

BEFORE THE IDAHO BOARD OF TAX APPEALS

JAMESON AND COURTNEY ROOT,	)	
	)	
Appellants,	)	APPEAL NO. 23-A-1164
	)	
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. RPRRMCM000900. The appeal concerns the 2023 tax year.

This matter came on for hearing October 13, 2023, in Pocatello, Idaho, before Board Member Doug Wallis. Appellants were self-represented. Bannock County Chief Deputy Assessor Randy Hobson 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 Bannock County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$88,183, and the improvements' value is \$389,433, totaling \$477,616. Appellants agree with the valuation of the improvements, however, contend the correct land value is \$60,000, totaling \$449,433.

The subject property is a 1.13 acre rural residential parcel located in the Mink Creek Mountain Estates subdivision a few miles south of Pocatello, Idaho. The property

is improved with a 2,816 square foot two (2) story residence with an attached garage constructed in 2013. The property is further improved with a detached carport structure.

Subject's neighborhood was described by the parties as generally rough and mountainous. Due to the steep topography, Appellants explained there is very little buildable space on the subject parcel. In fact, Appellants had to obtain a variance in order to construct the carport because there was not enough level ground to accommodate the county's 30 foot setback requirement from the road. With the exception of the homesite, Appellants estimated subject's slope at approximately 45-degrees.

Appellants were concerned with the increase in subject's assessed land value and provided some recent assessment history in this regard. In 2021, subject's land value was \$52,320. The land value increased to \$89,935 for 2022, which prompted Appellants to appeal the valuation to the Bannock County Board of Equalization (BOE). The BOE resolved to reduce the land value to \$65,400. For the current 2023 year, the land value jumped to \$88,183, representing a 35% increase over the value determined by the BOE for 2022.

Appellants compared subject's land values for 2022 and 2023 to three (3) parcels in subject's immediate proximity. The three (3) referenced parcels had the same \$87,750 land value for 2022, while the BOE set subject's land value at \$65,400. For 2023, land values for the nearby parcels decreased by 2%, to \$86,000, whereas subject's land value increased 35% to \$88,130. In Appellants' view, subject's 2023 land value should have decreased in value similarly to the other three (3) parcels, not increased.

Respondent explained land values in subject's area are determined on a site-basis, meaning that parcels up to one (1) acre in size are assessed at a uniform rate:

\$86,000 for 2023. Any additional acreage above (1) acre is assessed at a vastly lesser rate, though specifics were not shared. For subject, one (1) acre is assessed at the standard \$86,000 rate and the additional .13 acres are assessed for \$2,183, resulting in a total assessed land value of \$88,183. Respondent pointed out the three (3) parcels referenced by Appellants were all less than one (1) acre in size and were all assessed at the standard \$86,000 site value.

In support of subject's valuation, Respondent offered information on three (3) sales from subject's subdivision which transpired during 2022. Lot sizes ranged from 1.55 to 1.97 acres. The sale residences, constructed from 1998 to 2018, ranged in finished living area from 3,525 to 3,959 square feet, and all included basements. Sale prices were from \$675,000 to \$845,000. Respondent applied a time adjustment factor to the respective sale prices, resulting in time-adjusted prices from \$756,000 to \$912,600, or from \$165 to \$212 per square foot. Subject's assessed value is \$477,616, or \$136 per square foot, which Respondent maintained was reasonable against the sales 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 three (3) primary methods for determining market value include 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 differences in the property characteristics between subject and the sale properties.

Appellants' central issue was subject's land value increased 35% for 2023, whereas three (3) parcels in the immediate neighborhood saw decreases of 2%. Appellants' concerns are understandable, but the analysis is somewhat flawed. Subject's land value for 2022 was reduced by the BOE to \$65,400, which was approximately \$22,000, or 25% less than the three (3) neighborhood parcels. In other words, subject's land value started much lower, so when the properties were assessed for 2023, all at the uniform \$86,000 site value, it appeared subject was treated differently because it resulted in an increase in land value, whereas the referenced parcels saw small reductions in land value. In actuality, subject's land value was increased to market level; it had nothing to do with inequitable assessment. In other words, subject was not treated differently, the valuation was simply brought back into conformity with the other land values in the neighborhood.

Focusing on subject's total assessed value, Respondent developed a comparative sales analysis using three (3) sales from subject's development. Though the sales

information was appreciated, there were questions of comparability to the subject property. The sale lots were larger in size, as were the sale residences by roughly 700 to 1,100 square feet. And with adjusted sale prices nearly double subject's assessed value, it was apparent to the Board the sale properties were vastly superior to subject. That being said, Respondent's sales represented the only market data in the record, and given the absence of competing sales, the Board did not find support for the value reduction petitioned by Appellants.

In accordance with Idaho Code § 63-511, the burden is with Appellants to establish subject's valuation is erroneous by a preponderance of the evidence. In this case, the Board did not find the burden of proof satisfied. Appellants relied on a comparison of assessed values, which is not a recognized appraisal approach and generally not regarded as the best evidence of current market value. Though there were concerns regarding the comparability of the sales included in Respondent's analysis, subject's assessed value is well below the time-adjusted sale prices, which is not indicative of overvaluation.

Based on the above, the decision of the Bannock County Board of Equalization is affirmed.

#### 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 18<sup>th</sup> day of January, 2024.