

BEFORE THE IDAHO BOARD OF TAX APPEALS

SID LEZAMIZ, JR.,)	
)	
Appellant,)	APPEAL NO. 17-A-1245
)	
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. RPT3165001001CA. The appeal concerns the 2017 tax year.

This matter came on for hearing October 24, 2017 in Twin Falls, Idaho before Board Member Leland Heinrich. Appellant Sid Lezamiz, Jr. was self-represented. Assessor Gerry Bowden 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 modified.

FINDINGS OF FACT

The assessed land value is \$36,656, and the improvements' value is \$290,051, totaling \$326,707. Appellant contends the correct improvements' value is \$136,918, with no change to the land value of \$36,656, totaling \$173,574.

The subject property is a single level multi-residence patio home built in 2004. The

property is located in Twin Falls, Idaho. The two (2) living units both include three (3) bedrooms, two (2) bathrooms, and each have a two-car garage. One residence contains 1,598 square feet, and the other contains 1,612 square feet, for a total of 3,210 square feet.

Appellant provided information on three (3) 2016 duplex sales situated in subject's general area. The sale properties were built in 1995, 1978 and 1965. Sale prices ranged from \$157,000 to \$197,500 for these duplexes consisting of between 3,065 and 3,840 square feet. Appellant used these sales to compare with subject and subtracted subject's assessed land value of \$36,656 from the prices to calculate price per square foot rates for the sale properties' improvements. After extracting land values, the improvements' ranged in indicated price rates from \$37.24 to \$52.48 per square foot. Appellant used the median price per square foot of \$42.65 and applied it to subject's 3,210 square feet to conclude a \$136,918 value for subject's improvements. Respondent noted adjustments for physical differences between the subject and the sale properties were not made.

Respondent explained subject is considered a multi-residence home, or a zero lot line residence versus a duplex. The differences between the two (2) types of structures are two-fold. First duplex and zero lot line residence requirements are specific, in that there are two (2) hours fire separation resistant walls between multi-resident homes, versus one (1) hour fire separation walls for duplexes. The second difference is zero lot line residences are situated on one (1) lot, and must meet the following requirements; each family residence can be split and sold separately if it contained an individual building

permit, the lot can be legally split, and if they are constructed as individual attached single family buildings. Lastly, multi-home units or zero lot line properties must each contain their own water, septic, and electrical hookups. Subject met all of these requirements, and therefore for assessment purposes, was considered a multi-home property. Appellant argued subject should be valued for its actual “use”, which use was defined as two (2) separate rental units.

After the hearing before the Twin Falls County Board of Equalization, Respondent physically inspected subject. Observations were made for each residence, and it was noted the roof was of lower quality than used for Respondent’s original cost approach, therefore a downward adjustment was calculated, however, the remaining adjustments of ceiling height and the complexity of design and quality of the wall, along with a few other items increased the value in Respondent’s updated cost approach to arrive at new values of \$152,663 and \$153,987 for each residence, or a total value of \$343,306. Respondent requested the Board adjust subject’s assessment to this new value based on its new cost approach findings.

For further support, Respondent provided four (4) sales of comparable properties, three (3) sold in 2016, with the remaining sale taking place in late 2015. Sale prices ranged from \$160,000 to \$196,000 for residences ranging from 1,342 to 1,814 square feet in size. Comparable No. 1 was said to be most similar to subject. This sale property was built in 2007, contained 1,342 square feet and sold for \$186,900, or \$139.27 per square foot in September 2016. This property was originally built as a zero lot line multi-residence

home situated on one (1) lot. This particular sale was for one-half (½) of the zero lot line property.

Respondent made adjustments to the sale properties, as compared to subject, for differences in multi-home versus single-home, age, and gross living area. The adjusted prices ranged from \$142,800 to \$162,000. Using the sales comparison approach, Respondent concluded a total subject value of \$345,656.

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 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). Residential property is typically valued using the sales comparison approach. Both parties looked to the sales comparison approach, though Respondent also utilized the cost approach.

Both parties offered sales for the Board's review. The key difference between the parties centered on the type of sale properties selected. Respondent primarily focused on sales of newer similar single-home types and Appellant provided sales of somewhat older duplexes. In this regard, the Board favored Respondent's comparable sales selection and accompanying analysis because it was focused on sales more similar to subject, and adjustments were made accordingly. Appellant's sales were of older duplexes, did not appear of the same quality as subject, and notably were not adjusted for property differences. Further, the duplexes were not of the same construction materials and patio home configuration. Respondent's value conclusion of \$345,656 was better supported.

Respondent inspected the subject property and updated the property characteristics to derive an updated cost approach valuation of \$343,306. The Board found this evidence to be an accurate depiction of subject's characteristics and the contributory value changes were well reflected.

Idaho Code § 63-511 places the burden on Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. We did not find the burden of proof satisfied here. Respondent's information and analysis was narrowly focused on subject's specific attributes, whereas Appellant's sales and market information consisted mostly of older duplex properties. Further, the totality of Respondent's evidence suggested subject's

current market value is somewhat higher than the value concluded by the Board of Equalization. Given the evidence presented in this matter, found good cause to accept Respondent's requested value of \$343,306. Accordingly, the decision of the Twin Falls County Board of Equalization is modified.

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, MODIFIED to reflect an increase to \$343,306, with the value attributable to the improvements.

DATED this 24th day of January, 2018.