

BEFORE THE IDAHO BOARD OF TAX APPEALS

SID LEZAMIZ, JR.,	)	
	)	
Appellant,	)	APPEAL NO. 17-A-1257
	)	
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. RPT3164002008AA. 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 affirmed.**

FINDINGS OF FACT

The assessed land value is \$41,596, and the improvements' value is \$409,483, totaling \$451,079. Appellant contends the correct improvements' value is \$200,289, with no change to the land value of \$41,596, totaling \$241,885.

The subject property is a single level multi-residence patio home built in 2007. The property is located in Twin Falls, Idaho. Two (2) of the living units include three (3) bedrooms

and two (2) bathrooms each, and the third unit contains two (2) bedrooms and two (2) bathrooms. Two (2) units include a one-car garage, and one (1) unit includes a double garage. The residences vary in size from 1,304 to 1,580 square feet.

Appellant provided information on three (3) 2016 triplex sales situated in subject's general area. The sale properties were built in 1979, 1961 and 1945. Sale prices ranged from \$95,000 to \$239,000 and the triplexes ranged in total size from 2,331 to 3,152 square feet. Appellant used these sales to compare with subject's improvements. Appellant subtracted subject's assessed land value of \$41,596 from each sale price. After removing land value, the sale properties' improvements had indicated price rates from \$23 to \$63 per square foot. Appellant used an average price per square foot of about \$45.60 and applied it to subject's 4,392 total square feet to conclude a subject improvement value of \$200,289. 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 triplex. It was noted the zero lot line homes sell for relatively more than the typical triplex. The differences between the two (2) types of structures 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 residences. Subject met these requirements, and therefore for assessment purposes, was considered a multi-home property. Appellant explained there was no intention to sell the units individually and argued subject should be valued for its actual "use", which use is as a triplex

rental.

On appeal Respondent physically reinspected subject. The data records were updated and a new cost approach value of \$451,797 was concluded. This value was slightly higher than the value determined by the Board of Equalization. Respondent requested the Board adjust subject's 2017 assessment to this new cost approach value based on the corrected characteristics data.

For further support, Respondent provided information concerning four (4) 2016 comparable sales. The sale prices ranged from \$180,000 to \$186,900, for residences which ranged in size from 1,606 to 1,342 square feet. After removing land values, Respondent made adjustments to the comparable sales, as compared to subject, for differences in multi-home versus single-home, design and appeal, quality of construction, age, garage size, and gross living area. The adjusted prices ranged from \$138,200 to \$161,200. Using the sales comparison approach, Respondent concluded a subject value of \$489,996.

#### 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 presented a cost approach.

While both parties provided sales for the Board’s review, the key difference was in the type of sale properties selected. Respondent primarily focused on sales of newer similar single-home types and Appellant provided sales of older triplexes. In this regard, the Board favored Respondent’s comparable sales selection and the accompanying analysis because it was focused on comparable sales found to be more similar to subject. And further, adjustments for key property differences were made as 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 noticeable where no adjustments were made for age and condition differences. We did not find the triplex sales to be truly comparable properties to the subject.

Respondent provided two (2) methods of valuation. Respondent’s updated cost approach conclusion was \$451,797. Respondent’s sales comparison approach concluded a somewhat higher value, but overall provided good support for subjects current assessed

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 by Appellant. Respondent's valuations were narrowly focused on subject's specific property attributes, whereas Appellant's sales and market information consisted mostly of older triplex properties. Given the evidence presented in this matter, the Board found no cause to disturb the value 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 7<sup>th</sup> day of February, 2018.