

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JOSEPH ) APPEAL NO. 13-A-1100  
AUSTIN from a decision of the Canyon County )  
Board of Equalization for tax year 2013. ) FINAL DECISION  
) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing October 21, 2013, in Caldwell, Idaho before Hearing Officer Travis VanLith. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Appellant Joseph Austin appeared at hearing. Appraisers Brian Stender, Barbara Wade and Ken Watters appeared for Respondent Canyon County. This appeal is taken from a decision of the Canyon County Board of Equalization (BOE) modifying the protest of valuation for taxing purposes of property described by Parcel No. 351293290.

**The issue on appeal is the market value of an improved residential property.**

**The decision of the Canyon County Board of Equalization is modified.**

FINDINGS OF FACT

The total assessed value for subject is \$111,000. Appellant requests the total value be reduced to \$82,500.

The subject property is a .12 acre lot located in Caldwell, Idaho. The parcel is improved with a 2,751 square foot residence built in 2006. The residence has 4 bedrooms and 2.5 bathrooms.

Appellant provided information on six (6) 2012 sales which were all built the same year as subject. The sale properties were all located in the same subdivision as subject. Appellant suggested the square footage on the sale properties roughly bracketed subject's

size. Sale prices ranged from \$75,000 to \$100,000, or between \$29.54 and \$33.52 per square foot of living area for properties consisting of between 2,269 and 3,047 square feet. Respondent contended none of Appellant's sales were comparable, being either smaller or larger than subject. The only aspect the County deemed similar was that the sale properties were located in subject's immediate subdivision.

Appellant found the sale property located four (4) houses down from subject was the most similar in design and finish. This property sold for \$90,000 or \$29.54 per square foot. Respondent argued this was not comparable (not valid) because it was a distressed sale and further that it was not comparable where it was 296 square feet larger than the subject property.

The County Appraiser testified that home values in subject's area were increasing by the end of 2012 and further reported distressed sales were not a significant factor in the market toward the end of 2012. The County gave primary consideration to non-distressed sales, though testified the distressed sales were also included in its market analysis. In 2011, distressed sales made up 70% of the market. In 2012, distressed sales comprised 50% of the market.

The County Appraiser found comparable sales located in close proximity to subject, two (2) of which were located in subject's immediate subdivision. The first property had a 2,310 square foot residence built in 2005, with 4 bedrooms and 2.5 bathrooms, and was situated on a .12 acre lot. This "arm's-length" sale closed in February 2012 for \$90,000, or \$41.48 per square foot.

Sale No. 2 was a 2,751 square foot residence built in 2006 with 3 bedrooms and 2.5 bathrooms. This bank-owned property was situated on a .17 acre lot and sold in August 2012 for \$115,000, or \$41.80 per square foot.

Sale No. 3 sold for \$114,900, or \$45.56 per square foot, in August of 2012. This was another arm's-length transaction. The residence consisted of 2,522 square feet, with 4 bedrooms and 2.5 baths. Appellant noted Respondent's sales were also either larger or smaller than subject, with the exemption of Sale No. 2 which was not located in subject's subdivision.

#### 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, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For purposes of taxation, Idaho Code § 63-205 requires taxable property be assessed annually on January 1 of the relevant tax year, at market value. Market value is defined in Idaho Code § 63-201 as follows:

“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.

“[T]here are three primary methods of determining market value: the cost approach

. . . the income approach . . . and the market data [sales comparison] approach, in which value of the assessed property is ascertained by looking to current open market sales of similar property.” *Merris v. Ada County*, 100 Idaho 59, 63; 593 P.2d 394, 398 (1979). Both parties relied on a sales comparison analysis in support of their final value opinions.

Appellant looked to six (6) sales located in close proximity and determined that subject was overvalued. Appellant provided in particular evidence of a sale property located four (4) houses down from subject. This property sold for \$90,000 in December of 2012. This property was described as having similar finishes and design as subject. The property certainly was proximate to subject and the sale date certainly was timely or recent. The County argued this sale was a distressed bank-owned sale property that was nearly 400 square feet larger than the subject and therefore not comparable.

Respondent looked to three (3) sales in subject’s immediate area for comparison with subject. Sale prices ranged between \$90,000 to \$150,000 for residences consisting of between 2,310 and 2,751 square feet. Respondent suggested Sale No. 2 was most similar to subject. It was built by the same builder and had the same square footage. The property sold for \$115,000 in August of 2012.

Both parties provided sales for the Board’s review. We recognize neither party agrees on which sales are the best representation of subject’s value. The County argued distressed sales were not in themselves indicative of the market towards the end of 2012. It noted many of the sales Appellant used were distressed sales and were not the same size as subject. Appellant found only one (1) of Respondent’s three (3) sales was the

same size as subject's residence. Respondent also considered a distressed sale in its analysis.

Looking at the evidence in record, the Board finds that all the presented sales may, and should, be included in the determination of subject's fair market value. It is apparent that both distressed and non-distressed sales were taking place in subject's area throughout 2012. Per Respondent's witness testimony, distressed sales were included in the assessor's own analysis. Respondent estimated roughly 50% of the sales during 2012 were distressed.

In consideration of all the sales information provided, we find the County's valuation of subject as of January 1, 2013, was overstated. However, we did not find good support for the \$82,500 value sought by Appellant. Based on the sales information in record, the Board finds a total value of \$103,500 to be duly reflective of the recent sales.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Canyon County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$103,500.

IT IS FURTHER ORDERED that 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.

DATED this 21<sup>st</sup> day of January, 2014.