



garage, a swimming pool, and a couple general purpose outbuildings. Subject's lot is comprised of a one (1) acre homesite valued at \$194,000, and 5.289 acres valued as irrigated agricultural ground at \$9,400. The subdivision was described as unique in the area, being comprised of only eleven (11) parcels with lot sizes ranging from 4.5 to 6.3 acres.

Appellant noted errors in subject's property records extend as far back as 2002 and have effectively resulted in an over-assessment of subject since that time. Due to the errors Appellant contended excess property taxes were paid for many years and that these should be refunded. Turning to value evidence, Appellant offered information concerning six (6) sales. Sale No. 1 was a five (5) acre parcel improved with a 2,300 square foot residence located in subject's subdivision. It was explained the seller originally sought to subdivide the parcel, however, the effort was voted down by other owners in the subdivision. As a result, the asking price was reduced and the property sold in February 2019 for \$630,000. Appellant regarded this sale property as superior to subject because it included an underground irrigation system, new HVAC system, new appliances, new counter tops, and updated flooring.

Sale No. 2 concerned another property located in subject's subdivision. This parcel was 4.9 acres in size and improved with a 3,064 square foot single level residence. The property also had a separate guest house, a horse barn, and a riding arena. The property sold for \$521,000. There was disagreement between the parties as to the date of sale, with Appellant reporting it to have sold in 2016 and Respondent claiming it sold in May 2017. Appellant characterized the property as superior to subject due mainly to the guest house amenity.

Sale No. 3 was located in Meridian. The 1.2 acre parcel was improved with a 3,508 square foot single level residence constructed in 2001. The residence had an attached 900

square foot apartment with its own separate entrance. It was noted the residence had been recently updated. The property sold in 2018 for \$620,000.

The next sale property was a 4.5 acre parcel located in Boise. This property was improved with a 3,202 square foot four (4) bedroom, three and one-half (3½) bathroom residence constructed in 1991. The property additionally included a newly remodeled carriage house with roughly 761 square feet of finished living area. This property sold in 2018 for \$649,000.

Sale No. 5 concerned a 3,964 square foot two-story residence situated on a 2.9 acre lot in Nampa. This property sold in 2019 for \$550,000.

Sale No. 6, located in Melba, involved a 3,720 square foot residence on a five (5) acre parcel. The property was further improved with separate living quarters complete with its own kitchen, laundry, and separate exterior access. This property sold in 2018 for \$529,000.

On the whole, Appellant regarded the sale properties as generally superior to subject; particularly those which included additional dwelling units. Sale Nos. 4, 5 and 6 were the most comparable to subject in Appellant's opinion. Based on the sales data, Appellant estimated subject's market value at \$562,000.

In support of subject's current assessment, Respondent offered information concerning three (3) sales of larger acreage parcels. Sale No. 1 was a 3,267 square foot single level residence constructed in 1993 and remodeled in 2006. The 6.47 acre parcel is further improved with an attached garage, some general purpose outbuildings, and a swimming pool. The property sold in September 2018 for \$760,000. Respondent adjusted the sale price to account for differences compared to subject, such as differences in porch and patio area, lot

size, effective age, and design. Respondent determined an adjusted price of \$682,053.

Respondent's next sale was a 5.13 acre parcel located on the same street as Sale No. 1. This parcel was improved with a 2,869 square foot two-story residence constructed in 1993. Other improvements included an attached 572 square foot garage and some general purpose outbuildings. The property sold for \$650,000 in September 2018. After adjustments for differences compared to subject, Respondent concluded a value estimate of \$651,299.

Respondent's final sale concerned a two-story residence situated on a 4.62 acre parcel. The five (5) bedroom, three and one-half (3.5) bathroom residence totaled 3,819 square feet in size. In addition to porch and deck improvements, the property included a 1,486 square foot attached garage and a total of 2,160 square feet of general purpose outbuildings. The property sold for \$740,000 in October 2018, which after adjustments yielded a subject value estimate of \$627,114.

#### 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 in fee simple interest, 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, 2019 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 methods for determining market value are the sales comparison approach, the income approach, and the cost approach. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using the sales comparison approach, which approach examines recent sales of nearby similar property with adjustments considered for key differences in property characteristics between subject and the sale properties.

The Board appreciated the parties' efforts in bringing forth multiple sales for consideration. That being said, there were concerns with some of the sales data offered by Appellant. To begin, Sale No. 1 for \$630,000, while located in subject's subdivision, actually sold in February 2019. As noted above, the relevant valuation date in this appeal is January 1, 2019. Estimating market value as of the valuation date necessarily requires consideration of sales which occurred prior to such date. In other words, Sale No. 1 was untimely for purposes of estimating subject's market value on January 1st.

There was also a question regarding Sale No. 2, also located in subject's subdivision. Specifically, the sale date was unclear in the record. Appellant reported a 2016 sale date, while Respondent asserted a May 2017 sale date. In either case, a time adjustment would be needed to reflect the market conditions (pricing levels) on January 1, 2019. Applying Respondent's time adjustment of 1% per month to the later May 2017 sale date yields a value estimate of roughly \$620,000 on January 1<sup>st</sup>, which is near subject's current assessment.

Appellant's remaining sales were from 2018, however, there were some key questions

of similarity with the subject. First, none of the sale properties were located in subject's area, but rather in different market areas. Indeed Sale Nos. 4 and 5 were located roughly 23 and 29 miles away, respectively. Other key difference were nearly all of Appellant's sale properties included additional dwelling units and none included a swimming pool. These are just a few notable differences in property characteristics which typically would need to be adjusted for in a reliable sales comparison analysis. Unfortunately, Appellant did not attempt such adjustments, nor was there sufficient market data in the record for us to substantiate proper adjustment rates. As a result, Appellant's sales data was not heavily weighed in the Board's final determination.

On the whole, Respondent's sale properties were found to be generally similar to subject. All involved larger acreage lots in Boise. The sale residences were comparable in terms of age and construction quality, and all also included general purpose outbuildings. There were some differences between subject and the sale properties, for which Respondent made various appraisal adjustments. Though there was some variance in the adjusted prices, ranging from about \$627,000 to \$682,000, the analysis was found to be reasonably supportive of subject's market value assessment.

As the party bringing forth this appeal, Appellant bears the burden of proving error in subject's valuation by a preponderance of the evidence. Idaho Code § 63-511. Based on the evidence presented, the Board did not find the burden of proof satisfied. There were simply too many questions concerning the comparability of the sale properties provided by Appellant to support a reduction in subject's value. As such, 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 30<sup>th</sup> day of December, 2019.