

BEFORE THE IDAHO BOARD OF TAX APPEALS

SANDIE HEMINGWAY,)	
)	
Appellant,)	APPEAL NO. 17-A-1285
)	
v.)	FINAL DECISION
)	AND ORDER
TWIN FALLS COUNTY,)	
)	
Respondent.)	
)	
_____)	

COMMERCIAL 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. RPT1590001007AA. 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 commercial property.

The decision of the Twin Falls County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$50,567, and the improvements' value is \$397,273, totaling \$447,840. Appellant contends the correct land value is \$38,084, and the improvements' value is \$362,727, totaling \$400,811.

The subject property is a 1.059 acre commercial parcel located in Twin Falls, Idaho. The property is improved with a 5,100 square foot building constructed in 2005.

Appellant contended the increase in subject's 2017 assessed value was excessive. Appellant pointed out subject's assessment has changed sporadically over the years, with some years experiencing only minor changes, and other years experiencing large value changes. Appellant explained such large increases create hardship for taxpayers and contended the overall increase in the past several years is unsustainable.

Respondent used the cost approach to develop subject's base valuation. To this base value, market-based adjustment factors were applied to reflect current market levels. These adjustment factors were derived from the results of a recent ratio study analysis which indicated commercial values needed to be increased for 2017. Rather than apply a blanket adjustment to all commercial properties in the county, Respondent analyzed the sales according to specific commercial neighborhoods and determined appropriate adjustment factors for each. Subject's neighborhood received an upward 10% adjustment to land values and an upward 25% adjustment to improvement values.

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) methods for determining market value 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).

Respondent explained subject’s value, and commercial values in general, were increased for the current assessment year as a result of recent sales activity indicating an appreciating real estate market. Respondent studied the relationship between 2016 sale prices and assessed values and concluded commercial values were generally well below market levels. Neighborhood-specific adjustment factors were determined and applied uniformly to all properties situated within a particular neighborhood. Though we understand Appellant’s concern with the amount of subject’s value increase, we find no error in Respondent’s methodology. The trend adjustments were derived from the market and applied consistently within each neighborhood. The cost approach was recently reviewed. Based on the information provided, we found subject’s valuation properly pursued and supported.

Appellant bears the burden of proving subject’s valuation is erroneous by a preponderance of the evidence. Idaho Code § 63-511. We did not find the burden of

proof satisfied in this instance. Respondent's valuation of subject was derived from a consideration of recent commercial sales activity. Appellant did not provide competing market data or analysis to demonstrate subject's value should be reduced. As such, 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.