

BEFORE THE IDAHO BOARD OF TAX APPEALS

TERRA LEONES L.P.,)	
)	
Appellant,)	APPEAL NO. 14-A-1091
)	
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. R1319140060. The appeal concerns the 2014 tax year.

This matter came on for hearing October 7, 2014 in Boise, Idaho before Hearing Officer Travis VanLith. General Partner Sheryl Alderman represented Appellant at hearing. 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 \$138,000, and the improvements' valuation is \$357,400, totaling \$495,400. Appellant contends the correct land value is \$2,650, and the improvements' value is \$2,526.25, totaling \$5,176.25.

The subject property is a 1.98 acre lot improved with a 3,633 square foot residence built in 2012. The property is located in Eagle, Idaho. The 2-story residence includes four (4) bedrooms, three (3) bathrooms, and an 831 square foot attached garage.

Appellant argued subject's value is the same as the money paid to buy the lot and build the residence. Appellant explained the subject lot was purchased in U.S. gold and silver coins having a face value of \$2,650 in February 2012. The residence was constructed for gold and silver coins with a total face value of \$2,526. Appellant contended the face value of the coins represents the total price paid for the subject property, and the property should be assessed accordingly. Offered into evidence were invoices from the builder depicting the total amounts due. The invoices also referenced the amount tendered in silver and gold coins.

Respondent noted subject's value increased 15.7% for 2014, which was described as being a bit below the 16% median increase in the area. Respondent provided information on three (3) 2013 sales to support subject's assessed value. Sale Nos. 1 and 2 were located in subject's subdivision. These two (2) sales were single-story residences. Sale No. 3 was a two-story residence located outside subject's subdivision. Sale prices were between \$445,000 and \$578,000.

Respondent provided an appraisal worksheet which considered differences between subject and the three (3) comparable sales. After adjustments for time of sale, square footage, bathrooms, deck area, and garage size, the indicated value for subject ranged from \$482,102 to \$548,025. Net adjustments were between 1% and 5.2%. The indicated value by the sales comparison approach was \$500,000.

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.

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.

The issue in this case is the current market value of subject. We do not dispute Appellant used coins totaling \$5,176.25 in face value to purchase the lot and satisfy the construction invoices. We are not, however, convinced the amount tendered reflects the current market value of subject. It is a well-established principle that actual cost does not necessarily equal market value. Furthermore, the construction invoices total several hundred thousand dollars.

Respondent used the sales comparison approach to value subject. Respondent considered three (3) improved residential sales wherein the physical characteristics of each were detailed. Adjustments were made for physical differences between the sale properties and subject. Adjusted sale prices were between \$482,102 and \$548,025. Subject's total assessed value is \$495,400.

In appeals to this Board, Idaho Code § 63-511 places the burden with Appellant to prove error in subject's assessed value by a preponderance of the evidence. Appellant was not found

to have proven error, nor to have presented a superior valuation. Respondent's value evidence was supportive of subject's current assessed value. Appellant has not met the burden of proof and therefore the decision of the Ada County Board of Equalization will be 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 9th day of January, 2015.