

BEFORE THE IDAHO BOARD OF TAX APPEALS

SID LEZAMIZ, JR.,)	
)	
Appellant,)	APPEAL NO. 17-A-1265
)	
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. RPT1821001001FA. 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 \$34,206, and the improvements' value is \$289,920, totaling \$324,126. Appellant contends the correct improvements' value is \$169,703, with no change to the land value of \$34,206, totaling \$203,909.

The subject property is a single level multi-residence patio home built in 2003. The

property is located in Twin Falls, Idaho. Subject is comprised of two (2) living units, each with three (3) bedrooms, two (2) bathrooms, and a double car garage. Both residences contain 1,510 square feet, for a total improvement size of 3,020 square feet.

Appellant provided information from three (3) duplex sales situated in subject's general area. The sale properties were built in 2010, 1995 and 1965. The sale prices ranged from \$183,500 to \$265,000. The duplexes ranged in total size from 2,590 square feet to 3,840 square feet. Appellant used these sales to compare with subject by subtracting subject's assessed land value of \$34,260 from each sale price to calculate a per-square-foot price rate for each of the sales' improvements. After extracting the land value, the improvements' indicated price rates ranged from approximately \$38.88 to \$76.42 per square foot. Appellant selected an average price per square foot of \$56.19 and applied this to subject's 3,020 square feet to conclude a value of \$169,703 for subject's improvements. Respondent noted no appraisal adjustments were made for differences between the subject and the sale properties, specifically referencing the lack of age and condition adjustments.

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 the two (2) residences could be split and sold off separately. Therefore zero lot line sales were analyzed to compare with subject. Respondent contended subject's two (2) residences should be valued as individual single-homes and not as a duplex, while Appellant argued subject should be valued for its actual

“use” described as two (2) separate rental units.

On appeal Respondent physically inspected subject prior to hearing. Observations were made and some property characteristics were updated. The main changes were made for roof covering and exterior wall complexity. After the characteristics were updated, a new cost approach yielded a total value including land of \$320,336. Respondent requested the Board lower subject’s assessment to this updated value based on the new cost approach findings.

For further support, Respondent provided information on four (4) sales. The properties sold in 2015 and 2016. The sale prices ranged from \$180,000 to \$205,000 for residences which ranged in size from 1,342 to 1,606 square feet. After removing land values, Respondent made adjustments to the comparable sales, as compared to the subject residences, for differences in multi-home versus single-home, age, and gross living area. The adjusted prices ranged from \$144,300 to \$160,500 for the subject residences. Using the sales comparison approach, Respondent concluded a total subject value of \$334,206.

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 commonly 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 \$320,336 based on the new cost approach findings.

Appellant argued subject should be valued for its actual “use”, which was described as two (2) separate rental units, and not valued on a “speculative” use. Respondent maintained subject could be sold as two (2) separate homes and therefore each was valued as a zero lot line patio home. Although Appellant is using the subject property as a duplex rental, the fact the properties can be sold independently leads the Board to agree with Respondent. Subject should be compared to like individual residences, not duplexes.

Both parties offered sales for the Board’s review. The major 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 duplexes. The

Board did not find the duplex sales to be good comparables for the subject. Further, we noted errors in the rate per square foot calculations associated with the duplex sales.

Respondent's comparable sales selection and accompanying analyses was focused on sales more similar to subject, and adjustments were made for property differences. The Board found this mode of analysis more reliable and indicative of subject's market value. Respondent's requested value of \$320,336 was supported by both its presented appraisal approaches.

Idaho Code § 63-511 places the burden on Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The burden of proof was not satisfied here by Appellant. Respondent's information and analysis was narrowly focused on subject's specific attributes, whereas Appellant's sales and market information fell short in this regard. Given the evidence presented in this matter, we found good cause to accept Respondent's requested market value of \$320,336. 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 market value to \$320,336, with \$34,206 attributable to the land, and \$286,130 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 12th day of February, 2018.