

BEFORE THE IDAHO BOARD OF TAX APPEALS

| | | |
|--|---|----------------------|
| JOHN LEZAMIZ LIMITED FAMILY PARTNERSHIP, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 17-A-1267 |
| |) | |
| 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 denying the protest of valuation for taxing purposes of property described by Parcel No. RPT00097337230A. The appeal concerns the 2017 tax year.

This matter came on for hearing November 16, 2017 in Twin Falls, Idaho before Board Member David Kinghorn. Attorney John Lezamiz appeared at hearing for Appellant. Twin Falls Deputy Prosecuting Attorney Nancy Austin 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

This appeal was heard as part of a series of appeals involving largely similar issues, so the parties stipulated the evidentiary records in those other appeals be considered in this appeal, where relevant. As such, the Board hereby takes notice of the records created in Appeal Nos. 17-A-1267 through 17-A-1277.

The assessed land value is \$145,591, and the improvements' value is \$478,739, totaling

\$624,330. Appellant agrees with the assessed value of the improvements, however, contends the correct land value is \$93,178, and the total value is \$571,917.

The subject property is a 1.712 acre parcel situated along the rim of the Snake River Canyon in Twin Falls, Idaho. The parcel is improved with a six (6) bedroom two (2) bathroom residence constructed in 1991. The residence consists of 4,335 square feet on the main level and 4,335 square feet in the basement. The ceiling height of the basement is only six (6) feet which Respondent noted was taken into account in subject's valuation. The property is further improved with an attached garage, outdoor swimming pool and hot tub.

According to Appellant, adjustment factors were applied across the county by Respondent to both commercial and residential values for the current assessment year. Appellant reported an influence factor varying from 10% to 25% was applied to land values and a neighborhood factor ranging from 15% to 25% was applied to improvement values. Appellant pointed to subject's property record which indicated a 25% adjustment factor was applied to the land value. Appellant contended a single influence factor should be made uniformly to all properties, not varying influence factors for different neighborhoods.

Respondent explained varying adjustment factors are applied to different neighborhoods depending on market activity from within the particular neighborhood. Respondent stated there are twenty-seven (27) land tables within the county, each with a base valuation rate. The base rate in each land table is adjusted upward or downward depending on the indication from recent sales activity. In subject's case, the base valuation rate needed to be adjusted upward to match market price levels. Adjustments to the base rate for subject's land assessment included an upward 25% adjustment for the rim location and another upward 25% adjustment for the

property's superior view. These same adjustments were applied to all properties situated along the rim with views of the river.

Respondent also provided information concerning three (3) sales which occurred during 2016. Sale No. 1 was a single level custom residence with 4,442 square feet and was regarded as superior in construction quality to subject. The property was located on the canyon rim in subject's immediate neighborhood with similar views. The property sold for \$932,000. Sale No. 2 also shared subject's rim location and view. This property was improved with a 4,520 square foot single level residence and sold for \$740,000. Sale No. 3 concerned a 3,248 square foot single level residence which sold for \$462,000. This sale property was in subject's general neighborhood, but was not situated on the rim and did not enjoy similar views. Respondent adjusted these sales for differences compared to subject such as, construction quality, age, square footage, basement space, garage size, and pool. Adjusted sale prices ranged from \$523,409 to \$851,090. Respondent concluded a value of \$627,000 for subject.

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 three (3) methods for determining market value include 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). The sales comparison approach is often used to estimate the market value of residential property.

Respondent provided an analysis of three (3) recent sales of properties generally comparable to subject. Adjustments were made for key differences between the sale properties and subject. A value of \$627,000 was concluded for subject, which was noted to closely resemble the property's current assessed value of \$624,330.

Appellant did not provide sales or other market-related information. Rather, Appellant challenged Respondent's use of influence factors to adjust values across different neighborhoods. While we understand Appellant's argument, we disagree Respondent's method of making adjustments is erroneous, arbitrary or improper. A critical factor in determining market value is the property's specific location. Some locations, for one reason or another, command higher prices in the marketplace. To apply a blanket adjustment to all properties countywide would be to ignore the well established fact that location is a primary driver of value. Location should feature prominently in any analysis aimed at estimating market value. In subject's specific case two (2) adjustments were made; one (1) for rim location and one (1) for superior view. These adjustments were derived from the market, and are further supported by the sales information provided by Respondent. Respondent's special consideration of location represents

sound appraisal practice and was well received by the Board.

Pursuant to Idaho Code § 63-511, the burden is with Appellant to prove error in subject's valuation by a preponderance of the evidence. We did not find the burden of proof satisfied in this instance. Appellant provided no market data or other evidence to support a reduction in subject's market valuation. Respondent offered a detailed sales comparison approach analysis which supported the current assessed value. We find no good basis for an adjustment.

Accordingly, the decision of the Twin Falls County Board of Equalization is affirmed.

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 26th day of February, 2018.