

BEFORE THE IDAHO BOARD OF TAX APPEALS

KEITH G. BROEDER & KARLA M. BROEDER)	
FAMILY TRUST,)	
)	APPEAL NO. 18-A-1062
Appellant,)	
)	FINAL DECISION
v.)	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 an appeal of the valuation for taxing purposes on property described by Parcel No. RPT34830050040A. The appeal concerns the 2018 tax year.

This matter came on for hearing October 3, 2018 in Twin Falls, Idaho before Board Member David Kinghorn. Keith and Karla Broeder appeared at hearing for Appellant. 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

The assessed land value is \$40,875, and the improvements' value is \$222,994, totaling \$263,869. Appellant agrees with the land value, however contends the improvements' value is \$189,000, for a total value of \$229,875.

The subject property is a .225 acre lot situated in the Twin Falls Morning Sun subdivision in Twin Falls, Idaho. The parcel is improved with a 1,891 square foot single-level residence

constructed in 2005. The residence consists of three (3) bedrooms, two and one-half (2½) bathrooms, and an attached three (3) car garage.

Appellant noted subject's assessed value increased more than \$53,000 over the prior two (2) assessment years. It was questioned whether such an increase was supported by recent market activity. In support of a lower valuation, Appellant offered information on seven (7) current listings, three (3) of which were located in subject's subdivision. Listing information sheets were provided for two (2) of the properties. The sheets included some physical details and photographs of the residences' interiors and exteriors, and indicated asking prices of \$359,000 and \$399,900. For the other five (5) properties, Appellant provided exterior photographs, though no other information regarding physical details or listing data was offered. Appellant calculated an average price rate of \$102.55 per square foot for the seven (7) listings. Based on this data, along with additional cost information obtained from an insurance agent, Appellant concluded a value rate of \$121.62 per square foot, resulting in a total subject value of \$229,975. Respondent pointed out most of the listings were multi-level and larger residences, which contribute to a lower price per square foot indication.

Appellant additionally described issues related to the construction and current condition of subject's residence. Noted problems included warped door and window frames, cracks in walls, ceilings and foundation, missing insulation in crawl space, and cracked kitchen tiles and concrete. Appellant questioned whether these issues were adequately considered in Respondent's valuation.

Respondent explained subject was physically inspected earlier this year, and many of the reported condition issues were reflected in the inspection notes. In fact, a downward 4%

adjustment was made for the noted condition deficiencies. However, because high quality materials were used throughout the residence, an upward 4% adjustment was also made.

For value evidence, Respondent provided information on three (3) improved residential sales from subject's immediate neighborhood. The sales all occurred in 2017. The sale properties generally resembled subject in terms of lot size, bedroom and bathroom count, square footage, and overall design. The sale residences were somewhat newer than subject's, and were also regarded by Respondent as superior to subject in terms of construction quality and functional utility. Respondent adjusted the sale prices to account for differences between the sale properties and subject, resulting in adjusted prices ranging from \$261,400 to \$268,900. Respondent concluded a market value of \$262,000 for subject based on the adjusted sales data. Subject's current assessed value is \$263,869.

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 the testimony and documentary evidence submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2018 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 Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, which considers information from recent proximate sales of similar property, is commonly used to estimate the market value of residential property.

Appellant's value information consisted of current listings, rather than comparable sales with sale dates recent to the effective date of valuation. While the Board appreciated Appellant's listing information, there were insufficient details about the listings, such as the amount of time on the market and asking prices. Also, the record was largely void of property characteristics for the listed properties; often only a single exterior photograph was provided. Though timely listing information can be useful in estimating the upper range of value for a particular property, reliance solely on such information does not represent accepted appraisal practice. As such, the Board was unable to rely heavily on the listing information, though the data was considered in the overall analysis.

Respondent's value information was better received by the Board. The three (3) sales offered by Respondent were generally similar to subject in terms of physical characteristics. All the sales were considered to be timely, given the relevant valuation date. Naturally, there were some differences between the sale residences and subject, for which Respondent made appraisal adjustments. The adjusted prices indicated a subject value roughly between \$261,000 and \$269,000. Subject's assessed market value of \$263,869 is well within the value range indicated by the sales.

In accordance with Idaho Code § 63-511, Appellant bears the burden of proving error in subject's valuation by a preponderance of the evidence. Given the evidence presented in this

matter, we did not find the burden of proof satisfied. Appellant's value information was mostly limited to listings, for which few physical and other details were shared. Respondent's analysis better represented proper appraisal practice, with individual adjustments made to recent comparable sales. In all, we found subject's assessed value reasonable and supported. 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 November, 2018.

IDAHO BOARD OF TAX APPEALS