

BEFORE THE IDAHO BOARD OF TAX APPEALS

JEFFREY AND KATHARINE SOUZA,)	
)	
Appellants,)	APPEAL NO. 16-A-1072
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. R9529200190. The appeal concerns the 2016 tax year.

This matter came on for hearing November 3, 2016 in Boise, Idaho before Board Member Leland Heinrich. Appellant Jeffrey Souza appeared at hearing. Respondent did not appear at hearing and was otherwise unrepresented.

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 Ada County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$200,000, and the improvements' value is \$355,900, totaling \$555,900. Appellants contend the correct total value is \$486,700

The subject property is a 3,070 square foot residence attached to a .74 acre lot in the Woods No 04 at Riverside subdivision located in Garden City, Idaho. The multi-level residence, constructed in 1997, includes four (4) bedrooms and two and one-half (2 ½)

bathrooms. Other improvements include a 792 square foot attached garage and roughly 800 square feet of uncovered patio area.

Appellants questioned the nearly 13% increase in subject's assessed value for the current tax year. In this regard, Appellants submitted assessment information concerning four (4) properties in subject's neighborhood, all of which saw reductions in value for 2016. Appellants provided assessment histories for each referenced property and noted subject had been consistently assessed lower, until this year when subject's value was the highest. In Appellants' view, there was insufficient justification for the increase in subject's value.

Appellants also provided information relating to five (5) sales from 2015. Though lot sizes were somewhat smaller than subject's .74 acres, the sale properties were generally similar to subject in terms of residence size, bedroom and bathroom count, age, and close proximity to water features. Appellants noted several of the sale residences had undergone extensive updating, whereas subject has not been updated since its original construction. Sale prices ranged from \$422,000 to \$530,000.

Respondent did not appear at the duly-notice hearing, nor was evidence offered in support of subject's assessed value.

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). Residential property is commonly valued using the sales comparison approach, which considers the price information of recent sales of proximate and similar property.

Appellants provided two (2) types of information in support of reducing subject’s value. The first was assessment information concerning several properties in subject’s neighborhood. Despite being historically assessed lower, subject’s current assessed value exceeded the assessed values of the referenced properties. While this information was interesting, it does not represent a recognized appraisal approach. As such, minimal weight was afforded this assessment information.

Appellants’ sales information, on the other hand, was well received by the Board. Appellants provided the Multiple Listing Service (MLS) listing summaries for each of the

five (5) sales offered. The sale properties were found to be highly similar to subject in key respects. Only two (2) of the properties sold in excess of \$500,000, and both of these were noted to include significantly updated residences and several unique water features. With most of the sales information pointing to a lower value, and no opposing information being offered by Respondent, the Board is strained to find good support for subject's current assessed value.

Pursuant to Idaho Code § 63-511, the burden is with the Appellants to establish subject's valuation is erroneous by a preponderance of the evidence. Given the one-sided record in this case, we find the burden of proof satisfied.

Based on the above, the decision of the Ada County Board of Equalization is reversed, thereby reducing subject's total value to \$486,700.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, REVERSED, to reflect a land value of \$200,000, and an improvement value of \$286,700, for a total value subject value of \$486,700.

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 Appellants.

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 22nd day of March, 2017.