroom multi-level designs constructed within three (3) years of the subject residence. None of the sale properties included detached garages like subject. Sale No. 1 was a 1,752 square foot residence situated on a .16 acre lot which sold for \$465,000 in April 2021. Sale No. 2 was the June 2021 purchase of a .17 acre lot improved with an 1,800 square foot residence for \$489,900. Sale No. 3 was the same property used in the calculation of Appellant's value claim. This property featured a 1,552 square foot residence on a .15 acre lot. Respondent noted this property did not include any garages, attached or otherwise. This property sold

for \$385,000 in May 2021. Respondent first adjusted the sale prices for date of sale at 1.5% per month to reflect pricing levels on the January 1, 2022, assessment date, then made additional appraisal adjustments for differences in property characteristics between subject and the sale properties. The result was respective adjusted prices of \$535,966, \$542,084, and \$527,034. The subject property's assessed value is \$517,700, which Respondent noted was lower than indicated by the range of adjusted sale prices.

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. The three (3) approaches to value include 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 differences in property characteristics between subject and the sale properties.

Appellant argued the subject property was assessed unfairly compared to two (2) properties in the neighborhood regarded by Appellant as comparable to subject. The first was assessed at roughly \$370 per square foot and the other at \$275 per square foot. Appellant contended subject should be assessed at the lower \$275 per square foot rate, plus an additional \$15,000 reduction for the estimated cost to install siding on subject's residence. The Board disagrees.

First, a comparison of assessed values is not a recognized appraisal approach and is not considered the most reliable indicator of current market value. Even if such were not the case, Appellant's analysis is fundamentally flawed where it relied on a per-square-foot comparison between two (2) dissimilar properties. A unit-based comparison is only meaningful when the items being compared are highly similar. Such was not the case with subject and the property Appellant used to calculate a value estimate for subject. For example, the subject property includes an attached garage and a detached garage, whereas the compared property has zero garages. The other residence was also smaller and inferior in condition to subject's residence. Appellant's simple square foot comparative methodology is fatally flawed as it considers none of these factors, nor any other property characteristics known to influence market value. It was also not lost on the Board that Appellant chose the lower assessment rate of the two (2) properties discussed, though there was no apparent reason other than to reduce the final value conclusion. Given these various concerns, the Board did not place any emphasis on the assessment data proffered by Appellant.

Turning next to the square footage issue, the Board did not find sufficient support to alter the size total concluded by Respondent. As Respondent has not been permitted to take measurements of the subject residence, Respondent determined subject's size using information gleaned from building permits, architectural sketches, and aerial imagery. By contrast, Appellant's size figure was calculated simply using size figures reflected on city building permits. While Appellant's reliance on building permits is understandable, the information contained in such permits may not accurately depict the finished product. This was clearly demonstrated here where two (2) of the building permits for additions to the subject property reflected incorrect or inconsistent size measurements. One (1) permit indicated subject's residence totals 2,033 square feet in size, which is several hundred feet larger than both parties' size estimates. The other permit reflected an incorrect size measurement for the detached garage. It is well established that the assessor's records enjoy a presumption of correctness, and the burden is on the party challenging such records to prove error. In light of the conflicting size estimates offered by Appellant, there was insufficient basis for the Board to alter Respondent's conclusion of 1,710 square feet.

Lastly, Appellant was concerned insufficient consideration was given for the lack of exterior siding on portions of subject's residence. In Appellant's view, subject's value should be reduced by amount of the estimated cost to install the siding. The Board agrees the lack of siding is a negative influence on subject's market value, but disagree any special adjustment is justified in this instance. Respondent testified the subject residence already receives a roughly \$30,000 condition adjustment which has been in place since

2014. As this adjustment is double the cost estimate provided by Appellant, there is no support for an additional condition adjustment.

As the party initiating this appeal, Appellant bears the burden of proving error in subject's valuation by a preponderance of the evidence. Idaho Code § 63-511. As Appellant's value claim was based entirely on the assessed value of a single dissimilar property in the neighborhood, the Board did not find the burden of proof satisfied. Rather, the Board found Respondent's comparative sales analysis represented the superior valuation model, and in the absence of market-based support for Appellant's value claim, there was no good cause to disturb the current valuation.

Based on the above, the decision of the Ada County Board of Equalization is affirmed.

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 26th day of April, 2023.