

BEFORE THE IDAHO BOARD OF TAX APPEALS

SID LEZAMIZ, JR.,	)	
	)	
Appellant,	)	APPEAL NO. 17-A-1253
	)	
v.	)	FINAL DECISION
	)	AND ORDER
TWIN FALLS COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**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. RPT3164002005AA. 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 \$42,240, and the improvements' value is \$394,235, totaling \$436,475. Appellant contends the correct improvements' value is \$181,039, with no change to the land value of \$42,240, totaling \$223,279.

The subject property is a single level multi-residence patio home built in 2006. The

property is located in Twin Falls, Idaho. Two (2) of the three (3) living units have two (2) bedrooms and two (2) bathrooms. The remaining unit contains three (3) bedrooms and two (2) bathrooms. Each unit includes a one-car garage. The residences vary in size from 1,265 to 1,379 square feet.

Appellant provided information on three (3) 2016 triplex sales situated in subject's general area. The sale properties were built in 1945, 1961 and 1979. The sale prices ranged from \$95,000 to \$239,000. The triplexes ranged in size from 2,331 to 3,152 square feet. Appellant used these sales to compare with subject's improvement. In removing land values from the sales, Appellant subtracted subject's assessed land value of \$42,240 from each price. After this adjustment, the indicated price rates for the improvements ranged from \$23 to \$62 per square foot. Appellant used the median price rate of \$45.37 and applied it to subject's 3,990 total square feet to conclude a value of \$181,040 for subject's improvements. Respondent noted Appellant's sale properties were much older than subject, and adjustments for physical differences between subject and the sale properties were not made. Further, Respondent argued the sales were not comparable to subject in size or location.

Respondent explained subject is considered a multi-residence home, or zero lot line residences versus a triplex. It was noted a zero lot line home sells for a higher price rate than the typical triplex. The differences between the two (2) types of structures are two-fold. First, triplex and zero lot line residence requirements are specific, in that there are two-hour fire separation resistant walls between multi-resident homes, versus one-hour fire

separation walls for triplexes. 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 the units 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-residence property.

Respondent recently inspected subject and updated its cost approach. After updating the data inputs in Respondent's cost approach, a new value of \$435,424 was concluded. This was slightly lower than the value determined by the Board of Equalization. Respondent requested the Board adjust subject's 2017 assessment to this new value based on the new cost approach findings.

For further support, Respondent provided a consideration of four (4) 2016 sales of comparable properties. The sale prices ranged from \$180,000 to \$186,900 for residences which consisted of 1,606 to 1,342 square feet in size. Respondent used the comparable sales to perform a direct sales comparison approach on each unit of subject. Land value was removed from the sale prices and then other adjustments were made for differences between the sale properties and the particular subject unit being valued. The individual adjustments included: differences in multi-home versus single-home, design and appeal, quality of construction, age, garage size, and gross living area. The concluded values for the three (3) subject units were \$151,100, 146,300, and 153,300. Added together the

individual unit values totaled \$450,700 before land value. Adding subject's land value of \$42,240 yielded a total subject value of \$492,940.

### 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). 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.

While both parties provided sales for the Board's review, the key difference between

them was in the type of sale properties selected and analyzed. Respondent focused on the recent sales of newer, similar single-home types and Appellant provided information on sales of older triplexes. In this regard, the Board favored Respondent's comparable sales selection and accompanying analysis because it was focused on comparable sales found to be more similar to the subject. Adjustments were also made for key property differences where indicated. Appellant's sales involved older triplexes which did not appear to be of the same quality as subject and the sales were generally not adjusted for property differences. This was particularly notable where no adjustments were made for age and condition differences. We did not find the triplex sales to be truly comparable property to the subject.

Further Respondent had recently inspected the subject property and updated the property characteristics to derive an updated cost approach value of \$435,424. This Board was asked to adopt the new cost approach value in place of the value originally set by the Board of Equalization. The Board found this updated value evidence was well supported in the record and accurately depicted subject's property characteristics and market value.

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 value information and analysis was narrowly focused on subject's specific property attributes, whereas Appellant's sales and market information consisted mostly of older triplex properties with very different property characteristics than

the subject. Given the evidence presented in this matter, the Board found good cause to accept Respondent's requested value of \$435,424. 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 in value to \$435,424, with the indicated value reduction 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 2<sup>nd</sup> day of February, 2018.