

BEFORE THE IDAHO BOARD OF TAX APPEALS

RICHARD VISSER,)	
)	
Appellant,)	APPEAL NO. 18-A-1017
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. R1802340040. The appeal concerns the 2018 tax year.

This matter came on for hearing September 13, 2018 in Boise, Idaho before Board Member Leland Heinrich. Appellant Richard Visser was self-represented. Chief Deputy Assessor Brad Smith 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 Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$74,400, and the improvements' value is \$214,900, totaling \$289,300. Appellant agrees with the land value, however, contends the value of the improvements should be reduced to \$178,100, resulting in a total value of \$252,500.

The subject property is a .23 acre residential parcel located in the DeMeyer C subdivision in Boise, Idaho. The lot is improved with a four (4) bedroom, three (3)

bathroom residence constructed in 1988. The total size of the residence is 2,518 square feet, with 906 square feet in the basement and the remaining footage spread across the main and upper floors. A 780 square foot three (3) car garage is also attached to the residence.

Appellant disagreed with subject's 21.4% increase for the current 2018 assessment year. Reference was made to a May 2018 article in the Idaho Statesman newspaper wherein it was reported 2018 assessed values of residential properties in Ada County had increased roughly 11.8% on an overall basis. Based on this, Appellant questioned how subject's value could increase notably more than the reported average.

In addition to the newspaper article, Appellant pointed to assessment data from subject's neighborhood. First, Appellant provided assessment information for all the properties situated along subject's street. The data showed assessment increases from 2016 assessed values to current 2018 values. Residential property values increased, on average, by roughly 4.3% from 2016 to 2017 and approximately 21% from 2017 to 2018. In similar fashion, assessment information from the four (4) immediately proximate streets was also provided. The average percentage increase from 2017 to 2018 for residential properties along West Fiddler Drive was roughly 8.5%, approximately 16.7% for West Patrina Drive properties, nearly 10% for properties along West Red Spruce Drive, and roughly 16.2% for West Hickory Dale Drive properties. Noting the varying percentage increases for different streets in the neighborhood, Appellant questioned why subject's street saw the largest increase.

Appellant additionally offered information concerning four (4) sales located within one (1) mile of subject. The sale properties were generally similar to subject in terms of bedroom count, bathroom count, age, and garage size. The sale residences ranged in size from 2,040 to 2,807 square feet, and in lot size from .16 to .25 acres. Sale prices ranged from \$215,000 to \$289,900.

Appellant also pointed to sale provided by Respondent on North Lena Avenue as being highly comparable to subject. The sale residence was roughly the same age as subject and constructed by the same builder. Appellant further noted the sale residence shared the same floor plan as subject, with one exception; the sale residence has an office/bedroom space about 235 square feet in size, whereas that same space in the subject residence is dedicated to the garage. Because the sale residence had approximately 10% more finished square feet, Appellant reasoned subject should be valued 10% less than the sale price of \$255,000.

Lastly, Appellant contended subject's value was negatively impacted by a couple poorly maintained properties in subject's immediate proximity. Photographs were provided depicting peeling paint, missing shingles, and dry lawns. Respondent countered any impact on values in the neighborhood attributable to the referenced properties would be inherently reflected in the sale prices within the neighborhood, so no additional adjustment was needed for this potential factor.

Respondent explained the increase in subject's assessed value for the current year was the result of trending based on sales information from within the immediate

neighborhood. Subject's particular subdivision, which is comprised only of properties located along West Hickory Drive, saw a median increase in value of 21.2%. Subject's value increased by 21.4%.

In terms of more direct value evidence, Respondent offered information concerning four (4) sales, one (1) from subject's subdivision, and three (3) from near by developments. Sale No. 1 was a .23 acre lot improved with a 2,400 square foot tri-level residence constructed in 1987. The property sold in November 2016 for \$275,000. Sale No. 2, the same North Lena Avenue sale referenced above by Appellant, concerned a 1987 residence with 2,771 square feet spread over three (3) levels. This improved .24 acre parcel sold in December 2016 for \$255,000. The third sale property was a 2,021 square foot tri-level residence situated on a .191 acre lot. The property sold in February 2017 for \$249,000. Sale No. 4 was a .19 acre lot improved with a two-story residence comprised of 2,225 total square feet. The property sold in June 2017 for \$290,117. Respondent made adjustments to the comparable sale properties for comparison with subject. Though specific adjustment amounts were not shared, Respondent reported making adjustments for differences in square footage, interior updating, lot size, garage size, condition, and amenities. A 1% per month upward time adjustment was also applied to reflect price levels on the January 1, 2018 assessment date. Adjusted sale prices ranged from \$280,600 to \$317,100. Subject's total assessed value is \$289,300.

Respondent also provided an additional set of sales comparing prices on subject's street to prices on nearby avenues. Though none were directly comparable to subject, the

data indicated sale prices were similar on subject's street as the surrounding streets. In similar fashion, Respondent provided a few sales involving properties situated adjacent to the park and others located away from the park. Again, the data did not suggest a price premium for properties near the park.

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, 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. The three (3) primary approaches 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, which considers multiple recent sales of similar type property, is often used to estimate the

market value of residential property.

Appellant advanced two (2) primary arguments in favor of reducing subject's assessed value. The first centered on seemingly inconsistent market trend adjustments made to specific areas within the general neighborhood, with subject's specific subdivision/street seeing the highest average percentage increase. In other words, Appellant argued subject was assessed inequitably compared to other specific areas in the neighborhood. While Appellant's concerns are understood, the record did not indicate subject's assessed value was the result of an arbitrary or capricious method of valuation. "[A]n individual who claims that a selective assessment procedure had deprived him or her of the protection guaranteed by the state constitutional requirement of uniformity of taxation must show a deliberate plan to discriminate based upon an unjustifiable or arbitrary classification." *Xerox Corp. v. Ada County Assessor*, 101 Idaho 138, 144, 609 P.2d 1129, 1135 (1980).

Though there was some variation in terms of average percentage increase in the assessment data offered by Appellant, there was no indication any particular property or area was singled out and treated differently on a market value basis. In all, there was insufficient evidence to adjust subject's assessed value on equity grounds.

Turning to the sales comparison approach, both parties offered relevant information in this regard. Appellant provided four (4) sales located within one (1) mile of subject. The sale residences were similar in age to subject, as were the bedroom and bathroom count. There was some variance in size, ranging from 2,040 to 2,807 total square feet, compared

to subject's 2,518 total square feet. Sale prices ranged from a low of \$215,000 to a high of \$289,900. Appellant's sales information did provide some basic market data for the Board's consideration, though more details concerning the sale properties and how they directly compare to subject would have been preferred. That being said, Appellant's sales information was found useful in the Board's overall analysis.

Respondent likewise provided information concerning four (4) sales regarded as generally similar to subject. The sale properties approximated subject in terms of square footage, general design, bedroom and bathroom counts, and age. Though the Board would have welcomed a more thorough accounting of the specific adjustments made to the sales, Respondent reported adjustments were made for factors likely to impact value. Adjusted sale prices ranged from \$280,600 to \$317,100.

In looking at the sales, the primary difference between the parties' respective sales is Respondent's sale properties were more tightly grouped in subject's immediate neighborhood, whereas Appellant's sales were located farther away. Location is a known influence on value, and it was not apparent this key value component was factored into Appellant's analysis. Location aside, only two (2) of the sales provided by the parties had adjusted sale prices below roughly \$281,000. In fact, these two (2) sale prices were well below the \$281,000 threshold, which in the Board's view renders these data points as outliers. All the remaining sales data points to a total value between approximately \$281,000 and \$317,000. With a total assessed value of \$289,300, the Board is strained to find error in subject's valuation.

Pursuant to Idaho Code § 63-511, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Given the evidence provided in this matter, we did not find the burden of proof satisfied. The assessment data provided by Appellant, while interesting, did not demonstrate subject was inequitably or otherwise unfairly assessed. And the bulk of the market sales information in the record, as noted above, supported subject's total assessed value. In all, we did not find sufficient cause to grant the relief petitioned by Appellant.

Based on the above, the decision of the Ada County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 30th day of October, 2018.