

BEFORE THE IDAHO BOARD OF TAX APPEALS

JOHN MIGNANELLI,)	
)	
Appellant,)	APPEAL NO. 17-A-1006
)	
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. R5457430305. The appeal concerns the 2017 tax year.

This matter came on for hearing September 7, 2017 in Boise, Idaho before Board Member Leland Heinrich. Appellant John Mignanelli was self-represented. Chief Deputy Assessor Tim Tallman represented Respondent.

Board Members David Kinghorn and Leland Heinrich join in issuing 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 affirmed.

FINDINGS OF FACT

The assessed land value is \$70,400, and the improvements' value is \$186,200, totaling \$256,600. Appellant contends the correct land value is \$65,000, and the improvements' value is \$180,000, totaling \$245,000.

The subject property is a .199 acre improved residential lot situated in the Maple Hill subdivision in Boise, Idaho. The 1979 tri-level residence contains 1,618 above-grade

square feet and 946 square feet in the basement. The property is further improved with a 572 square foot attached garage and a 140 square foot covered patio area.

Appellant contended subject's assessed value was overstated and failed to adequately consider subject's negative aspects. Appellant reported the residence has had some work done since it was originally constructed, such as flooring and carpeting, however, such work was performed roughly twenty (20) years ago. Appellant explained the only recent updating was to replace and stain roughly 40% of the residence's exterior siding. An estimate from a local contractor quoted a price of \$14,000 to finish the remaining siding. Appellant further described the fencing to be in poor shape and the backyard lacking of any landscaping. In all, Appellant argued these condition factors should have resulted in a lower current assessed value. Respondent acknowledged subject had not been extensively renovated or updated, however, it was noted the residence was well maintained and in excellent condition for its age.

Appellant also provided a one (1) page excerpt from a desktop appraisal performed by a local bank. No details concerning the sales used in the appraisal were included. The appraisal concluded a value of \$245,000 for subject, as of May 11, 2017. Respondent pointed out the appraisal did not include basement square footage in its analysis, nor did it adjust for differences in garage size, quality, or lot size.

Respondent presented information on three (3) sales from 2016 involving properties located in subject's area. The sale residences were generally similar to subject in terms of tri-level design, overall square footage, bedroom and bathroom count, garage size, age,

and construction quality. Sale prices ranged from \$228,900 to \$244,500. Respondent adjusted the sale prices to account for physical differences between the sale properties and subject, and also applied a time adjustment to reflect the market conditions on the January 1, 2017 assessment date. The adjusted sale prices ranged from \$254,700 and \$260,500, or from \$99.34 to \$101.60 per square foot. Subject's assessment at \$256,600 indicated an average price rate of \$100.08 per square foot, which Respondent pointed out was well within the tight range indicated by the comparable sales.

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, 2017 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 the market value of property

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 analyzes recent sales of similar property.

Appellant outlined some of subject's negative aspects which were argued to diminish the property's value. These included no recent renovations or updating of the residence except for work done on roughly 40% of the exterior siding, a deteriorating yard fence, and no landscaping in the backyard. While the Board understands Appellant's position, it was not clear the impact these perceived deficiencies would have on subject's current market value. Appellant provided an estimate to complete the exterior siding work, however, it is well-established that cost does not necessarily equate to value. So while it was estimated to cost \$14,000 to finish the siding work, the completion of such work would not necessarily equate to \$14,000 in value, nor does the fact the work has not yet been finished mean subject's value should be reduced by \$14,000.

Appellant's other evidence consisted of a one (1) page excerpt from a desk appraisal performed by a bank. The appraisal concluded a value of \$245,000 as of May 11, 2017. There were a couple issues found with this particular value evidence. First, only a single page of the appraisal was provided, which did not include details on the sales used to reach the value conclusion, nor did it present any details on the appraisal analysis. Second, with an effective date of mid-2017, the value conclusion is beyond the controlling date of valuation in this appeal; January 1, 2017. In all, the Board was unable to place

much weight on the excerpt from the desk appraisal.

Respondent, by contrast, offered information concerning three (3) comparable sales from 2016 and located in subject's general neighborhood. Though there were minor differences between the sale properties and subject, the comparable sales closely resembled subject in terms of size, age, design, quality, location, and bedroom and bathroom counts. Respondent also adjusted the sale prices to account for physical differences between subject and the sale properties, resulting in adjusted sale prices ranging from \$254,700 to \$260,500, or from \$99.34 to \$101.60 per square foot. With an assessed value of \$256,600, subject's valuation fits squarely within the tight value range indicated by the sales. Where Appellant did not offer competing sales information, nor otherwise demonstrate different market data should be used, the Board is strained to find error in subject's current assessed value.

Idaho Code § 63-511 places the burden on Appellant to prove error in subject's valuation by a preponderance of the evidence. Based on the record before us, we do not find the burden of proof satisfied in this instance. Respondent's value evidence was found to be more thorough and better representative of subject's fair market value. As such, the decision of the Ada County Board of Equalization will be affirmed.

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, AFFIRMED.

DATED this 2nd day of November, 2017.