

BEFORE THE IDAHO BOARD OF TAX APPEALS

ELIAH SCHMOEGER,)	
)	
Appellant,)	APPEAL NO. 17-A-1005
)	
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. R6120402240. The appeal concerns the 2017 tax year.

This matter came on for hearing September 6, 2017 in Boise, Idaho before Board Member Leland Heinrich. Appellant Eliah Schmoeger was self-represented. Chief Deputy Tim Tallman 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 Ada County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$203,000, and the improvements' value is \$365,300, totaling \$568,300. Appellant contends the correct land value is \$203,000, and the improvements' value is \$303,767, totaling \$506,767.

The subject property is a corner lot of .252 acres located in Boise's North End neighborhood, along Harrison Boulevard. On appeal, the parties agreed the single-family

residence has 1,880 square feet above grade and 1,229 square feet below grade, totaling 3,109 square feet of finished living area. A detached garage has 528 square feet. The residence was built in 1951. In recent years the residence and grounds have been extensively remodeled and updated.

Following the remodel work, subject was listed for sale in early 2017 at \$715,000. Construction permits and information connected with subject's last two listings in 2011 and 2017 were in record. Collectively, the exhibit material and associated testimony established the nature, timing, and extent of the multi-year remodeling.

Appellant reported subject's tax assessment rose sharply in 2017, and the residence size Respondent used to make the assessment was erroneous. It was also reported subject was neighbored by a quadplex exhibiting deferred maintenance. The presence of the quadplex was reportedly a main concern expressed by potential buyers during subject's 2017 listing. Appellant contended future buyers would still be concerned and this factor should be reflected in the property's tax assessment. Regarding the size matter, subject's assessment was originally based on a total residence size of 3,470 square feet. In appealing, Appellant provided a sketch showing the basement to be 1,229 square feet and the main level to be 1,880 square feet, for a total size of 3,109 square feet.

To arrive at a corrected value, Appellant took the average indicated assessment rate from the original assessment calculated from the higher total square footage figure and applied this to the corrected lower square footage. Respondent pointed out the size corrections were not uniform between the above-grade and below-grade areas.

Respondent valued the finished basement square footage for far less than above grade square footage.

Respondent explained subject had been reappraised with other North End properties for the 2017 tax year. During the reappraisal, the extent of subject's remodeling was uncovered and thus reflected in the new "ground up" appraisal consideration. It was reported subject's neighborhood was active and desirable. Respondent compared four (4) home sales, all located along Harrison Boulevard with the subject property. All the sale properties had been at least partially updated and all contained basements. Three (3) of the sales were from 2016 and one (1) was from mid 2015. All of the sales were located within four (4) blocks of the subject, and the majority of them within two (2) blocks. After making adjustments to the sale prices for differences between the selling properties and the subject, the price indications for subject ranged from \$536,603 to \$618,839. Three (3) of the indications were above \$588,000. This sales comparison analysis incorporated Appellant's square footage information.

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. Residential property like the subject is commonly valued with reference to the recent sales of similar property. A recent sale, listing, or offer involving the subject property can provide evidence of market value.

Subject was listed for sale in February of 2017. The seller’s circumstances were deemed to be somewhat unusual for the residential property marketplace. The listing was later removed without selling. The public information connected with the listing occurred after the effective date of valuation pertinent to this market value question. Under the circumstances, the Board placed no weight on the listing price evidence.

Making corrections to the subject residence’s measurements, for both the above-grade and below-grade living areas, Appellant arrived at a new valuation that relied on the average value rate reflected in subject’s original assessment multiplied by the corrected total square footage figure. Respondent pointed out most of the reduction in size was related to the basement, which area was not valued as high per square foot in the market as above grade living area. The Board found Respondent’s position persuasive and

material to a fair and correct valuation of subject.

On appeal, Respondent prepared a new appraisal of subject's market value relying on the sales comparison approach to value. Information was shared from four (4) comparable sales. Adjustments were made for time of sale and for differences between the subject and selling properties. The analysis incorporated Appellant's size measurements for subject's basement and above-grade living areas. In all, the Board found the sales comparison analysis to offer good evidence of subject's current market value. Respondent noted the measurement corrections had also been incorporated into its property records and would also be part of future assessment considerations.

Idaho Code § 63-511 places the burden on Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. We find the burden of proof satisfied in this instance, though we did not find sufficient support to reduce subject's value to that petitioned by Appellant. Good evidence was offered in support of Appellant's position on the residence's correct square footage and Respondent reworked its appraisal accordingly. Appellant's requested value change did not reasonably account for differences between basement and above-grade living areas. Respondent's adjusted valuation on appeal did account for corrections to subject's square footage measurements and was found to reasonably consider the fact most of the reduced square footage was connected with the basement area. Respondent's valuation of subject was ultimately deemed to be more reliable where it was based on a direct comparison to four (4) nearby comparable sales.

For the reasons expressed, the decision of the Ada County Board of Equalization

will be modified to reflect a final subject value of \$561,000.

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, MODIFIED to reflect a decrease to \$561,000 (land allocation \$203,000, improvements allocation \$358,000).

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 14th day of December, 2017.