

BEFORE THE IDAHO BOARD OF TAX APPEALS

KENNY McDANIEL,	)	
	)	
Appellant,	)	APPEAL NO. 23-A-1046
	)	
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. R8930000067. The appeal concerns the 2023 tax year.

This matter came on for hearing October 10, 2023, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Kenny McDaniel 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 \$206,700, and the improvements' value is \$221,500, totaling \$428,200. Appellant contends the correct land value is \$195,415, and the improvements' value is \$200,000, totaling \$395,415.

The subject property is a .16 acre parcel located in the Utter subdivision in southeast Boise, Idaho. The property is improved with a three (3) bedroom, two (2) bathroom, single-level residence constructed in 1988. The residence is 1,326 square feet and has a 400 square foot attached garage. Subject is a rental property in a neighborhood with a mix of single- and multi-family residences.

Appellant expressed concern subject's land and improvement values were adjusted disproportionately from subject's neighbors, and that the adjustments were not based on any upgrades, additions, or renovations. Appellant shared information on three (3) sales to support a reduction in subject's assessment.

Sale No. 1 was located adjacent to subject. The property sold at the end of 2021 for \$419,000. Appellant shared the sale residence's layout was identical to subject's and had nearly all the same fixtures and flooring. The only differences between subject and the sale property, according to Appellant, were that the sale property was in better condition and on a larger, more private lot. Appellant stated the sale property's assessments have generally closely aligned with subject's assessments. However, for assessment year 2023, Sale No. 1 was valued at \$394,000 while subject was assessed at \$428,000. Sale No. 1 was assessed at roughly \$294 per square foot, whereas subject was assessed at roughly \$323 per square foot. Based on the similarities between subject and the sale property, Appellant opined subject's assessment should not exceed \$394,000.

Sale No. 2 sold in October 2022 for \$380,000. Appellant stated the three (3) bedroom, (2) bathroom residence was of similar condition and quality, was single-level,

had a larger deck and covered patio, and was slightly larger than subject. The property sold for roughly \$278 per square foot.

Sale No. 3 was a .16 acre lot like subject and sold in September 2022 for \$399,000. Appellant shared the residence was in slightly better condition and of better quality, had three (3) bedrooms and two (2) bathrooms, a two and one-half (2½) car garage, and similar square footage as subject. Appellant calculated the property sold for roughly \$309 per square foot.

Appellant also shared there were six (6) sales of three (3) bedroom, two (2) bathroom, approximately 1,300 square foot residences within a mile of subject that sold in the last six (6) months of 2022. All the sale prices were \$400,000 or less. Based on the range of sale rates, Appellant argued subject's assessment should be roughly \$393,000.

Appellant next shared assessment information for fifteen (15) parcels. Assessments ranged from \$335,700 to \$440,900, and residence sizes ranged from 1,036 square feet to 1,482 square feet. Appellant compared each 2023 assessment to the 2022 assessments and calculated that on average, assessments decreased 12.13%. Appellant applied a 12.13% reduction to subject's 2022 assessment of \$450,000 and requested subject's 2023 assessment be no higher than \$395,415.

Respondent shared that properties in subject's subdivision saw value changes of -16.08% to 42.42% from 2022 to 2023, with subject seeing a change of -4.84%. Respondent also noted Appellant's Sale Nos. 2 and 3 involved residences ten (10) and eleven (11) years older than subject, respectively.

Respondent shared information on three (3) sales to support subject's assessed value. Sale No. 1 was located approximately one (1) mile from subject and sold for

\$485,000 in March 2022. The .14 acre parcel was improved with a 1,162 square foot residence built in 1985 with three (3) bedrooms, two (2) bathrooms, and a 396 square foot attached garage. Respondent adjusted the sale price for differences between the sale property and subject, resulting in an adjusted sale price of \$434,300. Respondent then divided the adjusted sale price by subject's square footage, which resulted in a sale price of roughly \$328 per square foot. Respondent stated subject's square footage was utilized because the market adjustments equalized the sale properties to subject.

Sale No. 2 was 1.1 miles from subject and sold for \$440,000 in October 2022. The .13 acre parcel was improved with a 1,258 square foot residence built in 1984 with three (3) bedrooms, two (2) bathrooms, and a 456 square foot attached garage. The adjusted sale price was \$434,600, or roughly \$328 per square foot utilizing subject's square footage.

Sale No. 3 was 1.1 miles from subject and sold for \$445,000 in January 2022. The .10 acre parcel was improved with a 1,168 square foot residence built in 1991 with three (3) bedrooms, two (2) bathrooms, and a 420 square foot attached garage. The adjusted sale price was \$429,800, or roughly \$324 per square foot using subject's square footage.

In comparison, subject is a .16 acre parcel improved with a 1,326 square foot residence built in 1988 with three (3) bedrooms, two (2) bathrooms, and a 400 square foot attached garage. Subject's 2023 assessment is \$428,200, or roughly \$324 per square foot.

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. There are three (3) approaches to value: the sales comparison approach, the cost approach, and the income approach. 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.

Both parties provided sales information for the Board’s consideration. Respondent performed a traditional sales comparison approach. Appellant provided information on three (3) sales but did not apply any adjustments to make the properties comparable to subject. Appellant did not address the differences in year build, or size differences. This weakened the reliability of the value conclusion. The Board was also unable to consider Appellant’s assessment analysis, as a comparison of assessed values is not a recognized valuation approach which would lead to an accurate estimation of subject’s current market value.

Respondent adjusted its three (3) sales for various differences in property characteristics, and also applied a time adjustment factor to the sale prices. Subject's current assessment of \$428,200, or roughly \$323 per square foot, was well bracketed by Respondent's comparable sales both in size and in total value.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The burden of proof was not met in this instance. A comparison of assessed values is not considered a reliable indicator of current market value. As Respondent's sales analysis was more thorough and demonstrated subject's valuation is reasonable, the Board will not disturb 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 25th day of January, 2024.