

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| ROBERT STARK, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 20-A-1009 |
| |) | |
| 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 modifying an appeal of the valuation for taxing purposes on property described by Parcel No. R2037750250. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing September 28, 2020, before Board Member Leland Heinrich. Appellant Robert Stark was self-represented. Chief Deputy Assessor Brad Smith represented Respondent.

Board Members David Kinghorn, Leland Heinrich, and Kenneth Nuhn 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 \$130,200, and the improvements' value is \$418,300, totaling \$548,500. Appellant contends the correct total value is \$519,900.

The subject property is a .25 acre parcel situated in the Eastvalley Rim subdivision in northeastern Boise, Idaho. The property is improved with a five (5) bedroom, two and one-half (2½) bathroom residence, totaling 2,663 square feet in size. The residence also includes an attached 949 square foot garage. Subject is one (1) of three (3) parcels in the southern-most

corner of the subdivision which are distinct from other properties in the development in terms of design, lot size, and view amenities. Specifically, the subject property does not share the same expansive views of the Boise River and Table Rock enjoyed by most other parcels in the subdivision.

Appellant purchased the subject property in August 2018 for \$498,000. In both subsequent assessment years, the valuation has increased. Appellant reported subject's original 2020 assessed value of \$585,900 was more than 17% higher than the purchase price and questioned whether the current market supports the valuation. It was noted the Ada County Board of Equalization reduced subject's valuation to \$548,500, or a roughly 10% increase over the 2018 purchase price. In Appellant's view, the appreciation in subject's assessed value was not supported by recent market activity in the area, and the valuation was inequitable compared to other assessments in the neighborhood. In this regard, Appellant offered several groups of sales, along with assessment data to illustrate subject's perceived disparate assessment treatment.

Appellant's first data set included a list of five (5) sales located on subject's same street. The sale residences closely approximated subject in terms of square footage, though all had smaller lots and fewer bedrooms than the subject residence. The sales transpired between October 2018 and January 2019, with sale prices ranging from \$552,000 to \$571,300. Appellant compared the sale prices to the current 2020 assessed values and pointed out Sale Nos. 1, 2, and 3 were assessed lower than their respective sale prices. Specifically, current assessed values were 6.73%, 6.66%, and .6% below the sale prices, respectively. The other two (2) sale properties were assessed .4% and .6% higher for 2020 than the respective sale

prices. As subject's assessed value increased roughly 10% over the mid-2018 sale price, Appellant contended subject's current valuation was inequitable compared to the sales, which either saw lower or slightly higher assessed values compared to their sale prices.

Appellant's next data set was similar to the first, in that it compared recent sales with current assessed values. This data set included (9) sales from the adjacent development, Eastvalley subdivision, which occurred from 2016 through 2019. Though there were some variances, the sale properties were generally similar to subject in terms of square footage and lot size. Appellant reported sale prices ranging from \$410,400 to \$585,000. The data set also included the 2019 and 2020 assessed values for each of the sale properties. Appellant pointed out only two (2) of the sales on the list had 2020 assessed values higher than their purchase prices, with all others showing lower assessed valuations.

Appellant's final data set was a list of 2019 and 2020 assessed values for sixteen (16) properties in the neighborhood. In each instance, the 2020 assessed values were lower than 2019 values, by roughly 2.45% to 3.26%. By contrast, subject's assessed value increased 5.5% for 2020. In Appellant's view, the data sets represent strong evidence subject was inequitably assessed for 2020.

Respondent explained values in subject's area were trended for the current assessment year based on recent sales activity in the neighborhood. On average, assessed values in subject's subdivision increased 13% for 2020, while the subject property and the other two (2) uniquely situated southern parcels experienced increases of 5.5%. Respondent acknowledged these southern-most parcels do not have the expansive views enjoyed by most other parcels in the development and maintained subject's assessed value reflected subject's lesser view

amenity.

In terms of specific support for subject's valuation, Respondent offered information and analysis of six (6) sales, including subject's August 2018 purchase. The sale properties were all located in the adjacent Eastvalley subdivision. The sale residences were similar to subject in terms of size, bedroom and bathroom count, design, and lot size. Also, all the sale residences were constructed in 2018, the same year as the subject residence's construction. Sale prices ranged from \$489,000 to \$549,800. An upward time adjustment of .4% per month was applied to the respective sale prices to reflect pricing levels on January 1, 2020. Respondent then directly compared each sale property to subject and made adjustments for differences in square footage and location. The result was adjusted sale prices ranging from \$522,900 to \$622,300, which Respondent argued was supportive of subject's current valuation.

Respondent also offered an analysis using subject's August 2018 purchase price of \$498,000. Respondent first time-adjusted the sale price to January 1, 2019, using a 1% per month time adjustment, and then carried that value forward to the current assessment date of January 1, 2020 using a .4% per month time adjustment. This resulted in a time-adjusted price of \$544,900, which Respondent noted closely approximated subject's current assessed value of \$548,500. In Respondent's view, subject's valuation is well-supported by the sales, including subject's own purchase.

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, 2020, 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. The three (3) primary methods 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 market value of residential property is commonly estimated using the sales comparison approach, which in basic terms analyzes recent sales of similar property, with consideration given to differences in property characteristics.

Appellant contended subject was inequitably assessed compared to other properties in the neighborhood. In this regard, Appellant provided information concerning numerous recent sales, as well as assessment data. Though Appellant's efforts to provide relevant information for the Board's consideration was appreciated, there were some concerns with the accompanying analysis. Appellant was keenly focused on comparing subject's assessed value with assessed values of recent sales and other nearby properties. Admittedly, portions of the assessment data appeared somewhat inconsistent, with some values increasing for 2020 and others decreasing. While the Board understands Appellant's concerns with respect to assessment data presented, a comparison of assessed values is not a recognized appraisal

approach.

“Although uniformity in imposition of the tax burden is the goal, mathematical precision is, as a practical matter, impossible to achieve. ‘Individual irregularities and inequality in taxation will always exist. It is a process which cannot be reduced to an exact science. The law does not require exactitude, but it does require uniformity.’” *Xerox Corp. v. Ada Cnty. Assessor*, 101 Idaho 138, 142, 609 P.2d 1129, 1133 (1980), quoting *Anderson's Red & White Store v. Kootenai Cnty.*, 70 Idaho 260, 265, 215 P.2d 815, 818 (1950). In other words, it is not surprising to observe some variance in assessed values, even among similar properties. This alone is not evidence of inequitable assessment.

In order to demonstrate inequitable assessment, more evidence is needed. “While the courts will not attempt to correct mere mistakes or errors of judgment on the part of the assessor or board of equalization, where intentional, systematic discrimination occurs, either through undervaluation or through overvaluation of one property or class of property as compared to other property in the county, the courts will grant relief.” *Anderson's Red & White Store v. Kootenai Cnty.*, 70 Idaho 260, 264, 215 P.2d 815, 817 (1950). Given the assessment information offered by Appellant, the Board did not find any intentional or systematic discrimination in subject’s assessment compared to other assessed values in the data. We did find some assessed values were shown to have increased for 2020, while others decreased somewhat. Overall, the data did not support the conclusion that subject was singled-out or assessed differently than other properties in the area.

Another concern with Appellant’s information was most of the assessments provided were properties located in a different subdivision: a development which saw an average

decrease of 2.4% for 2020. Subject's subdivision, by contrast, realized an average increase of 13%, with subject experiencing a 5.5% value increase. Again, the evidence did not support the conclusion subject was treated inequitably, particularly the assessment data from a different subdivision.

Respondent's sales data and accompanying analysis was better received by the Board. The sales were used to develop a sales comparison approach model in which five (5) recent sales were directly compared to the subject property, with adjustments made for differences in property characteristics. The net adjustments ranged from 1.9% to 3.6%, which suggests a high degree of similarity between the subject property and the sales. Adjusted sale prices ranged from roughly \$523,000 to \$622,000, which brackets subject's current assessed value of approximately \$548,000.

Respondent additionally offered an analysis using subject's August 2018 purchase price of \$498,000. Specifically, Respondent time-adjusted subject's purchase price to the January 1, 2020, assessment date to reflect pricing levels on that date. Using a 1% per month time adjustment, Respondent first calculated a time-adjusted value of \$519,900 as of January 1, 2019. This value was then trended upward .4% per month to the current assessment date, resulting in a time-adjusted value of \$544,900, which closely approximates subject's current valuation of \$548,500.

Pursuant to Idaho Code § 63-511, the Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. Given the record in this matter, the Board did not find the burden of proof satisfied. Though the Board understands Appellant's concerns with subject's assessment compared to some others in the area, market value is

typically estimated using relevant sales data, not comparing assessed values. Interesting in this regard was the bulk of the sales offered by Appellant had prices above subject's current assessed value, even without applying any time adjustments. In other words, regardless of the respective assessed values, the sale prices themselves are supportive of subject's current valuation. This fact, combined with Respondent's sales analysis, does not support the conclusion subject was over-assessed for 2020. In all, the Board did not find sufficient evidence to disrupt subject's current valuation.

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 10th day of December, 2020.