

BEFORE THE IDAHO BOARD OF TAX APPEALS

JOHN CONNAUGHTON,	)	
	)	
Appellant,	)	APPEAL NO. 22-A-1230
	)	
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. RPRPHLS009501. The appeal concerns the 2022 tax year.

This matter came on for hearing December 16, 2022, in Pocatello, Idaho, before Board Member Leland Heinrich. Appellant John Connaughton was self-represented. Bannock County Assessor Sheri Davies 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 Bannock County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$69,750, and the improvements' value is \$236,142, totaling \$305,892. Appellant contends the correct total value is \$279,500.

The subject property is a .18 acre parcel located in the Hillside subdivision in Pocatello, Idaho. The property is improved with a 1991 split-entry residence with three (3) bedrooms and two and one-half (2½) bathrooms. The residence has 1,640 square feet,

which includes 1,170 square feet on the main level and 470 square feet on the lower level. The lower level also includes a built-in 650 square foot garage.

Appellant expressed concern subject's assessment increased 43% from 2021 to 2022 and asserted the properties neighboring subject only saw increases of 34-35%. Appellant also shared subject's assessed value is 97% higher than its 2019 assessment. Appellant provided an article from a local news site stating the market in Pocatello rose 25% in 2021. Appellant noted subject's residence has had no updates, there is exposed ductwork and piping, and the siding is damaged and weathered.

To support a reduction in value, Appellant provided information on five (5) sales. Sales Nos. 1 through 3 were in subject's neighborhood. Appellant stated the strongest comparable was Sale No. 1, which is subject's next-door neighbor. The .24 acre lot was improved with a 2,400 square foot single-level residence with four (4) bedrooms, three (3) bathrooms, and an attached two (2) car garage. The residence was built in 1978, and the Multiple Listing Service (MLS) listing sheet noted the residence was completely remodeled with new plumbing electrical, bathroom fixtures, and many other items. The property sold in March 2021 for \$277,800, or roughly \$87 per square foot. Appellant also shared this property's assessment increased 38% between 2021 and 2022.

Sale No. 2 was a .22 acre lot located one (1) street away from subject. It regarded a 2,157 square foot split-entry residence which included 1,432 square feet on the upper level and 725 square feet on the lower. The residence had five (5) bedrooms, three (3) bathrooms, and was built in 2000. The residence was further improved with a two (2) car garage. The MLS listing stated the bathrooms were updated and the residence had solar

panels. It sold in May 2021 for \$345,000, or roughly \$128 per square foot. The assessment increased 34% over the prior year.

Sale No. 3 was a .34 acre lot located on the same street as Sale No. 2. The property included a 1,962 square foot ranch-style residence with four (4) bedrooms, two (2) bathrooms, and a two (2) car attached garage which was built in 1981. It sold in May 2021 for \$295,000, or roughly \$115 per square foot. The assessment increased 35% from 2021 to 2022.

Sale No. 4 was a .29 acre lot located approximately one-half ( $\frac{1}{2}$ ) of a mile from subject. The property was improved with a 1,992 square foot two (2) story residence built in 1982, which included 996 square feet on the main floor and 996 square feet on the upper floor. The residence had four (4) bedrooms, two and one-half ( $2\frac{1}{2}$ ) bathrooms and an attached two (2) car garage. Appellant opined the residence was of superior quality and condition than the subject residence. The property sold in July 2021 for \$299,900, or roughly \$119 per square foot. The assessment increased 29% from 2021.

Sale No. 5 was a .20 acre lot located 3.2 miles from subject and regarded a split-entry residence built in 1995 with 1,716 square feet, which included 506 square feet on the lower level and 1,210 square feet on the upper. The residence contained three (3) bedrooms, two and one-half ( $2\frac{1}{2}$ ) bathrooms, and a two (2) car garage. The MLS listing noted new flooring had been installed. The property sold in March 2021 for \$265,950, or roughly \$124 per square foot. The assessment increased 29% from 2021.

Appellant next provided information regarding three (3) land sales. All three (3) properties were located in the Trail Creek Estates subdivision, which Appellant stated was a new subdivision located 1.5 miles from subject in the West Bench area. All lots had

utilities available and were ready to build. Sale No. 1 was .31 acres and sold for \$45,000 in September 2021. Sale No. 2 was .20 acres and sold for \$52,500 in April 2021. Sale No. 3 was .24 acres and sold for \$55,000 in April 2021. Subject's .18 acres are assessed at \$69,750.

Lastly, Appellant shared limited assessment information on five (5) properties located on subject's street. Three (3) parcels were improved with residences from 1,536 to 1,694 square feet, were built between 1993 to 1998, had 2022 assessments of \$282,619 to \$305,823, and each had assessed value increases from 2021 of 35%. Appellant also noted the assessment increases since 2019, totaling 62% to 71%. Information concerning the improvements for the other two (2) properties was not shared, but Appellant reported assessed values of \$325,515 and \$331,096, and increases in assessed value of 72% and 85% since 2019.

Respondent noted Appellant did not apply any time-adjustments in the sales analysis, so calculated time-adjusted sale prices for Appellant's improved sales. The time-adjusted prices ranged from \$303,750 to \$386,400. Sale No. 1, located adjacent to subject, had a time-adjusted sale price of \$319,477. Respondent also noted this property was not comparable to subject because it was a ranch-style residence. Respondent further stated Appellant's Sale No. 2 was also a ranch-style residence with a garage in the lower level. The only split-entry residence like subject in Appellant's analysis was Sale No. 5, which Respondent also included in its analysis below.

To support subject's current assessment, Respondent provided information on three (3) sales improved with split-entry residences. All three (3) had built-in or attached garages and were located in South Pocatello like subject. Sale No. 1 was the same

property as Appellant's Sale No. 1. The parcel sold in March 2021 for \$270,000. Respondent adjusted the sale for time, then removed the value of the land and other improvements to determine a sale value for the residence of \$248,130, or roughly \$145 per square foot.

Sale No. 2 was a .18 acre property improved with a 1,546 square foot residence built in 1993 with 1,066 square feet on the upper level and 480 on the lower. The property sold in December 2020 for \$249,900. The time-adjusted price of the residence was \$226,229, or roughly \$146 per square foot.

Sale No. 3 was a .17 acre property improved with a 2,041 square foot residence built in 1990 with 1,278 square feet on the upper level and 763 square feet on the lower. The property sold in May 2021 for \$335,000. The time-adjusted price of the residence was \$303,880, or roughly \$149 per square foot. Subject's 1,640 square foot residence built in 1991 is currently assessed at \$234,982, or roughly \$143 per square foot.

Respondent also shared three (3) 2021 land sales from the Trail Creek Estates subdivision. The time-adjusted sale prices were \$58,406, \$59,850, and \$69,531. Lot size or other information about the parcels was not disclosed.

Appellant presented various concerns about Respondent's sales analysis. First, Appellant shared the properties were not located on the south side of town as Respondent claimed, and neither was subject. Appellant provided MLS sheets for Respondent's Sale Nos. 2 and 3 which demonstrated the properties were on the East side of Pocatello in the university area, which Appellant asserted was superior to subject's West Bench location. Sale No. 1 was located in North Pocatello. Respondent maintained all the sale properties and subject were located in South Pocatello.

Appellant was also concerned Respondent made no adjustments aside from a time adjustment of 16% per year, which Appellant also stated demonstrated subject's value should only have been time-adjusted from 2021 to \$249,400 for 2022. Respondent shared assessments are based on many factors, not just a time-adjustment from last year's assessment, such as sales and reaching equity within the neighborhood.

Appellant further shared Respondent's comparable sale properties had increases over 2021's assessments of 29%, 38%, and 34%, respectively, lower than subject's increase of 43%. Appellant opined Respondent's sale properties were superior to subject in quality and condition. The properties' MLS listings were provided, which noted Sale No. 2 had new LVP flooring and was "extremely well taken care of" and Sale No. 3 had "lots of updates throughout, including new flooring, paint and ductless AC." Lastly, Appellant shared the average sale price in 2021 in subject's area was \$314,539, and the average sale price in the area Sale Nos. 2 and 3 were located was \$366,154. Appellant argued this demonstrated the areas were not comparable.

### 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 provided sales information but did not perform a traditional sales comparison analysis. The five (5) sales regarded residences from 1,716 to 2,400 square feet built between 1978 and 2000. The sale prices ranged from \$265,950 to \$345,000, or roughly \$87 to \$128 per square foot. Subject is a 1,640 square foot residence built in 1991 with an assessed value of \$234,982, or roughly \$143 per square foot.

The Board had many concerns with Appellant's sales. As mentioned by Respondent, only one (1) of the sale residences was a split-entry design like subject. Additionally, though Appellant criticized Respondent's lack of adjustments, no adjustments were included in Appellant's sales analysis. Respondent reported time adjusted prices of \$303,750 to \$386,400 for Appellant's five (5) sales, which bracket subject's 2022 assessment of \$305,892.

Appellant additionally included assessment information for five (5) properties on subject's street. However, a comparison of assessed values is not a recognized appraisal approach. As all property in Idaho must be assessed at market value, market sales are considered the strongest evidence of value. Additionally, there are many reasons

properties may be assessed differently even within the same neighborhood, which Appellant's comparison did not consider.

Respondent provided information on three (3) improved sales and three (3) vacant lot sales. The improved sales all involved split-entry residences located within five (5) miles of subject. The residences were 1,546 to 2,041 square feet and were built between 1990 and 1995. The properties sold between \$249,000 and \$335,000, from which Respondent extracted residence values of \$226,229 to \$303,880 or roughly \$145 to \$149 per square foot. Subject's residence is assessed at \$234,982, or roughly \$143 per square foot, which is well within the range indicated by the adjusted sale prices.

While the Board would have preferred a more thorough sales analysis with adjustments made for differences in property characteristics, we found Respondent's analysis produced a more reliable estimate of subject's market value than the analysis offered by Appellant.

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. Only one (1) of Appellant's sale properties was similar enough to subject for the Board to make any meaningful connections regarding subject's value. Respondent provided more similar properties and adjusted for date of sale, bringing the values relevant to the January 1, 2022, date of valuation. Based on the above, 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 26<sup>th</sup> day of April, 2023.

IDAHO BOARD OF TAX APPEALS