

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF JAMES) APPEAL NOS. 13-A-1087
THOMAS from the decisions of the Bingham) thru 13-A-1095
County Board of Equalization for tax year 2013.)
) FINAL DECISION
) AND ORDER

RESIDENTIAL PROPERTY APPEALS

THESE MATTERS came on for hearing October 2, 2013 in Blackfoot, Idaho before Board Member David Kinghorn. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Appellant James Thomas appeared at hearing. Chief Deputy Assessor Teresa Cronquist and Appraisers Lori Faler and Sherman Whitten appeared for Respondent Bingham County. These appeals are taken from nine (9) decisions of the Bingham County Board of Equalization denying protests of valuation for taxing purposes of properties described by Parcel Nos. RP1173600, RP1288500, RP1287700, RP1039900, RP1114800, RP1143600, RP7022600, RP1248900, and RP1248100.

The issue on appeal concerns the market values of nine (9) improved residential properties.

The decisions of the Bingham County Board of Equalization are affirmed.

FINDINGS OF FACT

During the consolidated hearing in these matters the subject parcels were broken into three (3) distinct groups by Respondent and separate value evidence was presented for each category. Appellant's arguments and evidence extended to all the subject properties equally. This decision is similarly structured, with Respondent's evidence for

each group discussed separately, and Appellant's arguments presented just once.

In support of reducing subjects' assessed values, Appellant provided a clipping from a local newspaper regarding building permits issued by Idaho Falls. The permit values ranged from approximately \$44 to \$50.70 per square foot. Respondent contended the permit values did not reflect market value nor actual construction costs, but were instead a flat per-square-foot rate the building permit clerk uses to issue a building permit. Appellant maintained the reported values were actual construction costs and argued subjects' assessed values should be similar.

1. RP1288500 (Airport Road) - Appeal No. 13-A-1088

The assessed land value of this subject property is \$13,898, and the improvements' valuation is \$78,472, totaling \$92,370. Appellant requests the total value be reduced to \$12,000.

This subject property consists of a .311 acre lot improved with a 2,258 square foot, two-story, residence. The residence was constructed in 1898 and was remodeled in 2012. The property is located in Blackfoot, Idaho and used as a rental property.

Respondent provided information on three (3) sales of improved residential properties from 2012. The sale properties were generally similar to subject in terms of size, age, and condition. Sale prices were between \$119,900 and \$148,000 for residences between 1,980 and 2,216 square feet in size.

2. RP1114800 (Monroe Street) - Appeal No. 13-A-1091

The assessed land value is \$15,309, the improvements' valuation is \$95,625, and

other valuation is \$5,760, totaling \$116,694. Appellant requests the total value be reduced to \$60,000.

This subject property includes a 2,208 square foot residence situated on a .322 acre lot in Blackfoot. The residence was built in 1959. Other improvements include a two-car attached garage and a shop/outbuilding structure. The property is used as Appellant's residence.

Respondent explained the City of Blackfoot was reappraised for the 2012 tax year. The reappraisal project caused value adjustments for many properties in the area. For the most part those values were carried forward to 2013, however subject's 2013 land value increased by approximately \$500 due to a lot size correction. Respondent presented three (3) sales for comparison with subject. The sale properties were similar to subject in terms of condition, style, age, and size, though lot sizes were roughly one-tenth (1/10) of an acre smaller than subject's site. Sale prices were between \$129,000 and \$137,500.

3. *RP1248100, RP1287700, RP1039900, RP1173600, RP1248900, RP1143600, and RP7022600*

RP1248100 (N. Shilling) - 13-A-1095

The assessed land value is \$10,339 and the improvements' valuation is \$23,834, totaling \$34,173. Appellant requests subject's total value be reduced to \$10,000.

This subject property includes a 603 square foot residence constructed in 1920 situated on a .17 acre lot. The property is located in Blackfoot and used as a rental.

RP1287700 (Poplar) 13-A-1089

The assessed land value is \$10,519 and the improvements' valuation is \$44,150, totaling \$54,669. Appellant requests the total value be reduced to \$28,000.

The subject property is an .18 acre lot improved with a 1,640 square foot residence built in 1937. The property is located in Blackfoot and is used by Appellant as a rental property.

RP1039900 (E. Idaho) 13-A-1090)

The assessed land value is \$7,726 and the improvements' valuation is \$23,980, totaling \$31,706. Appellant requests subject's total value be reduced to \$16,000.

The subject property, located in Blackfoot, is a .122 acre lot improved with a 1,496 square foot residence. The 1920 residence includes 906 square feet on the main floor. The 590 square foot basement has 295 finished square feet. The property is used as a rental.

RP1173600 (E. Judicial) 13-A-1087

The assessed land value is \$11,613 and the improvements' valuation is \$34,800, totaling \$46,413. Appellant requests subject's total value be reduced to \$12,000.

The subject property is a two-story, 1,872 square foot residence built in 1920. The property is located in Blackfoot on a .179 acre lot. The parcel is currently used as a rental property.

RP1248900 (N. University) 13-A-1094

The assessed land value is \$11,554 and the improvements' valuation is \$30,612, totaling \$42,166. Appellant requests subject's total value be reduced to \$12,000.

This subject property is .25 acres and improved with a 1,008 square foot residence. The residence, used as a rental property, was constructed in 1950. The property is located in Blackfoot.

RP1143600 (Golden St.) 13-A-1092

The assessed land value is \$8,694 and the improvements' valuation is \$36,050, totaling \$44,744. Appellant requests subject's total value be reduced to \$26,000.

This subject property includes a 1,139 square foot 1933 residence situated on a .138 acre lot in Blackfoot. The parcel is currently used as a rental property.

RP7022600 (N. 740 W.) 13-A-1093

The assessed land value is \$11,800 and the improvements' valuation is \$15,500, totaling \$27,300. Appellant requests subject's total value be reduced to \$26,000.

This subject property is .34 acres in size. Attached to the lot is a 681 square foot residence constructed in 1910. Appellant uses the property as a rental unit.

Respondent considered the above subject properties together due to their overall similarities. Respondent submitted assessment worksheets for seven (7) properties regarded as roughly similar to subjects in terms of age, size, and quality. Respondent remarked that subjects were assessed similarly to the compared properties.

Respondent also provided information on nine (9) sales used to support these seven (7) assessed values. The sale residences were between 588 and 1,150 square feet in size and sale prices ranged from \$57,500 to \$86,500. In Respondent's view, the sales information adequately supported subjects' respective assessed values.

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, 2013 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) primary approaches to finding market value: the cost approach, in which the value is determined by new cost or market comparison is estimated and reduced by accrued depreciation; the income approach . . . and the market data (comparison method) approach, in which value of the assessed property is ascertained by looking to current open market sales of similar property.” *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Appellant advocated using a variation of the cost approach to determine subjects' assessed values. In this regard, Appellant provided a clipping from a local newspaper which reported building permit values in Idaho Falls. Respondent argued these values

reflected flat-rate values and were not true market value figures. Appellant contended the values were actual building costs and that subjects should be assessed similarly.

Ultimately, there was insufficient information in the record to definitively determine what the values represented. In any event, Appellant's application of the evidence in support of reducing subjects' assessed values was incomplete. There was no indication what value should be assigned to the subject lots after the cost of the residences was estimated. In short, details about how the cost evidence was applied to subjects was not well developed or supported. Appellant's analysis did not represent a recognized cost approach methodology.

Respondent, on the other hand, relied on the sales comparison approach. For each group of subject properties, Respondent presented several sales for comparison. The sales generally reflected each subject property group in terms of age, square footage, condition, and lot size. Overall, the sales were found to be good indicators of subjects' respective market values.

In appeals to this Board, the burden is with Appellant to prove error in the values determined by the assessor by a preponderance of the evidence. Idaho Code § 63-511. In this case, that burden was not satisfied. The assessed values of Respondent were well-supported by timely and relevant market value evidence.

Based on the above, the decisions of the Bingham County Board of Equalization are affirmed.

FINAL ORDER

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

DATED this 26th day of December, 2013.