

BEFORE THE IDAHO BOARD OF TAX APPEALS

SHERI THOMAS,	)	
	)	
Appellant,	)	APPEAL NO. 22-A-1192
	)	
v.	)	FINAL DECISION AND ORDER
	)	
BLAINE COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Blaine County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP003400001420. The appeal concerns the 2022 tax year.

This matter came on for hearing October 18, 2022, in Hailey, Idaho, before Board Member Leland Heinrich. Greg Thomas appeared at hearing for Appellant. Blaine Assessor Jim Williams 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 Blaine County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$562,275, and the improvements' value is \$917,870, totaling \$1,480,145. Appellant contends the correct total value is \$1,412,645, with no allocation specified between land and improvements.

The subject property is a 1.67 acre parcel located in the Indian Creek Ranch subdivision in Hailey, Idaho. The property is improved with a 2,644 square foot residence and an attached 576 square foot garage.

Appellant shared there have not been any remodels or upgrades to subject's residence since it was built in 1997, and it needs a new roof, wiring, and deck. Appellant also pointed out deteriorating stucco, window trim, and deck railing, as well as a broken garage door panel. Appellant stated subject has a "wonderful view" as it is slightly elevated, but the land is rocky and mostly unbuildable other than where the residence sits.

Appellant supplied assessment information for three (3) properties in subject's subdivision. No information regarding square footage or other characteristics was shared. Appellant provided only parcel numbers, land values, and improvement values for each property, and shared all were located on subject's same street. The properties' land values ranged from \$332,789 to \$510,210, and the improvements' values from \$915,228 to \$1,327,380. Total assessments ranged between \$1,336,256 and \$1,828,590. Subject is currently assessed at \$1,481,145, with \$562,275 attributable to the land and \$918,870 to the improvements.

Respondent shared that assessed value must be based on market value, and therefore recent sales are the best indicators of value. It was also emphasized variances in assessed values are due to factoring adjustments for differences in property characteristics, even though the properties may be located in the vicinity of subject. Respondent shared information on three (3) comparable sales which occurred in subject's neighborhood in 2021. Sale No. 1 was a 1.7 acre lot improved with a 2,248 square foot

residence and 756 square foot garage. The property sold in May 2021 for a time-adjusted sale price of \$1,308,000, or roughly \$582 per square foot. Respondent adjusted for sale date, acreage, location, class, effective age, residence square footage, and garage square footage. Respondent reported an adjusted value of \$1,505,400. Sale No. 2 was a 1.24 acre lot improved with a 2,469 square foot residence and 808 square foot garage. The property sold in October 2021 for a time-adjusted sale price of \$1,503,800, or roughly \$609 per square foot. The adjusted sale price was \$1,752,400. Sale No. 3 was a 1.12 acre lot improved with a 3,134 square foot residence and 640 square foot garage. The property sold in October 2021 for a time-adjusted sale price of \$1,879,750, or roughly \$600 per square foot. The adjusted sale price was \$1,835,950. Subject is currently assessed at \$1,480,145, or approximately \$560 per square foot.

Respondent also assured Appellant that subject's deferred maintenance and regular depreciation were accounted for in its assessment. Subject was given an average class rating, which Respondent stated took these factors into account, in addition to the condition rating. Respondent shared a 17% depreciation factor was applied to subject's value based on its condition.

Appellant shared concern the comparable sale properties included more upgrades than subject. However, Respondent asserted only Sale No. 1 had been updated since it was constructed. The other two (2) sale properties were older than subject and had not been updated, Respondent further explained. All three (3) sale prices were adjusted for differences to make them 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 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 the property characteristics between subject and the sale properties.

Appellant did not supply any sales for the Board's consideration and instead provided assessment information for three (3) properties located on subject's street. A comparison of assessed values is not a recognized appraisal approach which would lead to an accurate estimation of market value, but it could potentially demonstrate inequitable assessment. In this case, however, too much information was missing to determine if such inequity exists. The only information shared was the assessed value of each

property. Where the Board does not know square footage, acreage, quality of build, or any other property characteristics, a reduction in subject's assessed value would not be justified.

Respondent provided a sales comparison analysis which substantiated subject is assessed fairly and accurately. Respondent supplied information on three (3) sales located in subject's subdivision which well-bracketed subject's assessed value. The properties were described in detail and had adjusted sale prices of \$1,505,400 to \$1,825,000. Where subject is assessed lower than the lowest adjusted price, at \$1,480,145, the Board is strained to find evidence to adjust subject's assessment.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The Board does not find the burden of proof met in this instance. There was no evidence of inequitable assessment, and Respondent offered the only market evidence in the record. The Board will affirm the decision of the Blaine County Board of Equalization.

#### FINAL ORDER

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

DATED this 13<sup>th</sup> day of March, 2023.

IDAHO BOARD OF TAX APPEALS