

BEFORE THE IDAHO BOARD OF TAX APPEALS

DOLAN KEENEY,	)	
	)	
Appellant,	)	APPEAL NO. 24-A-1003
	)	
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. R7901520110. The appeal concerns the 2024 tax year.

This matter came on for hearing October 15, 2024, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Dolan Keeney was 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 \$142,100, and the improvements' value is \$286,900, totaling \$429,000. Appellant contends the correct total value is \$416,350.

The subject property is a .13 acre residential parcel located in the Sienna Creek subdivision in Meridian, Idaho. The property is improved with a two-story 1,958 square

foot three (3) bedroom, two and one-half (2½) bathroom residence constructed in 2006 with an attached double garage.

In support of a lower valuation, Appellant shared details on four (4) sales in Meridian involving two-story residences which transpired during 2023. The first concerned a .16 acre lot improved with an 1,841 square foot three (3) bedroom, two and one-half (2½) bathroom residence constructed in 2022. It was noted this residence was new and had never been occupied. This property sold for \$403,490 in March 2023. The sale included \$12,120 in seller's concessions, resulting in a net sale price of \$391,370.

Sale No. 2 was the July 2023 purchase of a 2,076 square foot four (4) bedroom, two and one-half (2½) bathroom residence for \$426,000. The residence, constructed in 2009, is situated on a .12 acre lot and included a two (2) car attached garage. After removing \$8,950 in concessions, Appellant reported a net sale price of \$417,050.

The third sale involved a 1,970 square foot residence constructed in 2020 situated on a .07 acre lot. The four (4) bedroom, two and one-half (2½) bathroom residence included an attached two (2) car garage and featured quartz countertops and custom cabinetry in the kitchen. The property sold for \$418,500 in January 2023.

Sale No. 4 was the March 2023 purchase of a three (3) bedroom, two and one-half (2½) bathroom residence for \$405,990. The 1,851 square foot residence with an attached two (2) car garage was constructed in 2022 and was situated on a .10 acre lot. This residence was also noted to be new and never occupied. Appellant calculated a net sale price of \$395,900 after removing \$10,150 in concessions.

Appellant also referenced a number of sales provided by Respondent both prior to, and during, the hearing before the Ada County Board of Equalization. Appellant was

critical of Respondent's lack of adjustments to the sales for differences in property characteristics compared to subject. Appellant also pointed out the assessed values of the sales were lower than the respective sale prices and questioned why the assessments were not increased to match the sale prices.

Respondent first noted subject's nearly 9% increase in assessed value over the prior year's valuation was typical for the subdivision, which experienced increases from 6.25% to 10.15%. Stressing the importance of location, Respondent offered information on six (6) recent sales, four (4) of which were located in subject's subdivision. All the sale residences were two-story designs with two and one-half (2½) bathrooms, though bedroom counts varied between three (3) and four (4) bedrooms. The four (4) sales from subject's subdivision ranged in size from 1,553 to 2,041 square feet and were constructed between 2005 and 2009. Sale prices stretched from \$420,000 to \$455,000. Respondent adjusted the respective sale prices for differences in property characteristics compared to subject including square footage, condition, garage size, and fireplace count. Respondent also made adjustments for any known concessions included in the transactions. The result was adjusted prices from \$430,923 to \$488,690, or roughly \$220 to \$250 per square foot.

The remaining two (2) sales in Respondent's data set were located approximately one (1) mile and two and one-half (2½) miles northwest of the subject property. The more distant sale involved a 2,146 square foot four (4) bedroom, two and one-half (2½) bathroom residence constructed in 2006, which sold in December 2023 for \$435,000. The other sale concerned a 1,945 square foot residence with three (3) bedrooms and two and one-half (2½) bathrooms constructed in 2005, with an October 2023 sale price of

\$482,000. Respondent determined adjusted prices of \$422,300 and \$437,900, or approximately \$216 and \$224 per square foot, respectively. Respondent maintained subject's current valuation of \$429,000, or \$219 per square foot, was reasonable against the adjusted sales data.

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 three (3) primary approaches 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 the differences in property characteristics between subject and the sale properties.

Both parties offered recent sales in support of their respective value positions, which efforts were appreciated by the Board. While the parties' sale properties were generally similar to subject in many key characteristics, the primary difference between the parties' sales was location. Four (4) of Respondent's sales were located in subject's subdivision, and the remaining two (2) were located within 2.5 miles. Appellant's sales, by contrast, were located between roughly four (4) and six (6) miles from subject. It is well established that location is a critical driver of value. Efforts should therefore be made to select sales near the subject property or sales with highly similar locational attributes, as sales located outside the immediate area may require adjustments, sometimes significant. In this regard, the Board favored Respondent's sales, particularly those located within subject's same subdivision, as locational adjustments were not needed.

The Board also preferred Respondent's analysis of the sales, which included direct comparisons to the subject property, with adjustments made for differences in relevant characteristics. One (1) such relevant characteristic was the age of the improvements. Here, two (2) of the sale residences offered by Appellant were new and had never been occupied, whereas the subject residence was constructed nearly twenty (20) years ago, in 2006. Appellant did not make any adjustments for the notable age difference, nor did Appellant attempt adjustments for any other dissimilar characteristics. Respondent's more traditional sales comparison model, in the Board's judgment, represented the stronger valuation analysis and produced the more reliable indication of subject's current market value.

Appellant also highlighted the fact assessed values for some of Respondent's sale properties were less than the sale prices and questioned why the valuations did not match

the respective sale prices. In setting assessed values, Respondent utilizes mass appraisal techniques, which necessarily require consideration of all known sales in a market area to establish values in that area. A strength of this methodology is that it reduces the impact of outliers, wherein a property transacts at a price either well above or below market levels. Further, as the Idaho Supreme Court has observed,

In any single individual transaction there are many variables which are dependent upon the peculiar aspects of the transfer and which affect the price agreed upon by the parties. Market value, therefore, is generally established by numerous sales of the same or comparable property and, although the price paid for property may be admissible to prove its market value, that fact alone is not conclusive.

Gillingham v. Stadler, 93 Idaho 874, 878, 477 P.2d 497, 504 (1970); See also, *Janss Corp. v. Bd. of Equalization of Blaine Cnty.*, 93 Idaho 928, 931, 478 P.2d 878, 881 (1970).

In short, it would be inappropriate to simply set a property's assessed value to match the recent sale price, as such an approach would ignore any potential peculiarities involved in the sale, which can only be identified through consideration and analysis of broader market indicators. The Board found no issue with the fact the assessed values of Respondent's sale properties did not mirror their respective sale prices.

In appeals to this Board, Appellant bears the burden of demonstrating error in subject's valuation by a preponderance of the evidence. In short, the Board did not find the burden of proof satisfied. Appellant provided some raw sales data, but the properties were located miles away and no adjustments were made to account for any other differences compared to the subject property. Respondent's valuation analysis was generally consistent with accepted appraisal standards and was found supportive of subject's current assessed value.

Based on the above, 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 21st day of November, 2024.