

BEFORE THE IDAHO BOARD OF TAX APPEALS

MARK BOISSELLE,)	
)	
Appellant,)	APPEAL NO. 22-A-1251
)	
v.)	FINAL DECISION AND ORDER
)	
BOISE COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Boise County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP010020000200. The appeal concerns the 2022 tax year.

This matter came on for hearing January 5, 2023, in Idaho City, Idaho, before Board Member Leland Heinrich. Appellant Mark Boisselle was self-represented. Boise County Chief Deputy Assessor Brandee Kline 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 Boise County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$110,000, and the improvements' value is \$371,140, totaling \$481,140. Appellant contends the correct total value is \$396,000.

The subject property is a 1.34 acre parcel located in the Bavarian Village subdivision in Idaho City, Idaho. The property is improved with a residence built in 1997 consisting of three (3) bedrooms and two and one-half (2½) bathrooms. The residence

totals 2,885 square feet in size, which includes 1,046 square feet on the main floor, 792 square feet on the second floor, and 1,047 square feet in the walkout basement, of which 855 square feet are finished. The property is further improved with an 800 square foot detached garage with 384 square feet of unfinished attic space built in 2001.

Appellant provided an independent fee appraisal report which concluded an opinion of value of \$393,000 for subject as of January 1, 2022. The appraisal provided a sales comparison analysis comprised of six (6) properties which sold in 2021. The properties were between roughly three (3) and eleven (11) miles from subject and ranged in size from .67 acres to 1.50 acres. The properties were improved with 23- to 53-year-old residences with between 1,058 and 2,380 square feet of gross living area, and all but Sale No. 6 had basements, ranging from 200 square feet to 942 square feet with varying levels of finish. Sale prices ranged from \$359,900 to \$440,000, or roughly \$158 to \$416 per square foot. The sale properties were compared to subject and adjustments were made for differences in property characteristics. The appraisal concluded adjusted sale prices from \$366,400 to \$394,400. Subject is currently assessed at \$481,140, or roughly \$260 per square foot when considering only above-ground gross living area. On the same basis, the appraisal's value opinion of \$393,000 calculates to roughly \$213 per square foot.

Appellant next compared eight (8) sale prices from November and December 2021 to the sale properties' 2021 assessed value to illustrate how the market moved throughout the course of 2021. The sale prices equated to -.78% to 124.68% of the respective 2021 assessed values. Appellant calculated the average increase in market value was 58.19% and noted subject's assessed value increased 57.94% from 2021 to 2022.

Appellant lastly shared a comparison of assessed values versus Zillow estimates of value for 2021 and 2022. According to Zillow, the values of eight (8) properties from presented by Respondent at the board of equalization hearing rose an average of 58.51%. Appellant also calculated an average increase in assessed value of 60.56% for the eight (8) sale properties. Appellant then provided assessment and Zillow estimate information for fifteen (15) Bavarian Village parcels, including subject. Zillow estimated values changed 46.23% on average, whereas assessed values increased by an average of 60.52%.

Respondent contended Appellant's appraisal used incorrect, inconsistent, and arbitrary adjustments. Adjustments of \$10 per square foot of living space and \$5 per square foot of basement area were used, which Respondent argued were not within acceptable market value ranges. Respondent stated typical adjustments for living space are \$60 to \$75 per square foot. Respondent also shared adjustments were made to some properties for lot size but not all, and some adjustments did not match the explanations within the appraisal. The effective age for subject was also stated differently in different areas of the appraisal, twenty (20) years at one (1) point and thirty (30) at another. The adjusted price of Sale No. 3 was also inconsistent in the appraisal, with \$699,000 and \$439,000 reported at different points. In Respondent's opinion, the fee appraisal was simply an attempt to lower the value indication of subject and did not reflect the 2021 market. After Respondent applied adjustments deemed more reflective of the market, the average adjusted sale price was \$522,871.

To support subject's land value, Respondent provided information regarding five (5) vacant lot sales. The lots ranged in size from 1.02 to 1.52 acres and all sold in 2021.

Respondent regarded Sale No. 4 as most similar to subject. The lot was 1.47 acres with similar topography, view, and access as subject, with an adjusted sale price of \$90,350, or roughly \$61,463 per acre. The average time-adjusted price of the group was \$64,283 per acre. Subject's raw land value is \$78,000, or roughly \$58,209 per acre.

Respondent next supplied information on seven (7) improved sales to support subject's total assessed value. All the properties sold in 2021 from \$226,000 to \$650,000. Lot sizes ranged from .97 to 4.56 acres. Four (4) of the sales were single-level residences, including one (1) with a walkout basement. The other three (3) involved two (2) story residences, one (1) of which included a walkout basement. The residences were built between 1910 and 2006, with effective years from 1950 to 2006, and ranged in size from 1,120 to 2,176 square feet. Respondent made adjustments to account for date of sale, effective age, lot size, square footage, heating and cooling system, condition, and other structures. Adjusted sale prices ranged from \$342,178 to \$624,640, with an average adjusted sale price of \$514,897. Subject is assessed at \$481,140. Respondent acknowledged there were many differences between subject and the comparable properties, but also noted Boise County is unique in its land and structures, so finding directly comparable sale properties can be difficult.

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.

Appellant’s fee appraisal developed a value opinion of \$393,000 using the sales comparison approach. While the Board appreciated the sales information, there were too many questions concerning aspects of the analysis. As Respondent shared, a \$10 adjustment per square foot of living area is alarmingly low for Boise County’s unprecedented 2021 market. Also, the appraisal itself could not agree on an effective age for subject, nor a sale price for Sale No. 3. More concerning, however, was the adjustments were applied inconsistently. In short, the Board was hesitant to place much emphasis on the value indicated by the appraisal.

The Board was likewise not persuaded by Appellant’s comparison of 2021 assessments to late 2021 sale prices, nor by the comparison of Zillow value estimates. The first methodology is flawed where it is based on a comparison of assessed values,

which are not generally regarded as the best indicators of current market value. Interestingly, Appellant's analysis yielded a value conclusion only 0.25% lower than subject's current assessed value, which actually supports the valuation. As for Zillow, such information is not considered particularly accurate or reliable and therefore should not form the basis for developing an estimate of current market value.

Respondent's presentation was better received by the Board. There were many differences between the properties, but such is not surprising given that Boise County varies greatly in terms of land and structures, so finding "perfectly" comparable sale properties is understandably challenging. This is the purpose for appraisal adjustments and, in this case,⁹ Respondent's adjustments were found to be more market-informed and consistently applied. The land sales indicated an average value of \$64,283 per acre, where subject is assessed at \$58,209 per acre. The improved sales indicated an average value of \$514,897, where subject is assessed at \$481,140. Overall, subject's valuation falls in line with Respondent's value indications.

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 met in this instance. Appellant's appraisal was found undependable due to various inaccuracies and inconsistencies within. The other information provided by Appellant was likewise not found to represent the best evidence of market value. Respondent's sales comparisons included the better-supported and stronger analysis of subject's value. As such, the Board will affirm the decision of the Boise County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Boise County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 26th day of April, 2023.