

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| AMOS ARNOLD, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 22-A-1241 |
| |) | |
| v. |) | FINAL DECISION AND ORDER |
| |) | |
| BANNOCK COUNTY, |) | |
| |) | |
| Respondent. |) | |
| |) | |
| |) | |
| |) | |

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from decision of the Bannock County Board of Equalization denying appeal of the valuation for taxing purposes on properties described by Parcel No. RPRPQT1000100. The appeal concerns the 2022 tax year.

This matter came on for hearing Thursday, December 15, 2022, in Pocatello, Idaho, before Board Member Leland Heinrich. Jessie Arnold appeared at hearing for Appellant. 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 value of an improved residential property.

The decision of the Bannock County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$52,500, and the improvements' value is \$252,395, totaling \$304,895. Appellant contends the correct land value is \$42,000, and the improvements' value is \$198,000, totaling \$240,000.

The subject property is a .26 acre parcel located in the city of Pocatello, Idaho. The property is improved with a single-family residence built in 2021. The residence totals 1,600 square feet in size, which includes 800 square feet on the main floor and 800

finished square feet in the basement. The property is further improved with an attached 480 square foot single-car garage.

Appellant presented an independent appraisal with an effective valuation date of January 26, 2022, which pertained to a twin home property also owned by Appellant. This appraisal included data on five (5) twin home sales and one (1) townhouse sale which occurred in 2021.

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 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.

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 1,150 square foot twin home built in 1994. Sale No. 5 featured a single-level 900 square

foot townhouse constructed in 2006, which sold for \$165,000 in July 2021. Finally, Sale No. 6 was a 1,184 square foot twin home with no basement constructed in 1999 situated on a 3,970 square foot lot. This property sold in September 2021 for \$180,000. The assessed value of the subject property is \$304,895.

Respondent expressed several concerns with Appellant's appraisal report. First, Respondent claimed the appraisal was prepared for another property owned by the Appellant for financing purposes. Second, Respondent took issue with the fact the appraisal was prepared for a twin home instead of a single-family residence, as Respondent believed these two (2) types of residences were not equivalent. Lastly, Respondent argued the effective ages of the sale residences were fourteen (14) to twenty-eight (28) years older than the subject residence, which was built in 2021. Respondent contended the subject property should be compared with like properties, or adjustments should be made to account for the age discrepancies. Appellant argued the sales in the appraisal were more closely aligned with the subject property than the sales provided by Respondent.

Respondent presented information on three (3) improved sales to support the total assessed value of the subject property. The sale properties were built in 2020 and 2021, and all sold in 2021 with sale prices ranging from \$349,900 to \$368,561. The lot sizes ranged from .10 to .16 acres, and all involved single-level residences between 1,398 to 1,400 square feet with attached two (2) car garages. Respondent adjusted the sale prices to reflect the market on the January 1, 2022, assessment date, with adjusted sale prices ranging from \$373,168 to \$380,056. After removing assessed land and detached garage/outbuilding values, the residual values for the sale residences ranged from

\$289,028 to \$340,573, which equates to per square foot values between \$207 and \$243. In comparison, the subject property was assessed at \$304,895. After removing the assessed land and garage values, the residual value of the subject residence is \$249,905, or \$156 per square foot. Appellant argued Respondent's sales consisted of higher quality residences situated in superior locations and were therefore not comparable to subject.

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

Appellant provided an independent fee appraisal with an effective date of January 26, 2022. The Board acknowledged the sales information in the appraisal but had reservations about certain aspects of the analysis. Specifically, the appraisal was intended for a different property altogether, not the subject property currently under review. Additionally, Respondent expressed concerns about the comparison between the subject property and older twin homes instead of newer single-family residences, which we agreed with. The Board could not determine how the sales information in the appraisal related to the subject property, and the comparison between older twin home designs and a new single-family design was contrary to standard appraisal practice. Therefore, the Board was hesitant to give much weight to the sales information in the appraisal.

The Board also had concerns with the sales information provided by Respondent. The sales data appeared to feature single-level residences with superior quality and design layouts compared to the subject property. The only similarity between the sales and the subject property was they were built around the same time and were single-family dwellings. Although we recognize finding exact comparable properties can be difficult, there were no adjustments for quality, design, or other amenities, just for date of sale.

Under Idaho Code § 63-511, the burden of proving the valuation of the subject property is incorrect by a preponderance of the evidence rests with Appellant. In this case, Appellant did not meet this burden of proof. As previously mentioned, Appellant's appraisal information was found unreliable and thus not the best indicator of subject's

current market value. Therefore, the Board will affirm the decision of the Bannock County Board of Equalization.

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, AFFIRMED.

DATED this 1st day of May, 2023.

IDAHO BOARD OF TAX APPEALS