

BEFORE THE IDAHO BOARD OF TAX APPEALS

LARRY AND LORRAINE CLARK,)	
)	
Appellants,)	APPEAL NO. 18-A-1238
)	
v.)	FINAL DECISION
)	AND ORDER
BONNEVILLE COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonneville County Board of Equalization modifying an appeal of the valuation for taxing purposes on property described by Parcel No. RP03N38E323020. The appeal concerns the 2018 tax year.

This matter came on for hearing November 15, 2018 in Idaho Falls, Idaho before Hearing Officer Cindy Pollock. Larry Clark appeared at hearing for Appellants. Assessor Blake Mueller represented the 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 Bonneville County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$40,500, and the improvements' value is \$181,474, totaling \$221,974. Appellants contend the correct market value is \$200,000.

The subject property is a .95 acre lot located near Idaho Falls, Idaho. The property is improved with a one (1) story home with a finished basement. Subject was built in 2003,

and contains 1,881 square feet on the main floor and 1,530 square feet in the basement, totaling 3,411 square feet. The property is further improved with an attached 621 square foot garage.

Appellants testified between the years 2013 and 2016 the subject lot was assessed at \$26,000. In 2017, the lot was assessed at \$37,000, and then in 2018 the value was raised to \$40,000. Appellants report subject's well and septic system are eighteen (18) years old and should not be valued the same as new systems.

Respondent explained land assessments, including subject's, had increased due to current market conditions and the costs for installing onsite improvements. Respondent further explained its valuation process for these improvements. It begins for instance by collecting the prices for which new wells cost to be installed, then it takes the average well cost and applies this to nearly all homesites. Respondent reported, as long as a well is in working condition, and no matter the age, it is assessed at the same value as other working wells.

Respondent provided information on eight (8) comparable sales to support subject's overall property value determination. Six (6) of the sales occurred in 2017 and two (2) in 2016. Like the subject residence, all the sale properties were graded average-quality in average condition. The sales included both rural and subdivision residences. Photographs and property characteristics were provided for each sale. For the eight (8) sales, the average adjusted sale price was \$119.72 per square foot on the above grade improvement. On a like basis, Respondent explained subject's current assessed value was \$96.48 per

square foot on the above grade improvement.

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, 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 sales comparison approach, the cost approach, and the income approach comprise the three (3) accepted methods for determining market value. *Merris v. Ada Cnty*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach, which directly considers recent sales of similar and proximate property, is commonly used to estimate the market value of a residential property. In the record only the Respondent was found to have considered information available from recent comparable sales.

A key issue raised in this appeal centers on the proper assessment of subject's on-site improvements, in particular the older well. Appellants contended subject's land was

inequitably assessed in comparison to properties with newer on-site improvements. In Appellants' view, the contributory values of these improvements were valued too high for their age. While the Board understands Appellants' point regarding the relative age of subject's well, without better market data support any adjustment would tend to be arbitrary or grossly subjective. Here Appellants are noted to have provided no evidence in the form of recent market data to support and quantify an adjustment.

Respondent explained how they determined the assessed value for the subject well, and then how that same contributory value was applied basically countywide. The process and the data considered was explained, however the supporting data was not provided. Respondent also provided information on eight (8) market sales to support subject's assessed market value. Subject was found to be assessed for less than the average price level indicated by similar property sales. The Board was ultimately unpersuaded to make an adjustment to Respondent's appraisal based on Appellant's relatively thin case.

Idaho Code § 63-511 places the burden on Appellants to demonstrate error in subject's assessed value by a preponderance of the evidence. Given the record in this case, we did not find the burden of proof satisfied. Respondent provided the only market price evidence in record, the evidence did offer support for the correctness of the 2018 assessment. Appellants' testimony and argument failed to offer good support for the requested relief.

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

FINAL ORDER

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

DATED this 15th day of February, 2019.