

BEFORE THE IDAHO BOARD OF TAX APPEALS

MCMAHON FAMILY REVOCABLE LIVING TRUST,	)	
	)	
Appellant,	)	APPEAL NO. 22-A-1021
	)	
v.	)	FINAL DECISION AND ORDER
	)	
ADA COUNTY,	)	
	)	
Respondent.	)	
	)	

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**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. R5135430460. The appeal concerns the 2022 tax year.

This matter came on for telephonic (Zoom) hearing on November 1, 2022, before Hearing Officer Travis VanLith. Trustee Heath McMahon appeared at hearing for Appellant. 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 \$178,500, and the improvements' value is \$251,700, totaling \$430,200. Appellant contends the correct land value is \$158,000, and the improvements' value is \$224,000, totaling \$382,000.

The subject property is a .20 acre lot located in the Landing Subdivision in Meridian, Idaho. The property is improved with a 1,356 square foot dwelling constructed in 1998.

Appellant questioned the increase on subject's most recent assessment and contended the value was not supported by current market sales. In support of a lower valuation, Appellant presented an appraisal with an effective date of November 5, 2021. The appraisal analyzed five (5) sales which occurred in 2021, as well as one (1) active listing. The fee appraiser applied adjustments to the sale prices for variances in property characteristics and reported a value conclusion of \$378,000 for subject.

Respondent questioned the appraisal's lack of time adjustments. Respondent described the market in Ada County as inflationary; as such, time adjustments would be necessary to bring the sale prices to market level as of the lien date of January 1, 2022. Respondent further noted only one (1) of the sales was in subject's same neighborhood.

Respondent provided information on three (3) residential sales in support of subject's assessed value. Sale No. 1 was a .18 acre property improved with a 1,356 square foot residence constructed in 1998 which sold in September 2021 for \$399,000. Sale No. 2 was a .19 acre property improved with a 1,402 square foot residence constructed in 1994 which sold in December 2021 for \$405,000. Sale No. 3 was a .38 acre property improved with a 1,530 square foot residence constructed in 1998 which sold in December 2021 for \$500,000. Respondent first adjusted each sale price for time of sale, then directly compared each sale property to subject and made adjustments for differences in property characteristics. Respondent concluded adjusted sale prices

ranging from \$409,900 to \$466,700. Respondent asserted subject was assessed well within that range at \$430,200.

Appellant challenged Respondent's selection of sales. Sale No. 3, though located right next door to subject, is approximately double the size and benefits from extended RV parking, and backs to an open green space. Appellant further contested Sale No. 1, sold in September 2021, and argued there were more recent sales to choose from that did not need such extensive time adjustments. Respondent maintained subject's assessment was in line with the neighborhood and supported by sales as presented.

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

Both parties analyzed sales information and developed an opinion of value utilizing the sales comparison approach. Efforts to provide timely sales were well received by the Board. Both Respondent's and Appellant's sales analysis resulted in net adjustments of 11.2% or less, correlating to a high level of similarity to subject. The Board was concerned with the lot size of Respondent's Sale No. 3, and though it was adjusted, it still represented the highest overall sale price. However, Respondent's Sales Nos. 1 and 2 were found to be highly comparable to subject.

The Board found Appellant's sales also highly comparable to subject. However, a time adjustment was not utilized, which is necessary to bring prices relevant to the lien date of January 1st. If the Board applied Ada County's time adjustment of 2.3% per month to account for the inflating market, the adjusted sale prices would range from roughly \$402,000 to \$440,000, which align well with Respondent's Sale Nos. 1 and 2.

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 not satisfied in this instance. The Board did not find sufficient evidence to disturb the assessed value, therefore, 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 19<sup>th</sup> day of April, 2023.