

BEFORE THE IDAHO BOARD OF TAX APPEALS

DOLAN AND ELISABETH KEENEY,	)	
	)	
Appellants,	)	APPEAL NO. 24-A-1002
	)	
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. R5373160110. The appeal concerns the 2024 tax year.

This matter came on for hearing October 15, 2024, in Boise, Idaho, before Board Member Leland Heinrich. Appellants Dolan and Elisabeth Keeney 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 \$166,000, and the improvements' value is \$235,100, totaling \$401,100. Appellants contend the correct total value is \$358,601.

The subject property is a .21 acre residential parcel located in the Luscombe subdivision in Boise, Idaho. The property is improved with a 1,400 square foot, three (3)

bedroom, two (2) bathroom residence constructed in 1992. The property is further improved with a 462 square foot attached garage and a 240 square foot shed.

Appellants contended the roughly 9% increase in the subject property's assessed value over the prior year's valuation was excessive compared to the broader Ada County market, which predominately saw increases closer to 6%. Focusing on the more immediate neighborhood, Appellants provided assessment information for several properties located on subject's street. The nearby residences ranged in size from approximately 1,340 to 1,600 square feet, with assessed values ranging from \$349,200 to \$404,000, or from roughly \$252 to \$261 per square foot. Applying the varying assessment rates to subject's square footage, Appellants calculated values from \$353,500 to nearly \$364,000.

Appellants additionally provided details on three (3) recent sales located within a couple miles of the subject property. Sale No. 1 was a .15 acre lot improved with a 1,454 square foot residence constructed in 2003, which sold for \$350,000, or about \$241 per square foot, in February 2023. Sale No. 2 concerned a 1,570 square foot residence constructed in 1993 situated on a .17 acre parcel, with a December 2023 sale price of \$370,000, or roughly \$236 per square foot. Sale No. 3 was the February 2023 purchase of a .19 acre parcel improved with a 1,552 square foot residence constructed in 1996 for \$370,000, or about \$238 per square foot. Applying the average price rate of nearly \$238 to subject's 1,400 square feet, Appellants calculated a value of \$333,060. Based on the various indicators, Appellants concluded a value of \$358,601 for the subject property and petitioned the Board reduce the current assessed value accordingly.

Respondent explained values in subject's subdivision were trended for the 2024 assessment year. Respondent reported increases from 5% to 11% across the subdivision, with subject experiencing a 9% increase over the previous year. In Respondent's view, subject's assessment increase was consistent with the neighborhood.

In support of subject's current valuation, Respondent offered information on four (4) recent sales. Because there was only one (1) sale in subject's subdivision during the prior year, Respondent expanded the geographic scope in search of additional sales and found three (3) located within a mile of subject. All the sale residences were single-level, three (3) bedroom, two (2) bathroom designs constructed between 1990 and 1993. The residences varied in size from 1,292 to 1,473 square feet, and all included attached garages. Sale prices ranged from \$382,000 to \$415,000. Respondent compared each sale property to the subject property and made adjustments for differences in property characteristics including, square footage, lot size, outbuildings, and garage size. In an effort to reflect pricing levels on January 1, 2024, Respondent also applied a 0.25% per month time adjustment to the respective sale prices. After all adjustments, Respondent concluded adjusted sale prices from \$411,015 to \$443,339, or from roughly \$293 to \$316 per square foot. Subject's current assessed value is \$401,100, or \$286 per square foot, which Respondent maintained was reasonable compared to the comparative sales analysis.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest or, as applicable, a

property's exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2024, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

“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 estimating the market value of real property. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using the sales comparison approach, in which recent sales of similar properties are compared to the subject property, with adjustments made for relevant differences in property characteristics.

In addition to recent sales data, Appellants offered information on assessed values for several properties located on subject's street. Appellants focused on the valuations per square foot and contended subject's assessed value was excessive by comparison. While the Board appreciates Appellants' concerns, a comparison of assessed values is not a recognized appraisal approach and is generally not considered the best evidence of current market value. Accordingly, the Board placed little emphasis on the assessment data in its consideration of subject's valuation.

Better received by the Board was Appellant's sales data. The sale properties were generally comparable to the subject property in terms of design, quality, and age. There were, however, some differences in key characteristics. To begin, two (2) of the sale properties were located a couple of miles away in Meridian, and two (2) of the residences were more than 150 square feet larger than the subject residence. While the size difference may appear negligible, subject's residence is 1,400 square feet, which means those sale residences were more than 10% larger. Appellants, however, made no size adjustments. This was a key weakness in Appellants' analysis, which was grounded on price-per-square-foot comparison. The reliability of such a comparison necessarily requires the data to be highly homogenous, otherwise the results can be greatly skewed. Here, sizes of the sale residences ranged by more than 10%, which is a notable amount of variation. Adjusting Appellant's sales for size would materially alter Appellants' calculations and the resulting value conclusion.

Another weakness in Appellants' analysis was the lack of any time adjustments to the sale prices even though two (2) of the sales occurred in February 2023, more than ten (10) months prior to the assessment date. This adjustment would also impact Appellants' analysis and value conclusion. In all, the Board was not persuaded Appellants' valuation model, based on unadjusted prices per square foot, represented the strongest indication of subject's current market value in this instance.

Instead, the Board preferred Respondent's comparative sales analysis. Each of the four (4) sale properties included in the model were located in Boise, and each were directly compared to subject, with appraisal adjustments made for differences in property characteristics, including square footage. Time adjustments were also applied to the sale

prices to reflect current market conditions. Adjusted sale prices ranged from roughly \$411,000 to \$443,000, or \$293 to \$316 per square foot. By comparison, subject is assessed at \$401,100, or \$286 per square foot, which is reasonable given the available sales data.

In accordance with Idaho Code § 63-511, Appellants bear the burden of establishing error in subject's valuation by a preponderance of the evidence. The Board did not find the burden of proof satisfied in this instance. Respondent's sales model was found to represent the better indication of subject's current market value. As such, the Board will affirm the decision of the Ada County Board of Equalization.

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 19th day of November, 2024.