

BEFORE THE IDAHO BOARD OF TAX APPEALS

R. MICHAEL RAPOPORT,)	
)	
Appellant,)	APPEAL NO. 14-A-1030
)	
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 denying the protest of valuation for taxing purposes of property described by Parcel No. RP070250001090A. The appeal concerns the 2014 tax year.

This matter came on for hearing September 25, 2014 in Sandpoint, Idaho before Hearing Officer Travis VanLith. Appellant R. Michael Rapoport was self-represented. Assessor Jerry Clemons 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 condominium unit.

The decision of the Bonner County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed value is \$229,603. Appellant contends the correct assessed value is \$220,000,

The subject property is a 591 square foot one (1) bedroom condominium unit situated in the White Pines Lodge at the Schweitzer Mountain Resort near Sandpoint, Idaho. Subject is located on the first floor of the building, with a view of Lake Pend Oreille.

Appellant purchased subject in October 2013 for \$220,000. Appellant also purchased an additional one (1) bedroom second floor unit for \$220,000 in October 2013. In addition to these sales, Appellant pointed to a third unit sold in March 2013 for the same \$220,000 purchase price. Based on these sales, Appellant contended subject's 2014 assessed value was too high.

Respondent explained historically prices in the development varied depending on a particular unit's location within the building, the floor it is situated on, and its view. In Respondent's experience units on the fourth and fifth floors sold between 10% and 20% more than lower-level units. Respondent also utilized a positive 5% view adjustment for units on the upper floors. Appellant countered that size, floor level, and view were not key factors driving prices. Instead, Appellant contended income potential was the primary value contributor, with two (2) bedroom units selling for considerably more than one (1) bedroom units.

Offered in support of subject's assessed value were six (6) condominium sales from subject's development. The two (2) sales from 2011 both involved single bedroom units located on the third floor. The first, with a lake view, sold in June for \$262,500, and the other was a village view unit which sold in December for \$220,000. The lone 2012 sale for \$220,000 concerned a one (1) bedroom unit on the second floor with a view of the village. Respondent's 2013 sales consisted of a two (2) bedroom unit on the third floor, and two (2) one (1) bedroom units on the first and second levels, all with lake views. The 842 square foot two (2) bedroom unit sold for \$425,000 and the smaller single bedroom units

each sold for \$220,000.

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.

There are three (3) generally accepted appraisal methods for determining market value; the cost approach, the income approach, and the sales comparison approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Appellant argued the income approach would be an appropriate method to value units in subject's development because a large number of units participate in the rental pool. Respondent explained the income approach was not used due to the lack of income and expense information related to units in the rental pool. The Board agrees the income approach could be used, but finds no fault in Respondent's reliance on the sales comparison approach in this particular case

because of the lack of income and expense data.

While the Board agrees the sales comparison approach is appropriate in this instance, we do not concur with the value conclusion reached by Respondent. Between the parties, there were six (6) reported sales of one (1) bedroom units in subject's development between 2011 and 2013. The units were located on the first, second, and third floors, and varied slightly in terms of square footage. Some enjoyed views of the lake, and some the village. Despite these differences, four (4) of the units sold for \$220,000, and another sold for \$225,000. The outlier of the one (1) bedroom group was the oldest sale on the list. The median price for these six (6) sales is \$220,000.

In appeals to this Board, Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. Idaho Code § 63-511. The Board finds that burden satisfied here. Nearly all the sales of one (1) bedroom units shared the same sale price. This combined with subject's actual arm's-length purchase in October 2013 for \$220,000 is compelling evidence of subject's market value.

Based on the above, the decision of the Bonner County Board of Equalization is reversed.

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, REVERSED, to reflect an assessed value of \$220,000.

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 18th day of November, 2014.