

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| SID LEZAMIZ, JR., |) | |
| |) | |
| Appellant, |) | APPEAL NO. 17-A-1258 |
| |) | |
| 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 denying the protest of valuation for taxing purposes of property described by Parcel No. RPT27410030010A. 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 \$33,190, and the improvements' value is \$133,492, totaling \$166,682. Appellant contends the correct improvements' value is \$128,240, with no change to the land value of \$33,190, totaling \$161,430.

The subject property is a .20 acre residential parcel located in Twin Falls, Idaho.

The property is improved with a single-level residence containing 1,624 square feet. The home was built in 1992 and includes three (3) bedrooms and two (2) bathrooms, and an attached 447 square foot garage.

Appellant's market data consisted of information on three (3) 2015 sales. The sale properties were generally similar to subject in terms of bedroom and bathroom count, garage size, and age. The residences ranged in size from 1,250 to 1,566 square feet. Sale prices were \$140,000, \$152,500 and \$139,900. Appellant subtracted subject's assessed land value of \$33,190 from the sale prices, and one (1) sale was also adjusted downward by \$3,772 to reflect closing costs paid by the seller. After these adjustments, the improvements' ranged in indicated price rate from \$68.20 to \$85.37 per square foot. Appellant used an average price rate of about \$78.97 per square foot and applied it to subject's 1,624 square feet to conclude a value of \$128,240 for subject's improvements. Adding in land value yielded a total subject value of \$161,430. Respondent noted adjustments for physical differences between the subject and the sale properties were not made.

On appeal Respondent updated subject's property characteristics which yielded a new cost approach value of \$170,782. This 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.

Respondent also offered information concerning four (4) sales. The sale dates were not provided. All the sale properties were located near subject and were of similar class,

condition, and functionality. Respondent made adjustments to the sales for differences compared to subject, such as, design and appeal, age, gross living area, garage size and whether the property had a fireplace. Unadjusted sale prices ranged from \$168,500 to \$193,500, or between roughly \$104 and \$111 per square foot. The adjusted prices varied from \$164,800 to \$186,700. Respondent regarded Sale No. 1 as most comparable to subject in terms of size and having the least amount of adjustments. This sale property was 1,660 square feet and sold for \$172,900. After considering the adjusted price indications, and in particular the adjusted price for Sale No. 1 which was \$174,200, Respondent concluded a final value by the sales comparison approach of \$174,200.

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 sales comparison approach, the income approach, and the cost approach represent the three (3) primary methods for determining market value. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, commonly used in the market valuation of residential property, relies on a consideration of multiple recent sales of similar property.

Appellant provided information on three (3) comparable sales and extracted subject's assessed land value from the prices to determine price per square foot rates for the sale properties' improvements. This particular extraction method is not a typical appraisal approach. We also had concerns no adjustments were made, or explanations given, for how differences between the sales and subject were considered. Adjustments for size, design and appeal, and time of sale for these 2015 sales would have provided a more relevant indication of subject's current market value.

Respondent's value evidence, on the other hand, was well received by the Board. However, of some concern was lack of sale dates, but we note time of sale was considered and no adjustments were made. The four (4) sales offered were located in subject's immediate vicinity and were generally representative of subject's physical features. Respondent adjusted for property differences in a sales grid analysis and determined adjusted prices ranging from \$164,800 to \$186,700.

Respondent performed an interior inspection of the subject property and updated property characteristics to derive a new or updated cost approach value of \$170,782. This

cost approach supports the validity of subject's assessed value, but also points to a somewhat higher market value, as did Respondent's sales comparison approach.

In appeals to this Board, pursuant to Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Given the evidence presented in this matter, we did not find the burden of proof satisfied. Respondent's appraisal evidence was more thorough and detailed, and ultimately deemed to be better supported. Given the evidence presented in this matter, we found good cause to accept Respondent's requested value of \$170,782. 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 \$170,782, with the indicated value increase attributable to the improvements component.

DATED this 8th day of February, 2018.