

BEFORE THE IDAHO BOARD OF TAX APPEALS

SID LEZAMIZ, JR.,)	
)	
Appellant,)	APPEAL NO. 17-A-1247
)	
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. RPT3165001003CA. 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 \$34,862, and the improvements' value is \$321,790, totaling \$356,652. Appellant contends the correct improvements' value is \$182,201, with no change to the land value of \$34,862, totaling \$217,063.

The subject property is a single level multi-residence patio home built in 2009

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. Both residences contain 1,551 square feet, for a total of 3,102 square feet.

Appellant provided information on three (3) duplex sales situated in subject's general area. The sale properties were built in 1995, 1978 and 2010. Sale prices ranged from \$157,000 to \$265,000 for these duplexes consisting of between 2,590 and 3,232 square feet. One (1) of the sales was a 2010 built duplex which sold for \$265,000 in November 2015. This sale property contained 2,590 square feet. Appellant used these sales to compare with subject and subtracted subject's assessed land value of \$34,862 from the prices to calculate price per-square-foot rates for the sale properties' improvements. Two (2) sales were also adjusted \$4,000 and \$6,912 to account for closing costs paid by the seller. After extracting land values and the contributory closing costs, the improvements ranged in indicated price rates from \$37 to \$89 per square foot. Appellant used the average price per square foot of \$58.74 and applied it to subject's 3,102 square feet to conclude a value of \$182,211 for subject's improvements. Respondent noted no appraisal adjustments were made for differences between the subject and the sale properties were made.

Respondent explained subject is considered a multi-residence home, or a zero lot line residence versus a duplex. Respondent further explained subject was built to the standard of zero lot line homes and could be split and sold off separately. Zero lot line sales were analyzed to compare with subject. Respondent contended subject should be

valued as individual single-homes not as a duplex. Appellant argued subject should be valued for its actual “use”, which use was described as two (2) separate rental units and not valued as “speculative” use.

Respondent physically inspected subject after the Board of Equalization hearing. Observations were made, and it was noted the shingle material was of lower quality than used in Respondent’s original cost approach, therefore a downward adjustment was calculated. The interior wall heights were adjusted upward to nine (9) feet, which caused an increase in value. After the physical characteristics were updated, new cost approach values of \$154,496 and \$155,535 were determined for each residence, or a total value including land of \$344,893. Respondent requested the Board lower subject’s assessment to this new value based on its new cost approach findings.

For further support, Respondent provided four (4) sales. Three (3) sold in 2016, with one (1) sale taking place in 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 ($\frac{1}{2}$) of the total zero lot line property.

Respondent made adjustments to the sale properties, as compared to subject, for differences in multi-home versus single-home design, fireplace and gross living area. The adjusted prices ranged from \$138,800 to \$163,900. Using the sales comparison approach,

Respondent concluded an improvement value of \$154,400 for each individual residence, or a total value of \$343,662, including land.

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 is typically valued using the sales comparison approach. Both parties looked to the sales comparison approach. Respondent also updated its cost approach and asked the Board to reduce subject's assessed value to its updated cost approach valuation of \$344,893.

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, as well as one (1) newer 2010 duplex. The Board found the sale of the newer duplex to be the only sale offered by Appellant which appeared similar to subject. Looking at this sale and applying Appellant's own analysis, the price per square foot from this sale property of \$88.86 applied to subject's 3,102 square feet, yields a value of \$310,506 after adding the land value. The Board found Appellant's value request of \$217,063 was inadequately supported by the sales evidence in record.

Respondent's comparable sales selection and accompanying analysis it was focused on sales more similar to subject, and adjustments were made for property differences. The Board found this analysis better supported. Respondent's value conclusion of \$344,893 was well supported by two (2) appraisal approaches.

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 fell short of being good evidence of current market value. Given the evidence presented in this matter, we found good cause to accept Respondent's requested value of \$344,893. 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 a decrease to \$344,893, with the value attributable to the improvements.

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 24th day of January, 2018.