

BEFORE THE IDAHO BOARD OF TAX APPEALS

JOHN BLAIN,	)	
	)	
Appellant,	)	APPEAL NO. 14-A-1004
	)	
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 denying the protest of valuation for taxing purposes of property described by Parcel No. R2732850240. The appeal concerns the 2014 tax year.

This matter came on for hearing October 21, 2014 in Boise, Idaho before Hearing Officer Cindy Pollock. Appellant John Blain was self-represented. Chief Deputy Assessor Tim Tallman 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 Ada County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$47,600, and the improvements' valuation is \$111,500, totaling \$159,100. Appellant contends the correct total value is \$144,100.

The subject property is a 2,180 square foot residence situated on a .20 acre lot in the Fairbanks subdivision in Boise, Idaho. The single-level residence, constructed in 1988, includes four (4) bedrooms and two and one-half (2 ½) bathrooms. Other improvements

include a 552 square foot attached garage, a small shed outbuilding, and a 466 square foot patio, of which 360 square feet are covered.

Appellant purchased the subject property in 2008 for \$220,000. Appellant highlighted several inconsistencies between subject's actual physical characteristics and those described in subject's Multiple Listing Service (MLS) data sheet when the property sold. The MLS sheet indicated a fireplace and a view of Bogus Basin Ski Resort, however, Appellant reported subject does not have a fireplace, nor does it enjoy a view of the ski mountain. In addition, Appellant challenged the characterization in the MLS sheet of subject's small shed having heat and air conditioning. According to Appellant, the shed has no heat or air conditioning, and further, the shed is run-down and only suitable for storage. Respondent acknowledged subject does not have a fireplace and also noted the shed was not included in the current assessment.

Appellant provided sales information concerning two (2) improved residential properties in subject's neighborhood. The first sale involved a 3,246 square foot residence attached to a .36 acre lot. The residence was older than subject, but was renovated prior to being sold in October 2014. Other improvements included a detached shop structure and a separate apartment, or living quarters. The property sold for \$239,000, which was somewhat less than the \$249,900 asking price. Sale No. 2 concerned a .20 acre lot improved with a 1,609 square foot residence. The property sold in October 2012 for \$153,000.

Appellant also referenced the assessed value of a nearby property. The .31 acre

lot was improved with a 1,557 square foot residence constructed in 1989. The residence included three (3) bedrooms and two (2) bathrooms. Other improvements included a 576 square foot attached garage and a 300 square foot patio. Appellant remarked despite the overall similarity of the residence to subject, it was only assessed for \$95,500 compared to the roughly \$111,000 assessed value of subject's residence. In Appellant's view, assessed values in subject's neighborhood were inconsistent.

Appellant additionally provided a list of five (5) active listings and one (1) sale involving properties located outside subject's immediate proximity. The compared properties were regarded by Appellant as superior because they included items subject does not have, such as larger lot size, fireplace, larger garage, pool, and new floors and paint. Asking prices ranged from \$214,978 to \$259,000. Physical details about the sale property included in the list were scant, however, Appellant reported the .23 acre improved parcel sold for \$159,900. The date of sale was not noted.

Respondent explained subject's West Boise neighborhood was trended upward for the 2014 assessment by an average of 12.2%, which was less than other areas to the north. Offered in support of subject's current valuation, Respondent provided information related to seven (7) 2013 sales and two (2) from late 2012. There was some variance in terms of lot and residence size, however, the sale properties were regarded as generally similar to subject in terms of age, location, design, and bedroom and bathroom count. Sale prices were between \$159,000 and \$214,200. Respondent compared each sale property directly to subject and made price adjustments based on differences in physical

characteristics, such as lot and residence size, patio, fireplace, location, and other relevant factors. A .5% per month upward time adjustment was also applied to the sale prices to reflect value on the January 1, 2014 assessment date. Adjusted sale prices ranged from \$170,915 to \$215,610. Sale Nos. 1, 2, and 3, with adjusted sale prices of \$172,692, \$172,011, and \$170,915, respectively, were considered most comparable to subject and were given the most weight in Respondent's analysis. The sales information indicated a total value of \$172,000 for subject, which Respondent noted was higher than the actual \$159,100 assessed value. Appellant challenged the comparability of the sales because most of the residences were brick construction, rather than frame construction like subject.

#### 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, 2014 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. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). An individual residential property is typically valued using a sales comparison approach.

An important aspect of a sales comparison analysis is consideration of timely sales of similar property. Timely sales are generally those which occur prior to, but near the effective date of valuation; January 1, 2014 in the present case. The two (2) primary sales relied on by Appellant occurred in October 2014 and October 2012. The 2014 sale transpired well after the date of valuation and therefore was excluded from the Board's analysis. For the same reason, the active listing information provided by Appellant was not relied upon by the Board.

While occurring before January 1, 2014, the 2012 sale closed more than one (1) year prior to the valuation date. In the Board's view, sales information from 2012 is somewhat stale for purposes of establishing subject's 2014 assessed value. As such, less weight was afforded this older sale. The Board similarly discounted the 2012 sales offered by Respondent.

Appellant also keyed on current assessment data involving a property located near subject and argued assessed values in the area were inconsistent. "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 County Assessor*, 101 Idaho 138, 142, 609 P.2d 1129, 1133 (1980), citing *Anderson's Red & White Store v. Kootenai County*, 70 Idaho 260, 265, 215 P.2d 815, 818 (1950). There was a little variance between subject and the compared property, but nothing to suggest subject was assessed differently or arbitrarily. Further, while the Board understands Appellant's concerns in this regard, a comparison of assessed values is not a recognized appraisal approach.

Of the seven (7) 2013 sales included in Respondent's valuation model, primary consideration was given to Sale Nos. 1, 2, and 3, which represented the three (3) lowest priced sales, both on an adjusted and unadjusted basis. The Board will likewise focus on these sales. The sales were located within one (1) mile of subject and were generally representative of subject in terms of lot and residence size, bedroom and bathroom count, single-level design, and age. Respondent made modest price adjustments for physical differences between the sale properties and subject resulting in adjusted sale prices between \$170,915 and \$172,692. Subject's total assessed value is \$159,100, which appears conservative in light of the market value evidence in record.

In appeals to this Board, the burden is with the Appellant to establish error in subject's assessed value by a preponderance of the evidence. Idaho Code § 63-511. The burden of proof was not satisfied in this instance. Respondent's sales information and accompanying comparison analysis was found to be the best evidence of subject's current

market value. Overall, subject's assessed value was well-supported. Therefore, 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 12<sup>th</sup> day of February, 2015.