

BEFORE THE IDAHO BOARD OF TAX APPEALS

MUARICE RAQUET AND SUSAN RIPLEY,)	
)	
Appellants,)	APPEAL NO. 18-A-1221
)	
v.)	FINAL DECISION
)	AND ORDER
LATAH COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Latah County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPM10300030060A. The appeal concerns the 2018 tax year.

This matter came on for hearing November 6, 2018 in Moscow, Idaho. The Presiding Hearing Officer was Cindy Pollock. Appellants Maurice Raquet and Susan Ripley were present at hearing. Assessor Patrick Vaughan 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 Latah County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$41,800, and the improvements' value is \$159,965, totaling \$201,765. Appellants contend the correct market value is \$177,173.

The subject property is a .16 acre lot situated in the Sunnyside Addition in Moscow, Idaho. The parcel is improved with a multi-level residence constructed in 1935. The

residence includes 1,186 square feet of finished living area on the main floor and 540 square feet in the finished attic, plus 936 square feet of unfinished area in the basement. The property is further improved with a small detached garage.

Appellants described attributes of the subject property and characteristics of the immediate neighborhood which were argued to negatively impact subject's market value. First, Appellants noted subject is located one (1) block from U.S. Highway 95 and two (2) blocks from Idaho State Highway 8, and the neighborhood was described as being comprised mostly of multi-tenant rental properties and some automotive businesses. As for subject's residence, Appellants highlighted low ceiling heights in the attic and basement, which are 6½ feet and 6 feet, respectively. Further, the basement experiences water seepage during periods of heavy rain and the flooring in the kitchen is actually the sub-floor. Appellants also mentioned the garage is too small to accommodate most modern vehicles. In Appellants' view, these factors were not adequately considered in subject's current assessment.

For value evidence, Appellants provided information concerning six (6) sales from subject's subdivision. The sales occurred in 2017 and the sale prices ranged from \$170,000 to \$255,000. Appellants regarded Sale No. 3 as most comparable to subject on an overall basis, though some differences were noted. This sale property is located across the alley from subject and sold in August 2017 for \$182,500. Appellants highlighted this sale involved the same lot size and year of construction as subject, and was also similar to subject in terms of finished square footage, bedroom count, and bathroom count. It was

noted the comparable sale also has a low ceiling height in the attic, though it does not have a basement. Appellants also reported the sale residence had some updating work completed prior to sale, including new drywall, flooring, and fixtures.

In arriving at a fair value conclusion for subject, Appellants calculated the ratio between the referenced six (6) sale prices and their respective assessed values. Appellants reported the sale ratios ranged from .776 to .962, with a median ratio of .868. Using the sales and assessment information, Appellants proposed two (2) valuation models for subject. In the first model Appellants added \$10,000 to the price of Sale No. 3 described earlier, to account for the sale property not having a garage or basement. Appellants noted the ratio between the assessed value of Sale No. 3 and the sale price was .787. Using the adjusted sale price of \$192,500, and then multiplying it by the .787, Appellants concluded a value of \$151,497 for subject. Appellants' second model multiplied a hypothetical sale price of \$190,000 by the above median ratio of .868, resulting in a subject value of \$167,900.

Respondent likewise provided sales information in support of its current subject assessment. Sale No. 1, located one and one-half (1½) blocks from subject, sold for \$214,900 in April of 2017. Though similar in multi-level design, this sale residence was noted to be older and smaller than subject's residence, and the property did not include a basement or garage. Respondent reported the sale property suffered from some deferred maintenance issues at the time of sale. Sale No. 2 was similarly noted to have deferred maintenance concerns. This sale property was located roughly fifteen (15) blocks away

from subject. The single-level residence, constructed in 1938, had nearly 300 less finished square feet than subject's residence, and the sale property had no basement. The property sold in April 2017 for \$229,000. Sale No. 3 was located roughly seven (7) blocks from subject near a busy thoroughfare. The sale residence, with 618 finished square feet in the basement and 834 square feet on the main floor, was constructed in 1951. This property did include a detached garage, however, the residence had no attic. The property sold in October 2016 for \$201,000.

Though Respondent relied primarily on the above three (3) sales to support subject's assessed value, it was suggested the sales from subject's subdivision also provided support for the assessed value. Respondent reported seven (7) sales from within Sunnyside Addition. Sale Nos. 1 and 2 were characterized as not comparable to subject. The construction class of Sale No. 1's residence was noted to be inferior to subject's class, and the sale residence was smaller. Sale No. 2 was noted to be comprised of three (3) rental units in two (2) separate buildings. Turning to the remaining sales from within the subdivision, Respondent calculated an average sale price of \$201,680. Sale Nos. 3 and 4 were most comparable to subject in terms of square footage, age, lot size, and finished living space in the attic. These sale residences, however, did not include basements. Sale prices for Sale Nos. 3 and 4 were \$214,900 and \$182,500, respectively, for an average price of \$198,700. Subject's assessed value is \$201,765.

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 three (3) approaches to value include 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 market value of residential property is typically estimated using the sales comparison approach, which considers the information from multiple recent sales of similar property.

Both parties provided relevant sales information for the Board’s review. However, neither party attempted a traditional sales comparison approach wherein the sale properties are directly compared to the subject with adjustments made for the property differences. Instead, Appellants focused primarily on the individual assessment ratio of a sale for a property located across the alley. Though we understand Appellants’ concerns regarding the perceived under-assessment of the referenced sale properties, a comparison of

assessed values and assessment ratios in the proffered manner is not a recognized appraisal technique or method. Whether the sale properties are indeed under-assessed is not a question for this Board because those properties' are not under appeal. Nor did the Board find sufficient evidence of non uniform assessment, on which basis to lower subject's assessment. What is clear in the record, however, is the referenced properties did recently sell at price levels consistent with subject's current assessed value. And in determining market value, actual sale prices are needed to form the basis of the market value analysis. So while Appellants' assessment ratio analysis was unpersuasive, the sales used in the analysis did factor into the Board's market value consideration.

In all the sales provided by the parties, with the exception of two (2) from subject's subdivision which deemed were not comparable, the sale prices ranged from \$170,000 to \$255,000, with only three (3) sale prices below \$200,000. Though the Board would have preferred a direct comparative analysis with appraisal adjustments detailed, subject's assessed value of \$201,765 was well within the range indicated by the unadjusted sale prices. In all, the Board was strained to find good support for a reduction in subject's assessment given the evidence presented in this matter.

Idaho Code § 63-511 places the burden on Appellants to demonstrate error in subject's valuation by preponderance of the evidence. We did not find the burden of proof satisfied in this instance. Neither party offered much in the way of a detailed appraisal analysis consistent with a direct sales comparison approach, however, the raw sales data was found to offer support for subject's current assessment. Respondent presented a

superior valuation case, therefore the decision of the Latah County Board of Equalization will be affirmed.

FINAL ORDER

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

DATED this 28th day of January, 2019.