

BEFORE THE IDAHO BOARD OF TAX APPEALS

SANDIE HEMINGWAY,)	
)	
Appellant,)	APPEAL NO. 17-A-1284
)	
v.)	FINAL DECISION
)	AND ORDER
TWIN FALLS COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Twin Falls County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. RPT40010050020A. The appeal concerns the 2017 tax year.

This matter came on for hearing December 8, 2017 in Twin Falls, Idaho before Board Member David Kinghorn. Appellant Sandie Hemingway was self-represented. Deputy Prosecutor Nancy Austin 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 Twin Falls County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$31,955, and the improvements' value is \$237,222, totaling \$269,177. Appellant contends the correct land value is \$30,000, and the improvements' value is \$220,000, totaling \$250,000.

The subject property is a .217 acre residential parcel located in Twin Falls, Idaho. The property is improved with a multi-level residence constructed in 1999. The residence,

with 2,541 square feet on the main level and 936 square feet in the basement, is comprised of four (4) bedrooms and three and one-half (3½) bathrooms. Subject's residence was characterized as unique in the neighborhood due to its larger size, design, and newer age.

Appellant pointed to subject's nearly \$40,000 increase in assessed value for 2017 and questioned the validity of such an increase. Appellant explained subject's valuation changes on an inconsistent basis year-to-year, with minimal changes in value some years and large value changes other years. It was contended wide fluctuations in value were unfair and the increases in recent years was unsustainable. Appellant also contended consideration should be given to subject being located in close proximity to duplex rental properties.

Respondent inspected subject in mid-2017 to verify the accuracy of the physical characteristics record. An interior inspection was not performed, so no interior adjustments were made. The exterior inspection, however, revealed the need for corrections concerning a couple items. First, the design complexity adjustment was changed downward by 1% because subject's design was found to not be as complex as indicated in the prior property record. Respondent also made minor upward adjustments to account for roughly 200 square feet of new concrete in the driveway and front sidewalk areas and for the concrete being dyed, which Respondent contended added some additional value. Respondent re-worked its cost approach analysis based on subject's updated property characteristics and concluded a value of \$277,545, and petitioned subject's value be

increased accordingly.

Respondent also provided information concerning three (3) residential sales from 2016. Because subject is unique, Respondent was unable to find comparable sales in the immediate area so sales from outside neighborhoods were considered. The sale lots varied in size from .275 to .406 acres. The residences were generally similar to subject in terms of design, construction quality, and general appeal. Each sale property was compared to subject and adjustments were made to the respective sale prices for differences between subject and the sale properties, such as square footage, lot size, location, fireplace, and other relevant factors. The result was adjusted sale prices ranging from \$278,600 to \$347,400. Primary emphasis was placed on Sale No. 2 with an adjusted sale price of \$278,600 because it was regarded as most similar to subject in terms of age, and also required the least amount of adjustments. Respondent concluded a value of \$279,000 for subject using the sales comparison approach.

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. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Respondent developed value opinions using both the sales comparison approach and the cost approach. Respondent’s sales comparison approach considered three (3) recent sales of improved residential properties characterized as generally similar to subject. Respondent analyzed these sales and adjusted the sale prices to account for differences between the sale properties and subject. Based on the adjusted sale prices, Respondent concluded a value of \$279,000. Respondent’s analysis under the sales comparison approach was received favorably by the Board. The adjustments appeared reasonable and appropriate, resulting in a well supported value conclusion.

The Board likewise appreciated Respondent’s cost approach information and analysis. Respondent updated subject’s physical characteristics to reflect subject’s current status. This new information was incorporated into Respondent’s cost approach which resulted in a final value conclusion of \$277,545.

Pursuant to Idaho Code § 63-511, Appellant bears the burden of proving error in

subject's valuation by a preponderance of the evidence. We did not find the burden of proof satisfied in this case. Appellant provided no sales or other market data to support a value reduction. Respondent, on the other hand, developed value estimates using two (2) different valuation approaches, both of which incorporated current market information into the analyses. In all, the Board did not find sufficient cause to change subject's value.

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

FINAL ORDER

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

DATED this 14th day of February, 2018.