

BEFORE THE IDAHO BOARD OF TAX APPEALS

KENNETH AND LINDA JANTZ,)	
)	
Appellants,)	APPEAL NO. 23-A-1028
)	
v.)	FINAL DECISION AND ORDER
)	
ADA COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. S1408233645. The appeal concerns the 2023 tax year.

This matter came on for hearing October 11, 2023, in Boise, Idaho, before Board Member Leland Heinrich. Appellants Kenneth and Linda Jantz were self-represented. Ada County Chief Deputy Assessor Brad Smith 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 Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$287,100, and the improvements' value is \$520,700, totaling \$807,800. Appellants agree with the land value, however contend the correct valuation of the improvements is \$392,000, totaling \$679,100.

The subject property is a 10.18 acre agricultural parcel located near Kuna, Idaho, of which 9.18 acres are assessed as irrigated agricultural land and 1.0 acre is assessed

as a residential homesite. In addition to a 4,800 square foot general purpose building, the property is improved with a five (5) bedroom, five and one-half (5½) bathroom custom two (2) story residence with an 875 square foot attached garage constructed in 1991. The residence totals 5,696 square feet in size, with 3,724 square feet on the main and upper floors and 1,782 square feet in the daylight basement, of which 992 square feet are finished.

Appellants explained the subject property is part of a larger 110 acre farm comprised of four (4) total parcels. Appellants questioned the roughly \$130,000 increase in subject's assessed value over the 2022 valuation, which Appellants viewed as excessive. Of particular concern was the sales information Respondent provided at the hearing before the Ada County Board of Equalization (BOE). Appellants contended none of the three (3) sale properties were comparable to subject, particularly in terms of location. Two (2) of the sale properties were located in Boise and the other in Meridian. According to Appellants, all three (3) were in well-established neighborhoods with robust residential development activity and easy access to nearby amenities. In Appellants' view, there was no support for the increase in subject's valuation so requested the value be reduced.

In an effort to address Appellants' criticism of the locations of the sale properties provided at the BOE hearing, Respondent replaced two (2) of the sales with different sale properties in the sales model. Sale No. 1, which was included in the prior sales analysis, was the December 2022 purchase for \$925,000 of a seven (7) bedroom, five (5) bathroom two (2) story residence constructed in 1974 and remodeled in 2013. Of the 5,572 total square feet, 4,316 square feet were above grade, and 1,256 square feet were in the

basement. Respondent characterized the location as inferior to subject's due to the close proximity to Interstate 84 and the general lack of privacy. Respondent applied a time adjustment to the sale price to reflect pricing levels on the January 1, 2023, assessment date. Further adjustments were made for differences compared to subject in square footage, bathroom count, and other characteristics. The result was an adjusted sale price of \$973,131, or approximately \$171 per square foot.

Sale Nos. 2 and 3 both concerned "S-parcels," or section parcels, which means they were not located in platted subdivisions. Sale No. 2 was a 3,653 square foot five (5) bedroom, four (4) bathroom residence situated on a 12.28 acre rural tract with an April 2022 sale price of \$1,700,000. Sale No. 3 was a five (5) bedroom, five (5) bathroom residence with 6,894 total square feet attached to a 10.0 acre rural parcel which sold for \$1,800,000 in January 2022. Respondent concluded adjusted sale prices of \$1,470,900 for Sale No. 2 and \$1,238,400 for Sale No. 3, or approximately \$258 and \$217 per square foot, respectively. Subject's assessed value is \$807,800, or nearly \$142 per square foot, which Respondent stressed was comfortably below the range of value indicated by adjusted price data.

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, 2023, 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. The sales comparison approach, the cost approach, and the income approach comprise the three (3) primary methods for determining market value. *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 differences in property characteristics between subject and the sale properties.

Appellants did not utilize any of the recognized valuation approaches, nor otherwise offer any sales or market data to support a lower valuation for the subject property. Respondent, on the other hand, developed a sales comparison model in which three (3) recent sales, including two (2) section parcels located in subject’s rural area, were compared to the subject property and adjustments were made for differences in property characteristics. Respondent’s sales ranged in price from \$925,000 to \$1,800,000 and in adjusted sale price from roughly \$973,000 to \$1,470,000. Where subject’s assessed value of \$807,800 is well below both the raw and adjusted sale prices, the Board was strained to find support for Appellants’ claim of overvaluation.

Idaho Code § 63-511 places the burden on Appellants to establish subject's valuation is erroneous by a preponderance of the evidence. The Board did not find the burden of proof satisfied. Appellants simply criticized Respondent's sale properties in terms of location but failed to offer any competing sales information for the Board's consideration, or to otherwise provide market data to suggest subject is overvalued.

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

FINAL ORDER

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

DATED this 9th day of January, 2024.