

BEFORE THE IDAHO BOARD OF TAX APPEALS

WANDA STEVENSON,)	
)	
Appellant,)	APPEAL NO. 16-A-1051
)	
v.)	FINAL DECISION
)	AND ORDER
VALLEY COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Valley County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. RP001490000070. The appeal concerns the 2016 tax year.

This matter came on for hearing October 12, 2016 in Cascade, Idaho before Hearing Officer Travis VanLith. Appellant Wanda Stevenson was self-represented. Assessor June Fullmer 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 Valley County Board of Equalization is modified.

FINDINGS OF FACT

The original assessed land value was \$51,320, and the improvements' value was \$283,701, totaling \$335,021. The Valley County Board of Equalization (BOE) reduced the land value to \$47,958, with no change to the improvements' value, for a total of \$331,659. Appellant agrees with the BOE-determined land value, however, contends the value of the improvements should be reduced to \$242,975, for a total value of \$290,933.

The subject property is a 1.369 acre parcel located in the Long Meadows subdivision in Donnelly, Idaho. The property is improved with a single family residence constructed in 1994. The 2,112 square foot residence includes three (3) bedrooms and two and one-half (2 ½) bathrooms. Further improvements include a 676 square foot attached garage and several decks and porches.

Appellant described some characteristics argued to negatively impact subject's market value. It was reported the residence was burdened with deferred maintenance issues on both the interior and the exterior. Of particular concern was the condition of the exterior wood siding. According to Appellant, the prior owner did not use the proper paint and now the siding is not capable of holding paint the way it should. Subject was professionally painted a couple years ago, however, recent photographs provided by Appellant depicted peeling paint. It was also mentioned subject was located in close proximity to a sewage treatment plant. Respondent noted subject's land value was reduced 10% for the location factor.

Appellant offered information concerning three (3) 2015 sales of improved properties located in Donnelly. The sale residences were generally comparable to subject in terms of bedroom and bathroom count, however, were several hundred feet smaller and roughly ten (10) years newer. The sale prices ranged from \$214,000 to \$243,000. By removing the assessed land values and other improvement values, Appellant calculated residual price indications for the sale residences between \$116,681 and \$204,359, or between \$59 and \$89 per square foot. The overall (land and improvements) price rates

varied from roughly \$102 to \$130 per square foot. Subject was assessed for \$331,659, or approximately \$157 per square foot, on an overall basis.

Respondent likewise provided information related to three (3) recent Donnelly sales. The sale properties ranged in size from .592 to 3.036 acres. The sale residences were mostly similar to subject in bedroom and bathroom count, though ranged in square footage from 1,392 to 2,542 square feet. The sale prices were between \$242,500 and \$389,900. Respondent directly compared each sale property to subject and made individual adjustments for differences, such as bedroom and bathroom count, square footage, construction quality, and lot size. Details concerning associated outbuildings or other improvements were not shared, nor were value adjustments made in this area. Respondent concluded adjusted sale prices ranging from \$314,107 and \$351,500.

Appellant challenged the comparability of Respondent's sale properties to subject. Appellant pointed out Respondent's Sale No. 2 included a fully finished shop building with an upstairs living area. It was also noted this residence included extensive decking and a hot tub area, and was six (6) years newer than subject's residence. Appellant characterized the fully landscaped property and well maintained residence as visually superior to subject. Respondent's Sale No. 3 was similarly regarded by Appellant as superior to subject. Appellant explained the property included a fully finished shop building with upstairs living quarters. The house was further noted to be of log-style construction which Appellant contended was superior to subject's construction type.

Lastly, Respondent reported errors in subject's property characteristics record were

discovered subsequent to the BOE's decision. Specifically, Respondent learned subject's garage was only partially-finished and the basement space was fully finished. Correcting these errors would reduce the assessed value of the garage from \$27,331 to \$21,611, and increase the value of the residence from \$254,758 to \$273,239.

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 methods for determining market value approaches to value are 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, which considers recent sales of

proximate and similar properties.

While both parties provided information relevant to the sales comparison approach, the Board found some of the accompanying analysis thin or lacking. In an effort to demonstrate subject's residence was over-valued, Appellant attempted to isolate the value attributable to the residences involved in each sale. In this regard, Appellant removed the assessed land and other improvements included in each sale. This simplistic approach did indicate subject's residence was assessed too high. The limitation, however, is the analysis did not directly compare the sale residences to the subject residence with appraisal adjustments made for important value factors such as age and size. That being said, Appellant's sales did provide some useful guidance in terms of subject's full or total market value.

Though Respondent prepared a more traditional sales comparison analysis, it too failed to make adjustments in some key areas. For example, no age adjustment was applied to the newer sale residences. Respondent also did not make adjustments for outbuildings or other significant improvements associated with the sale properties. And based on the information and photographs provided by Appellant, at least two (2) of Respondent's sales included garage/shop buildings with finished living space, compared to subject which only has a partially finished garage. It was also unclear how Respondent determined its lot size adjustments, which were notably varied.

Looking at all the sales information in record, sales in the area in excess of \$300,000 are rare. Indeed, of the seven (7) sales discussed, only two (2) sold above

\$300,000; and both of these were demonstrated by Appellant to be superior to subject in several important areas. In light of this information, it appears to us subject's assessed value of \$331,659 is somewhat overstated.

In appeals to this Board, pursuant to Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Giving consideration to all the sales and other relevant information provided, the Board is satisfied the burden of proof was met in this case. That being said, we did not find adequate support for the value petitioned by Appellant, rather we found a somewhat higher value more reasonable where it was based on the value evidence submitted by both parties.

Given the above, the decision of the Valley County Board of Equalization is modified to reflect a decrease in subject's market value to \$300,000, of which \$47,958 is attributable to the land, and \$252,042 to the improvements. The improvements' value is understood to reflect and include the corrections to subject's property record recommended by Respondent.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED, to reflect a land value of \$47,958 and a combined improvement value of \$252,042, resulting in subject's total market value of \$300,000.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which

have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 24th day of February, 2017.