

BEFORE THE IDAHO BOARD OF TAX APPEALS

DOLAN AND ELISABETH KEENEY,	)	
	)	
Appellants,	)	APPEAL NO. 24-A-1004
	)	
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. R5373160120. 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 \$158,000, and the improvements' value is \$220,800, totaling \$378,800. Appellants contend the total value is \$362,300.

The subject property is a 1,453 square foot residence situated on a .18 acre parcel in the Luscombe subdivision in Boise, Idaho. The three (3) bedroom, two (2) bathroom residence was constructed in 1993 and includes an attached two (2) car garage.

Appellants disagreed with subject's current assessed value and contended the increase over the prior year's valuation was excessive. According to Appellants, values in Ada County increased roughly 6.3%; however, subject's valuation increased approximately 9.7%. Appellants were also concerned subject's assessed value was higher than several properties located on the same street. Applying the per-square-foot valuation rates, which ranged from \$354 to \$404 per square foot, to subject's square footage, Appellants calculated values from roughly \$367,000 to \$377,000 for subject. Appellants also stressed the fact subject backs to a mobile home park and contended that because none of the referenced properties do subject's assessed value should be somewhat lower.

Additionally, Appellants additionally offered information 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, four (4) bedroom, two (2) bathroom residence constructed in 2003. This property sold for \$350,000, or about \$241 per square foot in February 2023. Sale No. 2 was the December 2023 purchase of a 1,570 square foot three (3) bedroom, two (2) bathroom residence constructed in 1993 situated on a .17 acre lot for \$370,000, or roughly \$236 per square foot. Sale No. 3 was the \$370,000, or about \$238 per square foot purchase in February 2023 of a .19 acre parcel improved with a 1,552 square foot three (3) bedroom, two (2) bathroom residence constructed in 1996. Applying the average price rate of about \$238 per square foot to subject's square footage,

Appellants calculated a value of \$347,387. Based on the various value indicators, Appellants concluded a value of \$362,300, and petitioned subject's assessed value be reduced accordingly.

Respondent characterized the roughly 9.7% increase in subject's assessed value as typical for the subdivision, which experienced increases ranging from approximately 5% to 13%. In support of subject's current valuation, Respondent shared information on four (4) recent sales involving three (3) bedroom, two (2) bathroom residences constructed within three (3) years of subject's residence. Sale No. 1 concerned a .16 acre lot improved with a 1,444 square foot residence which sold for \$398,900 in March 2023. Sale No. 2 was the June 2023 purchase of a 1,437 square foot residence situated on a .16 acre parcel for \$415,000. Sale No. 3 was a .16 acre parcel improved with a 1,473 square foot residence. This property went under contract for \$400,000 in December 2023 and closed for the same price in January 2024. Sale No. 4, located in subject's subdivision, concerned a 1,292 square foot residence on a .15 acre lot which sold for \$382,000 in April 2023.

Respondent compared each sale to the subject property and made adjustments for differences in property characteristics. In addition to a 0.25% per month time adjustment to reflect pricing levels on the January 1, 2024 date of valuation, Respondent adjusted the sales for differences in square footage, fireplace count, and garage size. The result was adjusted sale prices from \$392,255 to \$424,579, or from roughly \$270 to \$292 per square foot. As subject's assessed value of \$378,800, or \$260 per square foot, is lower than indicated by the comparative sales analysis, Respondent maintained the valuation was reasonable.

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 determining market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using the sales comparison approach, which approach in basic terms compares recent sales of similar properties to the subject property and considers adjustments for differences in key property characteristics.

Combined, the parties offered information on seven (7) recent sales. The sale properties were generally representative of subject in terms of square footage, age, quality, design, and lot size. While there were commonalities between the properties, there were also some differences. Respondent endeavored to address these differences

through appraisal adjustments in a comparative sales analysis. Striking to the Board in this regard were the gross adjustment rates, which ranged from 0.2% to 3.3%. Such low adjustment rates suggest a high degree of similarity between subject and the sale properties, which in turn strengthens the reliability of the analysis and the resulting value conclusions.

Appellants, by contrast, did not make adjustments to the sales, relying instead on raw price data to calculate an average price rate that was then applied to subject's square footage. While such a basic methodology can produce a general estimate of value, it fails to consider any differences in property characteristics, so its accuracy is questionable. Most importantly, the approach ignores differences in square footage, even though size is the basis of the comparison and is a core component of a property's value. To produce credible results with a per unit comparison, it is critical that the units being compared are highly similar. In this case, two (2) of Appellants' sale residences were larger than subject's residence by a material degree, which skewed the price rates downward and lowered the average price rate conclusion. In short, the Board was not convinced Appellants' methodology yielded the most reliable indication of subject's current market value.

Appellants were also concerned inadequate consideration was given to subject's immediate proximity to a mobile home park and the potential adverse impact on subject's market value. Though the Board agrees a property's value could be diminished by its close proximity to a negative influence, such as a busy thoroughfare or some other nuisance, the market must demonstrate such diminution in value exists through sales activity before an adjustment is warranted. Here, Appellants have not provided any data

to support the conclusion subject's value has been harmed by the adjacent mobile home park, so there is no basis for adjustment.

Lastly, Appellants offered assessment information concerning several properties located on subject's street with assessed values less than subject on a per-square-foot basis. Though Appellants' concerns with subject's assessed value compared to other nearby properties is understandable, a comparison of assessed values is not a recognized appraisal approach. Even if such were not the case, details concerning the referenced properties were absent in the record, other than square footage. While the properties likely share some common attributes, there are certainly differences, none of which were factored into Appellants' analysis. Accordingly, little weight was afforded the assessment data.

Idaho Code § 63-511 places the burden of establishing error in subject's valuation by a preponderance of the evidence on Appellants. Given the record in this matter, the Board did not find the burden of proof satisfied. Appellants provided some relevant sales and market data, but the lack of adjustments for differences in property characteristics did not produce the most reliable results in the Board's view. Respondent's comparative sales analysis was more thorough and was found to be consistent with accepted standards of appraisal.

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 19th day of November, 2024.