

BEFORE THE IDAHO BOARD OF TAX APPEALS

CALEB TARBET,	)	
	)	
Appellant,	)	APPEAL NO. 24-A-1184
	)	
v.	)	FINAL DECISION AND ORDER
	)	
BEAR LAKE COUNTY,	)	
	)	
Respondent.	)	
	)	
_____	)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bear Lake County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP12S44E090750. The appeal concerns the 2024 tax year.

This matter came on for hearing October 8, 2024, in Paris, Idaho, before Board Member Doug Wallis. Appellant Caleb Tarbet was self-represented. Bear Lake County Assessor Jannelle Jensen 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 Bear Lake County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$85,063, and the improvements' value is \$1,076,750, totaling \$1,161,813. Appellant agrees with the land value but contends the correct value of the improvements is \$897,300, totaling \$982,363.

The subject property is a 27.82 acre rural parcel located near Bennington, Idaho. The acreage includes a one (1) acre homesite, 26.46 acres of irrigated agricultural land, and .36 acres of waste ground. The property is improved with a 4,817 square foot one and one-half (1.5) story residence with an attached garage constructed in 2020.

Appellant disagreed with the roughly 18% increase in subject's assessed value over the prior year's valuation and questioned whether the subject property was assessed equitably with other properties in the area. In this regard, Appellant shared assessment information for three (3) nearby properties. The first was the neighboring property, which is improved with a 5,093 square foot residence constructed in 2020, as well as a 2,048 square foot detached shop and a 648 square foot pole building built in 2022. The total assessed value of this property is \$1,188,719. Appellant stressed the residence is larger than subject's, has higher-end interior finishes, and the property also includes two (2) sizeable outbuildings, yet is assessed only \$27,000 higher than the subject property.

The remaining two (2) properties referenced by Appellant were located within roughly 1.5 miles of subject. Both residences were single-level designs, and both properties included outbuilding improvements. The first property was improved with a 5,132 square foot single-level residence constructed in 2017 with an attached garage. The property was further improved with a couple lean-tos and a small pole building and was assessed for \$1,012,100. The second property was improved with a 4,312 square foot residence with an attached garage constructed in 2019. Other improvements included a 1,500 square foot detached garage, a 600 square foot pole building, and a small lean-to. This property was assessed for \$970,742. Appellant questioned why

subject's assessed value is higher than these two (2) properties, despite having no outbuildings.

Respondent explained its general mass appraisal methodology and how each year's sales data is studied and stratified according to certain criteria, such as location, construction quality, and age. Focusing on subject's valuation, Respondent provided two (2) groups of sales, all of which occurred during 2023. The first group included four (4) rural sales. Sale No. 1 concerned a 26.2 acre parcel improved with a 4,185 square foot residence constructed in 2003 which sold for \$1,098,500. Sale No. 2 was a 7.77 acre parcel improved with a 2,744 square foot residence constructed in 2000, as well as an outbuilding. This property sold for \$1,035,000. Sale No. 3 was a 2,080 square foot residence constructed in 2012 situated on a 4.6 acre parcel with a sale price of \$850,000. Sale No. 4 was a 20.59 acre tract improved with a 3,934 square foot residence constructed in 2010 and some outbuildings. This property sold for \$1,060,000. Respondent removed assessed outbuilding and land values from the respective sale prices to calculate residual price rates for the residences ranging from approximately \$229 to \$381 per square foot, with an average of \$297 per square foot.

The second data set included three (3) sales of small acreage lots with no outbuildings. Sale No. 1 concerned a .32 acre lot improved with a 3,544 square foot residence constructed in 2023, which sold for \$961,868. Sale No. 2 was the \$1,100,000 purchase of a 3,218 square foot residence constructed in 2018 attached to a .89 acre lot. Sale No. 3 was a .98 acre lot improved with a 3,611 square foot residence, which sold for \$1,075,000. After removing land values from the respective sale prices, Respondent reported residual price rates for the sale residences from \$249 to \$278 per square foot.

Respondent maintained subject's residence, assessed at \$223 per square foot, was reasonable against the average residual prices of both sales groups.

In response to the assessment information shared by Appellant, Respondent explained the bulk of the differences in value was due to the grade, or construction quality, of the residences. Respondent highlighted that the neighboring parcel's residence, assessed at \$1,120,130, shares the same "Very Good" grade rating as the subject residence, which is assessed lesser, at \$1,076,750. The residences associated with the two (2) remaining properties discussed by Appellant both had lower grade ratings of "Good" and were assessed at \$837,290 for the residence constructed in 2017 and \$857,920 for the residence constructed in 2019. In Respondent's view, the consistent values within the respective grade ratings demonstrated equitable assessment.

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). 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's primary concern centered on the perceived inequitable assessment of subject compared with several other properties in the immediate neighborhood. Appellant questioned why the referenced properties, all of which had outbuildings, were generally assessed less than subject, which has no outbuildings. While the Board understands Appellant's concerns, the record here did not demonstrate inequitable assessment.

To begin, there were some flaws in Appellant's comparative analysis, which simply compared total assessed values of properties with widely varying attributes. The primary weakness in such an approach is that it effectively ignores the value contributions of the individual components which comprise the total assessment. The basic components here include the residences, the outbuildings, and the underlying land associated with the referenced parcels. Appellant shared square footages of the residences and outbuildings but provided no details about parcel size nor land value. Land value is a critical element of the total assessed value, so it is important to consider the land value contribution when comparing overall valuations. This consideration is particularly important when a parcel includes multiple land categories, such as the subject property, which has both residential and agricultural categories, the values of which are widely divergent. It is assumed the

rural properties referenced by Appellant also had multiple land categories. The differences in land values alone could explain the perceived inequitable assessment alleged by Appellant, but those details are absent in the record.

On the same theme, Appellant's comparative analysis did not include any consideration for differences in age and construction quality between the residences, both of which greatly influence the value. According to the information shared by Respondent, the residences associated with the two (2) properties located farther away were older than subject's residence, and both had inferior grade ratings of Good. As should be expected, both residences were assessed lower than subject's Very Good grade residence. The neighboring parcel's residence, by contrast, was the same age as subject's residence and had the same grade of Very Good. That the residence was assessed roughly \$43,000 more than subject's residence is unsurprising, as it is approximately 276 square feet larger. In short, the assessment information in the record, though admittedly incomplete, did not suggest inequitable assessment of the subject property. Quite the opposite, the consistent valuations within the respective grade ratings demonstrated a high degree of uniformity and equity.

Respondent offered support for subject's current valuation in the form of seven (7) total sales which occurred during 2023. Respondent calculated residual price indications for the respective sale residences by removing other assessed values from the sale prices. Respondent highlighted that subject's residence was assessed the lowest per square foot. Though the Board would have preferred a more traditional sales comparison model wherein direct comparisons between subject and the sale properties were made with adjustments made for differences in property characteristics, of which there were

many in this case, Respondent's sales data represented the only recent evidence of market value in the record. So, without any competing market data suggesting otherwise, the Board must conclude subject's current valuation is reasonable and at market level.

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. Where Appellant relied entirely on a comparison of assessed values, the Board did not find the burden of proof satisfied. As such, the Board will affirm the decision of the Bear Lake County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bear Lake County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 26th day of November, 2024.