

BEFORE THE IDAHO BOARD OF TAX APPEALS

DEANE TRUST,	)	
	)	
Appellant,	)	APPEAL NO. 16-A-1018
	)	
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. RP58N02W254800A. The appeal concerns the 2016 tax year.

This matter came on for hearing September 22, 2016 in Sandpoint, Idaho before Board Member Linda Pike. Trustee Virginia Deane appeared at hearing for Appellant. 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 an improved residential property.**

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

FINDINGS OF FACT

The combined land value is \$62,133, and the combined value of the improvements is \$251,370, totaling \$313,503. Appellant contends the correct total value is less than \$155,863.

The rural subject property is multi-use property situated several miles north of Sandpoint, Idaho. There is a one (1) acre homesite, seven (7) acres of forest land, and 31.24 acres of agricultural land comprising the tract's total 39.24 acres. Subject's residence includes 2,080 square feet of finished living area, plus a 630 square foot unfinished basement and a 288 square

foot unfinished attic. The property is further improved with a number of outbuildings, including a detached garage, carport, two (2) large flat barns, and a couple smaller pole outbuildings. The various structures have been added or improved over the years, including in 2007 when subject's residence was remodeled and effectively doubled in size.

Appellant questioned the increase in the assessed values of subject's residence and outbuildings. Appellant was also concerned about potential errors in the property records. Specifically, Appellant challenged the reported size of subject's residence, as well as the classification of the carport as a garage. Appellant also wondered if the residence's basement and attic spaces were valued as finished living area. These same concerns were echoed in a report submitted by Appellant titled *Real Estate Consultation*, which was prepared by a local appraiser. The report mostly agreed with Respondent's data concerning the physical characteristics of the various buildings and their respective assessed values. The two (2) areas of concern, however, centered on the amount of finished living area in the residence and whether the carport was valued as a garage.

Respondent explained subject was physically reappraised in early 2016, which had not occurred for at least ten (10) years. During the inspection, it was discovered the grade and condition factors for most of the outbuildings were understated. Changing these ratings caused an increase in the respective assessed values. The inspection also revealed the extent of the remodel work done on the residence, which had not previously been reflected in subject's assessments. Respondent determined the residence had 2,080 square feet of finished living area. Regarding the carport, Respondent noted it was valued as a carport, not a garage. Specifically, the carport was valued at \$1,890, and the separate detached garage at \$6,730.

Addressing Appellant's concerns regarding the basement and attic spaces, Respondent confirmed both areas were valued as unfinished, with assessed values of roughly \$11,000 and \$2,000, respectively.

In support of the value for subject's residence, Respondent offered information on three (3) sales from 2015. Details were limited, however, the sale residences were reported to be similar to subject's in age, grade, condition and size. After removing land and other improvement values from the sale prices, Respondent calculated the residual residence values ranged from \$167,316 to \$196,751, or from \$67.57 to \$101.25 per square foot. Subject's residence was valued at \$135,860, or \$65 per square foot.

#### 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, 2016 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. The three (3) primary approaches to value include the sales comparison approach, the cost approach, and the income approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394,

398 (1979). Residential property is typically valued using the sales comparison approach.

Based on the information provided by Respondent, as well as the *Real Estate Consultation* report submitted by Appellant, the Board is satisfied the respective characteristics and values of the outbuildings are reasonably accurate.

What remains are Appellant's concerns regarding whether the carport was valued as a garage and how much finished living area is in the residence. Both issues were squarely addressed by Respondent. The carport was not valued as a garage. Rather, it was assessed as a carport with a value of \$1,890 which appears reasonable in the Board's judgment. The Board similarly finds no error in the size or assessment of subject's residence. Respondent valued the residence as having 2,080 square feet. The attic and basement areas were not valued as finished living area. Indeed, the 288 square foot attic was valued at roughly \$2,000 and the 680 square foot basement at approximately \$11,000. Respondent also provided recent sales to support the value of the finished living area. Again, the Board found Respondent's residence value reasonable and supported.

Per Idaho Code § 63-511, Appellant bears the burden of proving Respondent's valuation is erroneous by a preponderance of the evidence. The Board did not find that burden satisfied here. Respondent explained the various aspects of subject's assessment and provided recent market data to support the value of the residence. The record was also clear Respondent did not value the carport as a garage, nor did Respondent value the residence's basement and attic spaces as finished living area. In all, subject's assessed value was demonstrated to be fair and accurate. Accordingly, the 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 19<sup>th</sup> day of December, 2016.