

BEFORE THE IDAHO BOARD OF TAX APPEALS

SIMON BAYES,	)	
	)	
Appellant,	)	APPEAL NO. 15-A-1086
	)	
v.	)	FINAL DECISION
	)	AND ORDER
CANYON COUNTY,	)	
	)	
Respondent.	)	
	)	
_____	)	

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Canyon County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. 04N05W0664. The appeal concerns the 2015 tax year.

This matter came on for hearing October 22, 2015 in Caldwell, Idaho before Board Member Leland Heinrich. Appellant Simon Bayes was self-represented. Brian Stender represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

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

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

FINDINGS OF FACT

The assessed land value is \$37,300, and the improvements' value is \$412,700, totaling \$450,000. Appellant contends the correct total value is \$385,000.

The subject property is a 9.78 acre residential parcel located in Nampa, Idaho. The property is improved with a seven (7) bedroom, four (4) bathroom, two-story residence consisting of 6,620 square feet constructed in 2003. The property is further improved with a recently constructed 3,360 square foot pole building.

Appellant purchased subject in 2011 for \$275,000. Appellant suggested subject's current assessed value is high and does not represent true market value. Appellant testified subject was listed for sale on the open market in June 2015 with an asking price \$49,000 less than the assessed value and received no offers. At time of hearing, the asking price had been lowered to \$399,000.

Appellant also explained the watering costs were high for the agricultural land as there are no water rights and using subject's private well to irrigate takes away any potential profit margins. Appellant further explained the pole building was added to the property as a necessity and not to make the property more valuable.

Appellant provided an independent fee appraisal of the subject property with an effective date of valuation of April 1, 2013. The appraisal considered three (3) sales of improved properties which sold in 2011 and 2012. Sale prices were between \$272,000 and \$435,000. After adjusting the sales for differences compared to subject such as location, acreage, quality of construction, size, and other differences, the appraisal estimated adjusted sale prices between \$287,710 and \$375,275. The appraisal concluded a value of \$340,000 for subject in 2013.

Respondent explained subject did have some deferred maintenance issues and therefore subject's assessed value was adjusted downward by \$58,700. For the land value, Respondent noted 8.5 acres of the land was granted the agricultural exemption, with the remaining 1-acre valued as a homesite.

Respondent explained a broader area had to be searched in order to find similar large residences on acreage like subject. Respondent focused on three (3) sales for comparison

with subject. Two (2) sales took place in 2014, and one (1) in January 2015. All the sales were located in rural, non-subdivision areas like subject. The sale residences were between 5,268 and 8,745 square feet. The sale residences were built in 2000, 2006 and 2009. One (1) sale property contained 5.45 acres, with the remaining two (2) containing 10 acres. Sale prices were between \$333,150 and \$552,750. After adjusting the sales for differences compared to subject such as date of sale, location, land size, square footage, and outbuildings, Respondent estimated adjusted improvement values between \$357,053 and \$531,575.

#### 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.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2015 in this case. 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. There are three (3) approaches to value; the sales comparison approach, the cost approach,

and the income approach. The sales comparison approach is commonly used to value residential property. A sales comparison approach was submitted by both sides.

Appellant suggested the assessed value was high and did not reflect true market value. Appellant provided a fee appraisal with an effect date of April 1, 2013. The sales used in the appraisal took place in 2011 and 2012. The Board found this information to be somewhat old and not reflective of current market conditions.

Appellant pointed to subject's purchase price in 2011 of \$275,000. Subsequently Appellant constructed a barn on the property, which Appellant explained was a necessary improvement and was not intended to enhance subject's value. The Board finds while a barn was not added for value it certainly does add value. Adding the barn, along with the upward market trend would lead us to believe the \$385,000 requested as of January 1 appears to be low and lacking supportive evidence.

Appellant testified subject was on the market in 2015 with an asking price of \$399,000 at time of hearing. While this may be an indication of the upper range of value, it is beyond the statutory deadline for this appeal. Thus no weight was afforded to the listing price.

Looking at Respondent's sales comparison approach, subject was directly compared to recent sales of similar property. The sales were generally similar in size and acreage as subject and were located in rural areas like subject. Respondent adjusted the sales for differences compared to subject to arrive at sale prices between \$357,053 and \$531,575 for the improvements. Further, we find Respondent made appropriate adjustments to subject for deferred maintenance in the amount of \$58,700. The Board found Respondent's analysis the best evidence in record.

Nothing in record points to Appellant's suggested value of \$385,000. Per Idaho Code § 63-511, in appeals to this Board, the burden is with the Appellant to establish that subject's valuation is erroneous by a preponderance of the evidence. Based on the record in this matter, such burden was not satisfied. The information provided by Appellant was insufficient to overcome Respondent's value conclusion. Accordingly, the decision of the Canyon County Board of Equalization is affirmed.

#### 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, AFFIRMED.

DATED this 17<sup>th</sup> day of February, 2016.