

BEFORE THE IDAHO BOARD OF TAX APPEALS

HOWARD L. AND MARILYN H. REVOCABLE TRUST,	)	
	)	
Appellant,	)	APPEAL NO. 22-A-1133
	)	
v.	)	FINAL DECISION AND ORDER
	)	
BANNOCK COUNTY,	)	
	)	
Respondent.	)	
	)	

---

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bannock County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPR3853028611. The appeal concerns the 2022 tax year.

This matter came on for hearing December 12, 2022, in Pocatello, Idaho, before Board Member Leland Heinrich. Trustee Howard Armstrong, Jr., appeared at hearing for Appellant. Bannock County Chief Deputy Assessor Anita Hymas 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 parcel.**

**The decision of the Bannock County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed land value is \$82,739, and the improvements' value is \$352,076, totaling \$434,815. Appellant contends the correct land value is \$53,380, and the improvements' value is \$270,029, totaling \$323,409.

The subject property is a 20.12 acre parcel located on the outskirts of Pocatello, Idaho. The acreage includes a one (1) acre homesite and 19.12 acres receiving special valuation through an agricultural exemption. The property is improved with a 3,340 square foot residence built in 1900 with 1960 remodeling and additions. The residence includes 2,290 square feet on the main level and 1,060 square feet in the basement, of which 300 square feet are finished. The property is further improved with an 816 square foot detached garage, an in-ground pool, a 1,500 square foot pool house, a 120 square foot shed, a 200 square foot gazebo, a 728 square foot wood deck, and a grain bin.

Appellant shared the residence is very old, with sections over one hundred (100) years old. There is knob and tube wiring throughout, and much of the residence has low ceilings, noted to be seven (7) feet on the main floor and even lower in the basement. Appellant described the pool house as being in hazardous condition. Appellant noted subject was inspected in August 2022 and Respondent will be requesting the Board reduce subject's value to take into account the condition. Appellant seemed amenable to the valuation presented by Respondent at hearing.

Respondent provided information on three (3) sales to support their requested value for subject. The sale properties were only compared to subject's one (1) acre homesite and residence, not the additional acreage with an agricultural exemption. Sale No. 1 was a .98 acre property with a 3,558 square foot residence which included 1,779 square feet on the main level and 1,779 square feet in the basement, of which 1,389 square feet were finished. The residence was built in 1965 and included an attached garage. The property sold in March 2021 for a time-adjusted sale price of \$506,250.

Respondent extracted the values of other improvements and the land to calculate a sale price of \$403,000 for the residence, or roughly \$127 per square foot.

Sale No. 2 was a .85 acre property with a 3,008 square foot residence which included 2,336 square feet on the main level and 672 square feet in the fully finished basement. The residence was built in 1953 and had an attached garage. The property sold in June 2021 for a time-adjusted sale price of \$402,375. The extracted residence price was \$300,615, or roughly \$129 per square foot.

Sale No. 3 was a 1.09 acre property with a 1,492 square foot single-story residence with no basement. The residence was built in 1960 and had an attached garage. The property sold in October 2021 for a time-adjusted sale price of \$404,521. The extracted residence price was \$290,226, or roughly \$195 per square foot.

Respondent stated subject's residence was outdated but very well kept and requested a reduction in subject's assessment to \$404,654. This new value would reflect the residence value being adjusted downward by 10% for functional depreciation, setting the residence value at \$271,445. Respondent's requested value would leave the other improvement values totaling \$50,470; the land, one-half ( $\frac{1}{2}$ ) well (shared), and septic at \$80,011; and the 19.12 acres with the agricultural exemption at \$2,728.

### 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 differences in property characteristics between subject and the sale properties.

Appellant did not utilize a recognized appraisal approach to support a reduction in subject's valuation. Instead, Appellant focused on describing some detrimental features of subject. Primarily, parts of the subject residence are over one hundred (100) years old, there is outdated knob and tube wiring, and the ceilings are low. The Board understands Appellant's concerns with the original residence valuation; however, at hearing, Respondent presented a new value for the residence which included a 10% downward adjustment for functional obsolescence to account for the issues Appellant pointed out. Given the oral testimony and comparable sales provided in this case, the Board finds the downward adjusted residence value provides a more accurate representation of subject's current features and conditions.

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 burden of proof was met in this instance, where both parties agreed subject's valuation was too high, but there was insufficient support for the value requested by Appellant. Based on Respondent's new value estimate, the Board will modify the Bannock County Board of Equalization's decision and reduce subject's assessed value to \$404,654.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bannock County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$404,654, with \$82,739 attributable to the land and \$321,915 to the improvements.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 24<sup>th</sup> day of April, 2023.

IDAHO BOARD OF TAX APPEALS