

BEFORE THE IDAHO BOARD OF TAX APPEALS

NICHOLSON TRUST,	)	
	)	
Appellant,	)	APPEAL NO. 15-A-1224
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BONNER COUNTY,	)	
	)	
Respondent.	)	
_____	)	

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bonner County Board of Equalization (BOE) modifying the protest of valuation for taxing purposes of property described by Parcel No. RP004170000140A. The appeal concerns the 2015 tax year.

This matter came on for hearing October 26, 2015 in Sandpoint, Idaho before Board Member David Kinghorn. Trustee Carol Nicholson appeared at hearing for Appellant. Appraiser Bonnie Berscheid represented Respondent.

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

**The issue on appeal concerns the market value of a rural improved residential lot.**

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

FINDINGS OF FACT

The assessed land value is \$324,680, and the BOE-modified improvements' value is \$318,100, totaling \$642,780. Appellant agrees with the land value, however contends the improvements' value is \$266,140, totaling \$590,820.

The subject property is a .27 acre lakefront lot improved with 3,200 square foot residence built in 2006. The property is also improved with an attached carport, detached garage, utility shed, watercraft lifts, dock, and boat shed.

As part of regular reappraisal, subject was inspected by Assessor's Office staff in August of 2014. The inspection was performed in connection with the 2015 assessment. Pursuant to the inspection, the residence was re-graded from its prior average classification to average-plus, and the detached garage building was changed from pole built, single story to stick built with a partial upper level. Added to the property record was a boat lift, jet ski lift, and small dock area. Collectively the cited property record changes, and an updated valuation inclusive of the BOE action, increased the value attributed to the improvements approximately \$52,000.

Appellant contends there have been no changes to the residence or detached garage to support the rating change to average-plus, or to support the year-to-year value increase. It was noted two (2) prior reappraisals rated the residence as average. Respondent noted construction quality ratings are determined according to current standards, procedures and training which change over time. Appellant contended subject's residence is a square box with no fancy architecture, and the home is common and average looking in comparison to newer residences on the lake.

Respondent explained the construction rating for a residence is based on a number of factors including building footprint, overall size, roof lines, workmanship, building materials, and ornamentation. Subject was found to be large with a simple footprint, a simple gable roof line, and having HardiePlank siding. These factors alone signified an average well built home. Subject's above-average features included its total size, the masonry finish running up the 2-story chimney and around the base of the home, log post supports under the deck, the large roof overhang with tongue and groove soffit boards, and corbel soffit supports. In consideration of the average and above-average features, the residence was given an overall average-plus

construction quality rating. In Respondent's appraisal analysis, average-quality houses generally have between 2,100 and 2,500 square feet. Beyond the average ratings are good and excellent ratings.

Presented in support of subject's residence assessment was information on four (4) arm's-length comparable sales from 2014. Each sold residence was rated above-average construction like the subject house, each had a year built between 2000 and 2005, and each had a total size between 2,900 and 3,420 square feet. After removing land and other improvement values, the sales indicated price rates from \$91 to \$109 per square foot for the residence. The median rate for all residences of this age and quality was reportedly \$107 per square foot. On a like basis, subject's average-plus residence was assessed at about \$85 per square foot.

Also contributing to subject's 2015 increase in assessed value was the addition of certain waterfront improvements to the property record, along with changing the characteristics associated with the detached garage. Appellant did not specify any error in the assessment consideration given to the detached garage or waterfront improvements.

#### 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.

Market value is primarily a factual issue.

Appellant points this Board's attention to the value increase reflected in subject's 2015 assessment when compared to the 2014 assessment. In and of itself a value increase or decrease, even a relatively large one, is not evidence of error. Appellant also challenged the quality rating for the residence changed when there was no physical change to the structure. Again the Board found where a quality rating in the current year was different than one in a prior tax year was not evidence of error in the current assessment. The current rating was explained and supported by Respondent and was found to be reasonable and generally consistent with recognized appraisal practice. Appellant emphasized how subject's residence was average or common in comparison to newer homes on the lake. Respondent explained its rating system was countywide and did not depend on the nearby lake homes only. The features that were above average were delineated and Respondent offered good support for a higher than simple average rating. It further appeared the newer, more expensive homes referenced by Appellant were rated good or excellent, reflecting a clear distinction from the average level rating determined for subject's residence.

Following the recent property inspection, and the subsequent modification to the detached garage by the BOE, the property record for subject is found to be accurate. In contesting the market value assessment, Appellant presented no comparable sales or independent appraisal

for this Board's consideration. Subject's assessment was not singled out, nor was there evidence subject was unfairly compared to superior properties. The market information in record associated with the residence did not show over-valuation.

Pursuant to Idaho Code § 63-511, in appeals to this Board, the burden is with Appellant to establish Respondent's valuation is erroneous by a preponderance of the evidence. The Board did not find that burden met. Accordingly, the value decision of the Bonner County Board of Equalization is affirmed.

#### FINAL ORDER

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

DATED this 26<sup>th</sup> day of February, 2016.