

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| LAUREN PENNISI, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 18-A-1045 |
| |) | |
| 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 an appeal of the valuation for taxing purposes of property described by Parcel No. R2734250360. The appeal concerns the 2018 tax year.

This matter came on for hearing October 12, 2018 in Boise, Idaho before Board Member Leland Heinrich. Appellant Lauren Pennisi was self-represented. Residential Appraisal Supervisor Erin Brady 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 \$90,300, and the improvements' value is \$256,900, totaling \$347,200. Appellant contends the correct land value is \$90,300 and the improvements' value is \$200,000, totaling \$290,300.

The subject property is a .14 acre lot situated in the Fairview Addition subdivision, in Boise, Idaho. The property is an improved one (1) story home with a finished basement.

Subject was built in 1932. In 2010, the property had a major modification when a 350 square foot addition was added to the main floor. The residence contains a total of 2,095 square feet consisting of three (3) bedrooms, three (3) bathrooms, one (1) fireplace and two (2) kitchens. The property is further improved with a 342 square foot detached garage.

Appellant provided the assessed values of seven (7) properties in close proximity to subject as comparables. These properties had similar characteristics such as age, size, bedroom count, bathroom count and lot size. Appellant testified comparable nos. 2, 4 and 5 sold within the last year and that nos. 6 and 7 were listed for sale at some point. No sales data was provided in connection with the properties referenced as nos. 6 and 7.

Appellant reported purchasing the subject about 30 years ago. With the exception of the 350 foot addition, Appellant contended since its purchase subject had not been significantly upgraded or changed besides some maintenance and cosmetic upgrades. Appellant questioned subject's bathroom count as reflected by the county records, as well as the effective age shown for the residence.

Respondent explained subject's neighborhood is made up of predominately older homes of various styles and construction qualities. The neighborhood is generally situated about six (6) blocks east of the newer Whitewater Park development. Subject's 2018 assessed value increased 15.89%, equating to an average value rate of \$165.73 per square foot, which is slightly less than the neighborhood's median increase of 16.12%. The entire Fairview Addition subdivision indicated an average assessment rate of \$176.00 per square foot.

In support of subject's assessed value, Respondent provided information on five (5) 2017 comparable sales. The first three (3) comparisons were single family residences located within the same subdivision as subject. The last two (2) comparisons were multi-family residences. The comparables were selected for their similarities in terms of age, size, location, construction quality and architecture. The sale prices ranged from \$345,000 to \$371,000. After appraisal adjustments were made, the price indications for subject ranged from \$343,517 to \$371,469. By comparison subject's assessed value for the current tax year is \$347,200.

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. There are three (3) approaches to value, 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). Residential property is commonly valued with reference to the sales comparison approach.

Both parties provided detailed information for the Board's review. The Board appreciates Appellant's comparisons of assessed values of similar properties. However, assessed values are not properly used to determine the market value of a property. Such a comparison is not a recognized appraisal approach to value. Appellant did state some of the referenced properties had sold, however, no associated sales data was provided for consideration.

While the Board considered all of the evidence in record, we found the most weight should be placed on Respondent's comparable sale nos. 1 and 2. Both these properties were located in subject's immediate area and were similar in residence age and lot size. After adjustments for property differences were applied, subject was found to be assessed near the lower end of the range indicated for its comparable sales analysis. Subject was not found to be over assessed.

Pursuant to Idaho Code § 63-511, the burden is with the Appellant to establish Respondent's valuation is erroneous by a preponderance of the evidence. In this case, the Board did not find Appellant to have met the requisite burden of proof. Respondent's value evidence supported subject's current assessed value. For the reasons expressed,

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 16th day of January, 2019.