

BEFORE THE IDAHO BOARD OF TAX APPEALS

JESSIE ARNOLD AND AMOS ARNOLD,)	
)	
Appellants,)	APPEAL NOS. 22-A-1240 and
)	22-A-1242
v.)	
)	FINAL DECISION AND ORDER
BANNOCK COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from two (2) decisions of the Bannock County Board of Equalization modifying appeals of the valuation for taxing purposes on properties described by Parcel Nos. RPRPQT1000600 and RPRPQT1000700. The appeals concern the 2022 tax year.

These matters came on for hearing December 15, 2022, in Pocatello, Idaho, before Board Member Leland Heinrich. Jessie Arnold represented Appellants. Bannock County Appraiser Celeste Gunn represented Respondent.

Board Members Kenneth Nuhn and Doug Wallis join in issuing this decision.

The issues on appeal concern the market values of two (2) residential properties.

The decisions of the Bannock County Board of Equalization are affirmed and modified.

FINDINGS OF FACT

Parcel No. RPRPQT1000600 (Appeal 21-A-1240) – Twin Home #1

The assessed land value is \$52,500, and the improvements' value is \$202,700, totaling \$255,200. Appellants contend the correct land value is \$42,000, and the improvements' value is \$193,000, for a total value of \$235,000.

Parcel No. RPRPQT1000700 (Appeal No. 22-A-1242) – Twin Home #2

The assessed land value is \$52,500, and the improvements' value is \$220,230, totaling \$272,730. Appellants contend the correct land value is \$42,000, and the improvements' value is \$193,000, for a total value of \$235,000.

The subject properties are a twin home built in 2019 and situated in the Quinn Road Townhouses subdivision in Pocatello, Idaho. The twin home is comprised of two (2) separate parcel numbers, with Appellants each owning one-half ($\frac{1}{2}$) of the twin home. Both units have identical floor plans, with 800 square feet on the main level and 800 square feet in the basement, and each contains an attached 480 square foot garage. For purposes of this decision, the twin homes will be referred to as Twin Home 1 and Twin Home 2.

Appellants presented an independent appraisal with an effective valuation date of January 26, 2022, which pertained to another twin home property owned by one of the Appellants. This appraisal included data on five (5) twin home sales and one (1) townhouse sale which occurred in 2021. Appellants clarified that these sales were relevant to the subject twin homes and provided details on the locations of these sales, which were situated between 1.6 and 3.2 miles away from the subject properties.

Sale No. 1 involved a 3,049 square foot lot that featured a single-level twin home with an area of 1,072 square feet. This residence, built around 1994, had two (2) bedrooms, two (2) bathrooms, and was enhanced with a two (2) car detached garage. It sold for \$225,000 in November 2021, equating to approximately \$210 per square foot.

Sale No. 2 involved a 3,920 square foot lot which featured a single-level twin home with an area of 1,112 square feet. This residence, built in 1995, had two (2) bedrooms, two (2) bathrooms, and a two (2) car detached garage. It sold for \$234,900 in November 2021, or \$211

per square foot. Appellants asserted Sale No. 1 and Sale No. 2 were the most similar to the subject twin homes and claimed the assessed values of the subjects should align more closely with the sale prices of these properties.

Sale No. 3 was a 5,576 square foot lot improved with a two (2) level twin home measuring 1,884 square feet, which included 942 square feet on the main level and 942 square feet in the finished basement. The dwelling included three (3) bedrooms, (1) bathroom, and a two (2) car detached garage. The residence was constructed in 2008. The property sold for \$279,000 in August 2021. The appraisal only used the above-ground square footage to calculate a sale rate of roughly \$296 per square foot.

The appraisal reported three (3) additional sales. Sale No. 4 took place in November 2021, for \$301,000. This transaction involved a 3,485 square foot lot with a twin home spanning 1,150 square feet built in 1994. Sale No. 5 featured a single-level 900 square foot townhouse constructed in 2006. It sold for \$165,000 in July 2021. Finally, Sale No. 6 was a 1999 twin home with no basement, spanning 1,184 square feet and situated on a 3,970 square foot lot. It sold in September 2021 for \$180,000. The assessed values of the subject parcels under appeal are \$255,200 and \$272,730.

Respondent provided information on three (3) sales in support of the valuation of subjects. All three (3) sale properties were located in the subjects' general area, two (2) were improved with twin homes, and the remaining sale was a single-story residence. All the sale residences were built in 2020, which was considered comparable to the subjects' 2019 build year. The three (3) sales were all single-level designs with no basements, and each contained an attached garage. Sale No. 1 concerned a .12 acre lot improved with a 1,315 square foot twin home which sold in July 2021 for \$260,000. Sale No. 2 was a .12 acre parcel with a 1,315

square foot twin home which sold in March 2021 for \$260,250. Sale No. 3 was a .12 acre lot improved with a 1,346 single-family home which sold for \$290,000 in November 2021. Respondent time-adjusted all sale prices to arrive at January 1, 2022, prices of \$279,500, \$292,781, and \$297,250 for the respective sale properties. The sales were further adjusted to remove land and building improvement values to arrive at adjusted residual sale prices of \$231,850, \$245,451, and \$254,800, for the residences, or per square foot prices of \$176, \$187, and \$189. Subjects are assessed at \$255,200, or \$160 per square foot, and \$272,730, or \$170 per square foot. In Respondent's opinion, the current valuations of the subject twin homes are supported by the sales information.

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 utilized the sales comparison approach to estimate the current market value of the subject twin homes.

Appellants' independent fee appraisal which had an effective date of January 26, 2022, was for an entirely different property, not the subject twin homes. As such, the Board is hesitant to rely on the value conclusion reached by the appraisal, but the sales data was found to be relevant.

The appraisal included five (5) sales of twin homes and one (1) townhouse, with sale prices ranging from \$165,000 to \$301,000, or roughly \$152 to \$296 per square foot. However, the Board had concerns about the comparability of some of the sale properties with the subject properties. Specifically, the age of the sale properties was not adjusted for, despite being notable older than subjects. The Board found Sale Nos. 4, 5, and 6 were not as comparable with subject and were not heavily factored into the Board's conclusion in this case. All but one (1) of sales in the appraisal were of single-level design versus subjects' two (2) level footprint.

Respondent's sales consisted of twin homes, but the Board observed these were also of single-level design, whereas the subject properties are two (2) level designs. Despite this difference, no adjustments were made. Although the sales were generally similar in terms of age to the subject properties, the building footprints were not.

The Board was primarily concerned about the absence of adjustments in the analyses provided by both parties. It is well known the market generally prices single-level designs differently than two (2) level properties, and newer homes tend to command higher prices than older models. After thoroughly examining the evidence presented, the Board has concluded

the subject properties should be assessed at the lower end of the Respondent's sales information and the higher end of the Appellants'. If proper appraisal adjustments were made for differences in design, total square footage, and age, the likely result would be somewhere close to the assessed value of Twin Home #1 at \$255,200.

Idaho Code § 63-511 places the burden on Appellants to establish error in subjects' assessed values by a preponderance of the evidence. Given the record in these matters, the Board found the burden of proof satisfied with respect to Twin Home #2, though did not find sufficient support for the value petitioned by Appellants. As noted above, the Board will adjust the value of Twin Home #2, to \$255,200. The burden of proof was not satisfied with respect to Twin Home #1. The valuation was found to be reasonably supported by the sales information offered by both parties' analyses.

Based on the above, the decisions of the Bannock County Board of Equalization are affirmed and modified, as detailed below.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Bannock County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED with respect to the subject Twin Home #1 property, Parcel No. RPRPQT1000600 (Appeal No. 22-A-1240), and MODIFIED with respect to the subject Twin Home #2 property, Parcel No. RPRPQT1000700 (Appeal No. 22-A-1242) as follows:

Appeal No. 21-A-1242
Parcel No. RPRPQT1000700

Land:	\$ 52,500
<u>Improvements:</u>	<u>\$202,700</u>
Total:	\$255,200

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 1st day of May, 2023.

IDAHO BOARD OF TAX APPEALS