BEFORE THE IDAHO BOARD OF TAX APPEALS

MICHAEL RICE,	)	
Appellant,	)	APPEAL NO. 25-A-1021
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. R1071150030. The appeal concerns the 2025 tax year.

This matter came on for hearing October 14, 2025, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Michael Rice was self-represented. Ada County Appraisal Division Manager Erin Brady represented Respondent.

Board Members Kenneth Nuhn, and Doug Wallis join in issuing this decision.

The issue on appeal concerns the market value of an improved residential parcel.

The decision of the Ada County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is $288,900, and the improvements' value is $276,400, totaling $565,300. Appellant contends the correct land value is $245,700, and the improvements' value is $255,985, totaling $501,685.

The subject property is a .25 acre parcel located in the Breckenridge subdivision in Southeast Boise. Subject is improved with a 1,514 square foot 1991 single-story residence with three (3) bedrooms, two (2) bathrooms, and a 749 square foot attached garage.

Subject's current assessment reflects .21 usable acres, as .04 acres comprise a strip of the canal and dirt road. Appellant argued an additional .05 acres should be removed from the assessment due to the steep, graveled portion of the lot which is also unusable, reducing the usable area to .16 acres. Appellant stated the land value should be lowered to $245,700 to match the assessments of two (2) other .16 acre lots on subject's street.

Appellant also shared information on assessments for other properties located on subject's street. A .17 acre property had a land valuation of $233,800. Another property with the same $233,800 assessment was demonstrated to have a retaining wall, which subject does not have. The acreage of the property was not clear. Appellant provided an estimate for the cost to build a retaining wall on subject, plus the required landscaping—$98,000 to $102,000 as of July 3, 2022.

Appellant noted the Assessor's Office offered to adjust the amount of usable acreage of the lot, lowering the land valuation to $263,300, but Appellant argued the value change would be insufficient in light of same-sized properties' assessments being $17,600 lower on subject's same street.

Appellant next shared assessment information to support a reduction in subject's improvement valuation. The main property compared was a parcel on subject's street which Appellant previously owned. It was a .16 acre lot improved with a 1,516 square foot residence. Appellant shared it had many features and amenities the subject does not, including a brand new furnace and air conditioner, new fencing, a covered dining patio built into the house, brick front and trim, a sprinklered yard, solid surface countertops in the kitchen, upgraded painted cabinets, high-end windows, and updated carpeting and lighting. Appellant also noted the property was a “rare lot with both view and private access” to the neighborhood’s six (6) acre park. Appellant estimated roughly $20,000 was spent on improvements to the property to get it ready for sale a few years ago. The property is currently assessed at $533,800. Where subject has the same usable acreage, and the residences differ in size by just two (2) square feet, Appellant argued there is no logical explanation for why subject is assessed $31,500 more for a poorer quality residence.

Two (2) other assessments were also offered for comparison. The first property was improved with a 1,524 square foot residence, ten (10) square feet larger than subject, but assessed lower at $523,100. The second property was improved with a 2,267 square foot residence, and its assessment totaled $606,300. In comparison, subject is improved with a 1,514 square foot residence and is assessed at $563,300.

Appellant next shared data demonstrating assessed value changes from 2022 to 2025 for ten (10) properties on subject’s street. Lot sizes ranged from .16 to .29 acres, and residences from 1,516 to 3,613 square feet. Assessment changes ranged from a decrease of $32,900 to an increase of $77,200. Only two (2) of the properties increased in value: the property discussed above which was previously owned by Appellant, by $77,200, and another property by $200. In comparison, subject’s assessment for .21 acres improved with a 1,514 square foot residence increased $56,100 in the same time frame.

Appellant next shared photos and testimony describing subject's condition, including damage on baseboards and trim throughout most of the residence, broken cabinets, a broken window, and general signs of wear and tear. Roughly one-half (½) of the windows were stated to be redone, but in cheaper quality than those of Appellant's previous residence. Appellant also stated the cabinetry and counters are all original, described the deck as "dilapidated," and stated the gutters are leaking and falling apart.

Estimates to repair multiple items were shared, including the exterior paint, carpet, and the falling fence. The estimates totaled $65,830, but Appellant noted that they did not include items such as woodwork, siding repair, adding sprinklers, or covering the deck. The bids were dated January to June 2025. Appellant stated multiple bids were requested so the most realistic and low-cost options could be discerned.

Respondent questioned if subject has been updated since Appellant's purchase in 2019, stating the property records show updates to the roof covering, some windows and the slider door, decking, grass and gravel, laminate flooring in the kitchen and bathroom, carpet in the living room and bedroom, and gutter and downspouts reattachment. Appellant did not deny improvements have been made. Appellant stated some wood was replaced in the deck, and a "too-short" railing was installed but argued the improvements as a whole were not the same quality of materials used in other properties, namely the property previously owned by

Appellant. Appellant stated the roof had to be replaced shortly after purchase in order to obtain homeowner's insurance. Overall, Appellant argued subject does not include many of the upgrades other properties on the street have.

Next, Appellant expressed concern with Respondent's statement subject has the most depreciation applied in the neighborhood, noting surrounding residences had lower assessments. The properties offered, ranging from 1,524 square feet to 1,603 square feet, had improvement values between $272,600 and $279,200. Subject's 1,514 residence is assessed at $276,400. Appellant stated Respondent was unable to share depreciation rates for the surrounding properties, despite stating subject's was the lowest.

Overall, Appellant requested subject's land assessment be lowered to match the other two (2) lots on subject's street with .16 usable acres, $245,700, and the improvement value be lowered to $255,985, for a total reduced assessment of $501,685. Appellant noted the requested reduction in the value of the improvements was roughly one-half (½) the amount of the cost-to-cure estimates.

As Appellant indicated, Respondent recommended the Board lower the land valuation to $263,300 and keep the improvements' assessment at $276,400, resulting in a new assessed value of $539,700. Respondent provided three (3) sales to support the recommended value. The sale properties were all improved with three (3) bedroom, two (2) bathroom residences like subject and were located within .5 miles of subject.

Sale No. 1 was the .16 acre property on subject's street discussed in detail which Appellant owned a few years ago. The property was improved with a 1,516 square foot residence and a 655 square foot attached garage built in 1987. The property sold in August 2024 for $579,900. Respondent made adjustments for time of sale and differences in characteristics between the sale property and subject, resulting in an adjusted price of $548,600, or roughly $362 per square foot.

Sale No. 2 was a .16 acre property improved with a 1,603 square foot residence and a 638 square foot attached garage built in 1994. The property sold in July 2024 for $470,000. The adjusted price was $551,000, or roughly $364 per square foot.

Sale No. 3 was a .14 acre property improved with a 1,347 square foot residence and a 445 square foot attached garage built in 1993. The property sold in February 2024 for $445,000. The adjusted price was $572,600, or roughly $378 per square foot.

Overall, adjusted sale prices ranged from $548,600 to $572,600. Giving most weight to Sale No. 1 due to its similarity and proximity, Respondent reconciled the sales data and concluded a market value of $557,416 for subject. Subject's 2025 assessment totaled $565,300, or roughly $373 per square foot. Respondent requested a reduction in value to $539,700, or roughly $356 per square foot.

To address Appellant's concern with rising valuations, Respondent shared that subject's valuation increase was in-line with the neighborhood. Neighborhood values increased 6.13% to 24.49% from 2024 to 2025; subject's value increased 10.09%. Reducing subject's land value as Respondent proposed would reflect a total increase in assessed value of 5.1%.

Respondent also provided three (3) paired sales analyses demonstrating: (1) a price premium for properties with rim views, (2) a premium for park views, and (3) the price difference between above-average and average condition residences. Rim views were demonstrated to have an average premium of $120,000, and park views were demonstrated to have no premium compared to rim views. The final paired sales analysis, utilizing sales from Breckenridge and the neighboring Silverwood subdivision, demonstrated an average of roughly $60,000 in upgrades to a property translated to an average value increase of roughly $40,000.

Respondent utilized this figure to adjust the sales prices in the above sales analysis downward by $40,000, accounting for the roughly $60,000 in upgrading Appellant reported subject needs to be in similar condition to other neighborhood properties. Appellant argued the adjustment is insufficient because subject is in below-average condition, not average, as evidenced by the litany of items in desperate need of replacement or repair. Respondent maintained the $40,000 adjustment to the sale prices adequately reflected the market value difference for condition of a residence in need of $60,000 worth of repairs.

As information, Respondent provided a map of land values in subject's immediate area. It was noted the properties neighboring the canal with rim views, like subject, were clearly assessed higher than properties with lesser views. The two .16 acre parcels reference by Appellant assessed at $245,700 bordered the park and therefore had different view influences compared to subject.

Respondent conducted a physical inspection of subject in June 2025, concluding the property has moderate deferred maintenance and has had routine updates since its last inspection in 2019. Respondent noted subject's residence has the highest depreciation within the Breckenridge subdivision, so argued the condition issues still present are being recognized. Overall, considering all provided market data, Respondent concluded subject's improvement value is reasonable, but the land value should be lowered to $263,300.

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, 2025, 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. There are three (3) approaches to value: 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.

Appellant was mainly concerned with being equitably assessed, so did not support a lower valuation with sales, but rather compared subject's assessment with those of other properties on subject's street. The Board understands Appellant's concern with equity, but disagrees the land valuation should match that of the other .16 acre parcels on subject's street, at $245,700. As demonstrated by Respondent's land assessment map, properties adjacent to the canal, with unobstructed rim views, are assessed higher than those with different view influences. Where the two (2) .16 acre parcels do not border the canal, it would be inappropriate for subject's assessment to be lowered to match. Respondent proposed reducing subject's usable acres by .05 acres due to the steep slope, which would reduce subject's land value to $263,300. As this value better reflects the utility of the lot, the Board will reduce subject's land value accordingly.

Appellant likewise provided assessments to support a lower valuation for subject's residence. The Board agreed it was concerning Respondent's analysis only considered the difference between average and above-average residences, when it is clear in the record subject suffers some below-average condition issues. Photos and testimony were provided by both parties which illustrated the residence is in need of updating in almost every category; most notably, the deck is in need of complete replacement, woodwork throughout the residence needs repaired and replaced, and there is a broken window.

Appellant provided costs-to-cure for many items, but not all, which added up to almost $66,000. It is apparent to the Board the residence is in below-average condition. The Board understands there were no below-average residences sold in 2024 to include in Respondent's paired sales analysis, but condition should still be accounted for beyond comparing above-average condition residences to average, since both are superior to subject. The Board finds sufficient evidence for a 10% downward adjustment for subject's residence to account for the condition issues.

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 Board finds the burden of proof satisfied but found insufficient support to lower the valuation to that petitioned by Appellant. We find the land value put forward by Respondent to better reflect subject's usability, so will lower the land assessment to $263,300. Due to the below average condition of the residence, the Board finds a 10% value reduction is warranted, setting a new improvement value of $248,760. The decision of the Ada County Board of Equalization is modified accordingly.

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, MODIFIED to reflect a decrease to $512,060, with $263,300 attributable to the land and $248,760 to the improvements.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above-ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 5th day of January, 2026.