

BEFORE THE IDAHO BOARD OF TAX APPEALS

FABIO ROMANO,)	
)	
Appellant,)	APPEAL NO. 17-A-1220
)	
v.)	FINAL DECISION
)	AND ORDER
BANNOCK COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bannock County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RPPR1001500. The appeal concerns the 2017 tax year.

This matter came on for hearing October 18, 2017 in Pocatello, Idaho before Board Member David Kinghorn. At hearing Appellant Fabio Romano was self-represented. Assessor Jared Stein represented Respondent.

Board Members David Kinghorn, Leland Heinrich and Kenneth Nuhn join in issuing this decision.

The issue on appeal concerns the market value of an improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$40,000, and the improvements' value is \$251,154, totaling \$291,154. Appellant contends the correct improvements' value is \$231,286, with no change to the land value of \$40,000, for a total value of \$271,286.

The subject property is a custom built residence situated in the Partridge Ridge subdivision in the Highland area of Pocatello, Idaho. The lot is improved with a 3,151

square foot, one and one-half (1½) story residence constructed in 2000. The residence has three (3) bedrooms and two and one-half (2½) bathrooms above grade. The walk-out basement was finished into a mother-in-law apartment containing a living room, bedroom, bathroom and kitchen.

Respondent requested discovery in this case which the Board granted. Appellant was asked to provide a copy of the 2016 sale agreement regarding the recent subject sale. Appellant respectfully refused to provide the information.

Appellant was concerned with subject's assessed value increase in 2017 of approximately \$25,000. Appellant provided the assessments from some neighboring properties to demonstrate Respondent's assessed value increases were not uniform.

Appellant also took exception with Respondent's appraisal methodologies. Appellant provided a list of sales obtained from Respondent concerning properties in subject's general area. Also provided was Respondent's cost approach data sheet for subject. Appellant was concerned with the fairness of calculating depreciation without taking into account the year built for the sale properties. Appellant listed residences from Respondent's analysis and sorted them by year built. Referencing the properties built around the same time as subject, Appellant ascertained 32% and 34% were the mean and median depreciation rates evidenced by these properties and asserted this range should be applied to subject's assessment.

Respondent provided testimony and documentary evidence demonstrating properties in subject's area were all treated the same for the 2017 tax year. As far as

depreciation applied, it was explained subject's depreciation factor was 26% which was the median rate for other residences in subject's subdivision. It noted 26% depreciation was the base rate for an average residence in the subdivision, however, residences observed to have more or less depreciation were adjusted from this base.

Respondent pointed out subject contains a full walk-out basement (mother-in-law unit), which was opined to be somewhat superior to other properties in the neighborhood, as well as the comparable sales offered into evidence. Respondent's market data consisted of information from three (3) 2016 sales of residences located in subject's general area. The sale properties were generally similar to subject in terms of overall square footage and bedroom and bathroom counts. The sale properties were built between 1999 and 2006. The prices ranged from \$296,400 to \$309,500. The price rates per finished and above-grade square foot were also in line with subject's assessment. No appraisal adjustments were applied for differences as Respondent could not find support for such in the market. For instance older homes sold at prices similar to more newly built homes. It was also noted no discernable difference existed in pricing based on differing bedroom and bathroom counts.

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. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. The market value of residential property is commonly valued using the sales comparison approach.

Appellant purchased subject in 2016. Respondent sought to ascertain the purchase price and terms, however Appellant was unwilling to divulge the information when ordered to do so through discovery, or again when asked at hearing. In an appeal involving a disputed value, the recent arm’s-length sale price of the subject property is often heavily weighed evidence. The Board would have preferred Appellant share the price information so that it might be duly considered. We also note Idaho is a “non-disclosure state” and that one’s home or finances can be a very personal matter. Here the Board relied on other sales and market data to determine subject’s fair market value. In another instance the Board might have compelled disclosure or taken an adverse inference from a party’s refusal to provide potentially relevant evidence.

Appellant disputed the correctness of subject's assessed value. In so doing Respondent's replacement cost new for the residence of \$330,948 was used but with a higher depreciation allowance of 32%. This resulted in a final cost approach value of \$271,296. Respondent used 26% for the depreciation rate, which was the median depreciation observed from sales of residences in subject's subdivision. We did not find support for Appellant's 32% depreciation rate.

On the whole Respondent's value evidence was well received by the Board. The market and cost approaches were both considered. The three (3) comparable sales offered to support subject's 2017 assessed value were located in subject's immediate vicinity and were generally representative of subject's physical features. Sale prices ranged from \$296,400 to \$309,500. Subject's assessed value is \$291,154, which is just below the value range indicated by Respondent's sales information.

Idaho Code § 63-511 places the burden on Appellant to demonstrate error in subject's assessed value by a preponderance of the evidence. Given the record in this case, we did not find the burden of proof satisfied. Appellant's information was not persuasive, nor did it comport well with recognized appraisal methodology. Respondent's analysis yielded a value conclusion which was found to be well supported by the sales comparison and cost approaches to value.

Based on the above, the decision of the Bannock County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 22nd day of January, 2018.