

BEFORE THE IDAHO BOARD OF TAX APPEALS

MORRIS LEHMAN,	)	
	)	
Appellant,	)	APPEAL NO. 20-A-1078
	)	
v.	)	FINAL DECISION
	)	AND ORDER
POWER COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Power County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPD0355-01. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing October 29, 2020, before Hearing Officer Travis VanLith. Appellant Morris Lehman was self-represented. Prosecutor Anson Call 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 Power County Board of Equalization is affirmed.**

FINDINGS OF FACT

This appeal was heard in a consolidated hearing involving three (3) other parcels also owned by Appellant (Appeal Nos. 20-A-1077, 20-A-1079, and 20-A-1080). For purposes of clarity and to adequately address the various issues raised, a separate decision will be issued for each appeal number.

The assessed land value is \$20,320, and the improvements' value is \$169,535, totaling \$189,855. Appellant contends the correct total value is \$24,000.

The subject property is a 4.16 acre rural residential parcel located outside Pocatello, Idaho. The property is irregularly shaped in that it is split into two (2) non-contiguous portions by Appellant's "home" parcel (RPD0355-02). The northern portion of the subject parcel is improved with two (2) apartment structures constructed in 1976. Each apartment is 810 square feet in size, and each include finished basements. The southern portion of the subject parcel is improved with a quonset structure constructed in 1996.

Appellant disputed a couple aspects of subject's assessment. In particular, Appellant contended the correct land size is 5.4 acres, and the only improvement situated on the property is the quonset building, which has no residential living space. Appellant argued the apartments are actually located on the "home" parcel referenced above. Respondent acknowledged the subject parcel is irregular in shape, but maintained the assessment record matches the recorded deed.

Respondent explained the general methodology used to assess residential property in the county. Respondent utilizes a blended approach based on both the sales comparison and cost approaches. Respondent employs the sales comparison approach to determine land values and the cost approach to estimate the value of the associated improvements. Vacant land sales are used to develop valuation tables for different land types in the county. The subject lot was valued using the "Very Poor" land schedule, which assigns a value of \$10,000 to the first acre and lesser value rates for additional acres. Using this land table, subject's 4.16 acres were assessed for \$20,320. The cost approach, based on the Oregon cost manual, was used to value the apartment improvements situated on the northern portion of the parcel. Though specifics were not shared, Respondent testified a 40% depreciation factor was applied

to the replacement-cost-new estimates generated from the cost manual. The result was a value of \$73,485 for one (1) of the apartments and \$77,050 for the other. The quonset structure was valued consistently with other non-residential rural improvements in the county.

Respondent additionally provided information concerning four (4) sales from the immediate neighborhood, two (2) of which were unimproved and two (2) of which were improved. The first lot sale was a 1.6 acre parcel adjacent to the subject property. The sale lot was described as “somewhat land-locked.” Respondent explained the parcel was under contract at the time of hearing for \$10,000. The other lot sale concerned a 3.66 acre parcel which sold in October 2019 for \$175,000. It was noted this property did not have any residential improvements, but did include a couple storage buildings. Respondent characterized this property as superior to subject due to the relatively level topography and a small creek running through the parcel. Respondent remarked this sale indicated the upper range of value in the area.

The two (2) improved sales both closed during 2019. The first sale property was a 1.5 acre lot improved with a 1,296 square foot residence with a 960 square foot basement. The residence was constructed in 1965. This property sold for \$229,000 in May 2019. The other improved sale concerned a 1,538 square foot residence with a full basement and an attached three (3) car garage situated on a 1.5 acre parcel. The residence was constructed in 2008. This property sold in February 2019 for \$320,000. Though not directly comparable to subject, the improved sales were offered to illustrate the strong demand and generally increasing prices in the area.

## 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 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 argued the subject property was assessed erroneously, both in terms of the acreage and the improvements attached thereon. Appellant contended the proper lot size is 5.4 acres, not the 4.16 acres claimed by Respondent. It was also contended the only improvement on the property is a quonset building, not the apartment buildings. Respondent

maintained subject's physical characteristics were accurately reflected in subject's property record and current assessment.

Though the Board understands Appellant's concerns regarding the accuracy of subject's assessment, there was nothing in the record to demonstrate the property characteristics reflected in Respondent's records were inaccurate. The county's records are presumed correct, and according to Respondent, subject's lot size matches what is reflected in the recorded property deed. Without documentary evidence to the contrary, the Board must conclude Respondent's records are accurate as to subject's correct size.

As for subject's assessed value, the Board likewise was not persuaded an adjustment is warranted. Respondent valued subject's land using the second lowest land value schedule in the county. The lowest land value schedule is reserved for those parcels with access issues, which subject does not have. The apartment buildings were valued using the cost approach, with a 40% depreciation factor applied to reflect the current condition. Respondent additionally provided four (4) sales in the immediate neighborhood, and while none were directly compared to subject, the sales did illustrate demand in the area is robust. In all, the Board was strained to find error in subject's current valuation based on the evidence presented.

Pursuant to Idaho Code § 63-511, the Appellant bears the burden of establishing error in subject's valuation by a preponderance of the evidence. Given the record in this matter, the Board did not find the burden of proof satisfied. Respondent explained its assessment methodology and also provided some recent sales data. Appellant did not provide any competing market data or analysis to demonstrate error in subject's valuation. As such, the Board will not disturb subject's valuation.

The decision of the Power County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 22<sup>nd</sup> day of February, 2021.