

BEFORE THE IDAHO BOARD OF TAX APPEALS

LOFTHUS FAMILY TRUST,)	
)	
Appellant,)	APPEAL NO. 15-A-1007
)	
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. R8956250570. The appeal concerns the 2015 tax year.

This matter came on for hearing September 24, 2015 in Boise, Idaho before Board Member Leland Heinrich. Leonard Lofthus appeared at hearing for Appellant. 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 \$72,000, and the improvements' value is \$233,400, totaling \$305,400. Appellant contends the correct improvements' value is \$194,864, with no change to the land value of \$72,000, for a total value of \$266,864.

The subject property is a 2,186 square foot residence situated on a .35 acre lot in the Van Engelen Estate Subdivision in Eagle, Idaho. The single-level residence, constructed in 1997, includes three (3) bedrooms and two and one-half (2½) bathrooms. Other improvements include

a 220 square foot general purpose outbuilding and a 970 square foot attached garage.

Appellant purchased the subject property in early 2010 for \$270,000 based on the assumption subject contained 2,324 square feet. It was later discovered subject's actual square foot measurement was 2,186 square feet. Appellant contended had the accurate measurements been known, the highest offer for subject would have been \$250,000, not the \$270,000 purchase price. In order to arrive at the requested value for subject, Appellant asked local realtors what the increase in Eagle residential homes sales was in 2014. Both realtors stated the market saw an approximate 4% increase. Appellant then took last year's assessed value and added 4% to arrive at \$266,864 or \$122 per square foot for subject.

Appellant contended subject had the second highest assessed value on subject's street. Further, Appellant concluded it was incorrect to value every lot in subject's subdivision at \$72,000, wherein lot sizes range between .29 and .56 acres. Respondent countered subject's assessed land value was accurate and perhaps the larger lots were assessed low for the size comparison.

Appellant focused on one (1) of the sales presented at Board of Equalization (BOE) which Respondent found most comparable to subject. Appellant made adjustments to the sale based on differences in physical characteristics from subject. Adjustments were made for square footage, garage size, age, and lot size. The adjusted sale price reflected \$122 per square foot.

Appellant also referenced several newspaper articles from 2015. The subject of the articles was the increase in residential assessed values over the prior year. Appellant noted none mentioned increases approaching the 19% increase subject experienced.

Respondent physically inspected subject prior to hearing. Respondent's value analysis

focused on three (3) improved residential sales from 2014. Sale No. 1 was located in a different subdivision. The property included a 3,156 square foot residence and a .21 acre lot. The property sold in September 2014 for \$333,700. Sale No.2, located in subject's subdivision, concerned a .37 acre lot improved with a 2,288 square foot residence constructed in 1997. The property sold in October 2014 for \$289,200. Sale No. 3 was also located in subject's subdivision. The property included a 2,462 square foot residence situated on a .45 acre parcel. The property sold in August of 2014 for \$313,000.

Respondent compared the sale properties directly to subject and made price adjustments based on differences in physical characteristics. The adjustments were for residence size, garage size, location, and lack of general purpose building. A .3% per month upward time adjustment was also applied to two (2) of the sale prices to reflect value on the January 1, 2015 assessment date. Adjusted sale prices ranged from \$292,400 to \$329,232. Sale No. 3, with an adjusted sale price of \$311,790 or \$143 per square foot was considered most comparable to subject. The sales information indicated a total value of \$310,000 for 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, 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. In a unique way, each approach considers the available information on recent comparable sales.

Both parties provided information regarding subject's valuation for the Board's consideration. Appellant included assessed value comparisons, general property descriptions and a comparison of one (1) sale previously provided by Respondent. Generally comparing assessed values is not a good indication of market value and is not a recognized appraisal approach.

In all, we appreciated Appellant trying to adjust the sales provided by Respondent, however, we find Respondent's appraisal adjustments to the sales were better supported. Respondent physically inspected subject and compared the sales to subject with an understanding of subject's particular market area. The sales in record did not support Appellant's requested value of \$122 per square foot for subject.

In appeals to this Board, per Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Given the evidence presented, the Board finds Appellant did not satisfy the burden of proof. Respondent's comparable sales analysis was the strongest indicator of value. The Board did not find sufficient cause to reduce subject's assessed value.

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 6th day of January, 2016.