

BEFORE THE IDAHO BOARD OF TAX APPEALS

JEFF AND CARY RUBIERA,)	
)	
Appellants,)	APPEAL NO. 16-A-1091
)	
v.)	FINAL DECISION
)	AND ORDER
BENEWAH COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Benewah County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP46N03W041960A. The appeal concerns the 2016 tax year.

This matter came on for hearing October 6, 2016 in St. Maries, Idaho before Hearing Officer Cindy Pollock. Appellants Jeff and Cary Rubiera were self-represented. Assessor Donna Spier 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 residential property.

The decision of the Benewah County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$35,408, and the improvements' value is \$340,638, totaling \$376,046. Appellants contend the correct total value is \$300,000.

The subject property is a 25.76 acre parcel located in St. Maries, Idaho. The property is improved with a 4,655 square foot residence and a 1,015 square foot garage. The residence was constructed in 2005. Subject is located along Round Lake. The majority of the land is under navigable waters with an assessed value of \$50 per acre. The homesite is

assessed at \$34,000, which includes \$20,000 for the 1-acre homesite, and \$14,000 for the onsite improvements.

Appellants contended subject's assessed value was excessive and not supported by available market data. In this regard, Appellants provided assessment information on eight (8) improved properties situated in close proximity to subject. Appellants suggested subject's assessment should be reduced based on these other property assessments.

Appellants argued the assessments have too many errors and are assessed inconsistently. Looking to the physical characteristics on the county assessment tax master sheets, Appellants noted some features or items were included on some assessments, but not on others. Respondent explained although some features were not listed on the tax master sheets, all the known features were assessed accordingly.

Respondent noted subject was classified as good construction grade and in good condition. Respondent explained subject had been repossessed and was vacant for a few years prior to Appellants' purchase. Subject was inspected in 2013, and was remeasured at that time. Adjustments were made to the assessment after the square footage was changed. The subject residence was noted to be valued at \$71 per square foot. Respondent explained the land was not valued by the front foot because the property line does not end at the shoreline.

In support of subject's assessed value, Respondent provided two (2) 2015 waterfront sales. The first sale was a 1,776 square foot residence built in 1985. This sale took place in July 2015 for \$283,500. This sale contained 106 waterfront feet. The second sale was a 1,560 square foot residence which sold for \$198,337. This sale contained 96 water front feet.

Appellants questioned Respondent's sales, in particular where sale prices were between 73% and 119% of their assessed values. Appellants claimed because assessed values were not between 90-100% of the sale prices, the sales were unreliable comparables.

In further support of subject's assessed value, four (4) 2015 sales of residences over 3,000 square feet were offered into record. Sale No. 1 concerned a .58 acre lot improved with a 3,600 square foot residence constructed in 1983. The property sold in June 2015 for \$330,000. Sale No. 2 included a 3,082 square foot residence situated on 21 acres. The property sold in October 2015 for \$295,000. Sale No. 3 concerned a 20 acre lot and was improved with an 11,280 square foot residence constructed in 1997. This sale was further improved with a large pole building. The property sold in November 2015 for \$699,000. Lastly, Sale No. 4 was a 4,515 square foot residence situated on .54 acres. The 3-story residence was built in 2008 and contained an elevator. This property sold in December 2015 for \$426,000. Respondent considered Sale No. 4 to be most similar to subject. It was noted these properties sold with sale prices which averaged 93.5% of market value. Appellants questioned the sales, in particular where sale prices were between 73% and 119% of their assessed values. Appellants claimed because assessed values were not between 90-100% of the sale prices, the sales were unreliable comparables.

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. There are three (3) approaches to value, 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). Use of the sales comparison approach is common in valuing residential property like the subject.

Appellants provided current and past assessment data involving properties located near subject and contended assessed values in the area were inconsistent. Appellants also argued subject’s market value should be based on a comparison of other property assessments. We found too many property characteristic variances between subject and the compared properties to substantiate the claim subject was assessed differently or arbitrarily. Further, while the Board understands Appellants’ concerns in this regard, a comparison of assessed values is not a recognized appraisal approach.

Respondent utilized a sales comparison approach, which is the typical appraisal method for valuing a residential property. In this regard, Respondent provided information related to six (6) recent improved residential sales. These timely sales were the only market

data provided in record and were found to offer support for subject's assessment.

In appeals to this Board, pursuant to Idaho Code § 63-511, the burden is with Appellants to establish Respondent's valuation is erroneous by a preponderance of the evidence. Given the evidence presented in this particular case, the Board finds that burden was not satisfied. The sale properties provided by Respondent were the only market data provided in record, and Appellants did not offer competing market value evidence to support a lower value.

For the reasons above, the decision of the Benewah County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 28th day of December, 2016.