

BEFORE THE IDAHO BOARD OF TAX APPEALS

|                 |   |                      |
|-----------------|---|----------------------|
| JAMES THOMAS,   | ) |                      |
|                 | ) |                      |
| Appellant,      | ) | APPEAL NO. 15-A-1024 |
|                 | ) |                      |
| v.              | ) | FINAL DECISION       |
|                 | ) | AND ORDER            |
| BINGHAM COUNTY, | ) |                      |
|                 | ) |                      |
| Respondent.     | ) |                      |
| _____           | ) |                      |

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bingham County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP1288500. The appeal concerns the 2015 tax year.

This matter came on for hearing October 2, 2015, in Blackfoot, Idaho before Board Member David Kinghorn. Appellant James Thomas was self-represented. Teresa Cronquist 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 Bingham County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$13,898, and the improvements' value is \$78,472, totaling \$92,370. Appellant contends the correct total value is \$25,000.

The subject property is a .311 acre lot improved with a 2,258 square foot residence constructed roughly 100 years ago. The residence consists of five (5) bedrooms and three (3) bathrooms. Subject is located in Blackfoot, Idaho.

Appellant expressed concerns with increasing property and city taxes. Appellant also claimed Respondent used sales of properties outside the immediate area to determine subject's assessed value. Appellant contended the purchase price for subject of \$25,000 in 2012 should be the current assessed value. Respondent noted subject had been heavily updated since its 2012 purchase, which is reflected in the higher current assessment.

Respondent provided information concerning three (3) sales of residential properties located within the city. The sale properties were similar to subject in terms of age and finished square footage, however, did have some unfinished basement space which subject lacks, and contained fewer bathrooms. Sale prices ranged from \$130,700 to \$183,000. To neutralize the effect of differing land sizes, Respondent removed the assessed land values of subject and the sale properties, in an effort to compare the subject residence with just the sale residences. This adjustment yielded prices of the sale residences between \$104,200 and \$158,000. The assessed value of subject's residence is \$78,472.

Respondent also presented current assessment information for three (3) properties regarded as similar to subject in terms of age, size, and design. With an assessed value of \$92,370, subject was assessed less than the compared properties, which assessments ranged from \$104,200 to \$110,460. Based on the assessment information, as well as, the above sales, Respondent maintained subject's current assessed value was at market levels.

## 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.

The three (3) primary methods of determining market value are the cost approach, the sales comparison approach, and the income approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential properties like subject are commonly valued using the sales comparison approach.

Appellant did not provide recent sales information, relying instead on subject's 2012 purchase price of \$25,000. While the recent arm's-length sale of the property being valued is typically strong evidence of its market value, such is not the case here. First, subject's purchase was roughly three (3) years ago. No adjustments were made to the sale price to reflect current market conditions. Secondly, and more importantly, subject was

significantly updated since its 2012 purchase. Updating a property naturally changes its market value, thereby rendering its unadjusted purchase price an unreliable indicator of current value. Accordingly, the Board will not rely on subject's 2012 purchase price as the best evidence of its current market value.

Respondent provided information concerning three (3) residential sales which occurred during 2014. From the limited details provided, the sale residences appeared to compare favorably with subject in terms of design, age, and size. Sale prices ranged from \$130,700 to \$183,000, which after removing associated land values resulted in adjusted sale prices between \$104,200 and \$158,000. Subject's total assessed value is \$92,370, or \$78,472 after removing the assessed land value.

In accordance with Idaho Code § 63-511, Appellant has the burden of establishing error in subject's valuation by a preponderance of the evidence. The burden of proof was not satisfied in this instance. Based on the sales information presented, the Board is strained to find support for the position subject was over-assessed, and will therefore not disturb the value determined by Respondent. Accordingly, the decision of the Bingham County Board of Equalization is affirmed.

#### FINAL ORDER

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

DATED this 24<sup>th</sup> day of December, 2015.