

BEFORE THE IDAHO BOARD OF TAX APPEALS

SID LEZAMIZ, JR.,	)	
	)	
Appellant,	)	APPEAL NO. 17-A-1249
	)	
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. RPT4259001001CA. 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 commercial property.**

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

FINDINGS OF FACT

The assessed land value is \$92,370, the main improvements' value is \$63,902, and other improvements' value is \$9,370, totaling \$165,642. Appellant contends the correct land value is \$47,425, with no change to the main improvements' value of \$63,902, and a zero value for the other improvements, totaling \$111,327.

The subject property is a .43 acre commercial parcel improved with a 1,768 square

foot manufactured home built in 1999. The manufactured home has been converted into an office building. The property fronts Aspenwood Drive and Kimberly Road in Twin Falls, Idaho.

Appellant purchased subject in March 2016 for \$180,000. Appellant testified the purchase was not a typical transaction, as it was owner financed. Further, it was explained this parcel was surrounded by other property owned by Appellant and in order to expand another property, subject had to be purchased.

Appellant provided information concerning three (3) vacant commercial lots which sold in 2015 and 2016. The lots ranged in size from .36 to 1 acre. Sale prices ranged from \$49,500 to \$57,500, or from \$1.14 to \$3.16 per square foot. Appellant used the simple average of \$2.48 per square foot and applied it to subject's size to calculate a land value of \$47,425. Respondent argued the sale properties were located downtown and not located in subject's immediate area, which area typically sells for higher prices.

Subject's main improvement was considered to be of average quality class and in average condition for a year built of 1999. Subject's assessment included other improvements which were a wood deck, asphalt, and flat work concrete valued at \$9,370. Subject's land was assessed at \$4.25 per square foot for the main frontage, with the excess land valued at \$2.25 per square foot, for a total land value of \$92,370.

Respondent presented information related to nine (9) commercial sales, with the subject included in the analysis. The sales were located on, or directly off, Kimberly Road. Details concerning the sales' improvements and land were not provided to the record. The

sale prices ranged from \$84,900 to \$1,250,000. In general the sale properties' assessed values were lower when compared to the sale prices, being on average at 77% of the market prices. This was the basis for commercial properties like the subject being trended upward in 2017.

### 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). Improved commercial properties are commonly valued with reference to the three (3) cited approaches. On appeal, both parties looked to the sales

comparison approach. Neither party offered good evidence of subject's market value from the comparable sales in record. The record shows Appellant looked to land-only sales which Respondent argued were in a less desirable area of town. No adjustments were made for differences between the selling properties and the subject, Appellant merely extracted an average price rate and applied it to subject's land size. Respondent provided a larger quantity of sales information to show commercial property in subject's area had prior assessments that were too low and had to be trended upward. While we appreciated the commercial sales information and ratio details, property characteristics for the sale properties were not in record making meaningful comparisons to the subject impractical for the purpose of measuring and estimating subject's market value.

Subject sold for \$180,000 in March of 2016. This was a timely sale of the subject property with evidently no changes to the property since the time of sale. The record reveals some appreciation in market prices since the sale date, is more likely than not. Appellant testified subject was purchased for a higher price as the property was needed for expansion of another property owned by Appellant. Subject's current assessed value is lower than the purchase price, which in the Board's judgment tends to mitigate the concerns raised by Appellant.

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. Given the totality of evidence presented in this matter, we found good cause to affirm the decision of the Twin Falls County Board of Equalization.

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 31<sup>st</sup> day of January, 2018.