

BEFORE THE IDAHO BOARD OF TAX APPEALS

LARRY AND LORRAINE CLARK,	)	
	)	
Appellants,	)	APPEAL NO. 16-A-1152
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BONNEVILLE COUNTY,	)	
	)	
Respondent.	)	
_____	)	

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bonneville County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. RPA0420028047A. The appeal concerns the 2016 tax year.

This matter came on for hearing November 15, 2016 in Idaho Falls, Idaho before Board Member David Kinghorn. Appellants Larry and Lorraine Clark were self-represented. Assessor Blake Mueller 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 Bonneville County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$15,047, and the improvements' value is \$54,919, totaling \$69,966. Appellants contend the correct total value is \$55,000.

The subject property is a .14 acre improved residential lot located in Idaho Falls, Idaho. The parcel is improved with a 1948 residence with 720 finished square feet on the

main level and 432 unfinished square feet in the upper level.

Appellants purchased subject in 2012 from a bank for \$37,000. Since that time Appellant's reported only minimal improvements had been made to the residence, such as replacing a few windows. Appellants identified some issues concerning the residence, including dry rot in some of the floor joists and damaged concrete on the front entryway and driveway. Appellants further noted the shallow crawl space under the residence does not conform to modern building codes and standards.

In June 2016, Respondent inspected the subject property to verify the county's records were accurate. The inspection revealed several changes which needed to be made to better reflect subject's physical characteristics and condition. The notable changes included reducing the level of finish of the upper floor and lowering subject's condition rating to "average". After making the corrections, the value of subject's residence was reduced by roughly \$2,000.

For value evidence, Respondent provided information concerning two (2) sets of sales. The first set consisted of nine (9) sales of residences considered "fair" grade and "average" condition, like the subject residence. The sale residences closely resembled the subject residence in age and square footage. Sale prices ranged from \$60,000 to \$70,750, or between \$53.40 and \$65.54 per square foot after removing garage values from the sale prices. The average price rate was \$58.66 per square foot. Subject's residence was valued at \$47.67 per square foot.

Respondent's other sales set involved residences with a grade of "fair" and condition rating of "good". Again, the sale residences were similar to subject in terms of age and

square footage. Sale prices ranged from \$74,500 to \$85,000. After removing garage values, Respondent calculated sale prices between \$80.87 and \$85.44 per square foot, or an average of \$82.99 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 for determining market 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 commonly valued using the sales comparison approach, which considers information related to recent sales of similar type property.

Appellants' sole value evidence was subject's purchase in 2012 for \$37,000. The

Board, however, has two (2) primary concerns; 1) the sale occurred in 2012, thereby making the data somewhat dated for purposes of estimating current market value; and 2) the purchase was from a bank following foreclosure, which in the Board's experience does not typically represent the best evidence of market value due to the atypical conditions surrounding bank-owned sales. Furthermore, the Board would be reluctant to rely solely on a single sale involving a bank, where there are numerous other sales in the record.

Idaho Code § 63-511 places the burden of demonstrating error in subject's valuation by a preponderance of the evidence on Appellants. In this particular instance, we did not find the burden of proof satisfied. Respondent presented a relatively thorough list of sales involving residences highly similar to subject. Respondent's valuation was also found to have included adequate consideration for subject's somewhat deteriorated condition. In all, subject's assessed value appears reasonable and well-supported. Therefore, the decision of the Bonneville County Board of Equalization is affirmed.

#### FINAL ORDER

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

DATED this 20<sup>th</sup> day of March, 2017.