

BEFORE THE IDAHO BOARD OF TAX APPEALS

JEFFREY AND BARBARA PIERCE,)	
)	
Appellants,)	APPEAL NO. 19-A-1064
)	
v.)	FINAL DECISION
)	AND ORDER
SHOSHONE COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Shoshone County Board of Equalization modifying an appeal of the valuation for taxing purposes on property described by Parcel No. RPD950000A4130A. The appeal concerns the 2019 tax year.

This matter came on for hearing October 15, 2019 in Shoshone, Idaho before Hearing Officer Cindy Pollock. Appellants Jeffrey and Barbara Pierce were self-represented. Shoshone County Prosecutor Keisha Oxendine 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 Shoshone County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed value of the subject property is \$161,343. Appellants contend the market value is \$114,333.

The subject property is an 819 square foot one (1) bedroom, one (1) bathroom condominium unit situated in the Morning Star Lodge condominium development. Subject is located in Kellogg, Idaho. The overall complex is comprised of four (4) separate buildings.

Subject is one (1) of four (4) units located on the top floor of Building A. The 4th floor also includes an outdoor community hot tub.

Appellants contend subject's value should be reduced based on recent sales. In this regard, information concerning three (3) sales of condominium units in subject's development was offered. All the sales were from 2018, though not in subject's specific building. The identified sales were each one (1) bedroom, one (1) bathroom units 710 square feet in size. Two (2) of the sales were 2nd floor units and the other was a 1st floor unit. All were constructed in 2005, the same as subject. The sale prices were \$123,000, \$110,000, and \$110,000.

Respondent likewise provided 2018 sales information from other buildings in the complex in support of subject's assessment. Information from four (4) condominium unit sales was offered. Sale No. 1 was a 761 square foot 4th floor unit which sold for \$229,000. Sale No. 2 was a 923 square foot unit located on the 5th floor. The remaining two (2) sales each sold for \$140,000. These latter sales involved a 761 square foot 3rd floor unit and a 759 square foot 1st floor unit. Using the four (4) sales, Respondent calculated an average price rate based on square footage, which was then applied to subject's 819 square feet to arrive at a value of \$183,456.

Appellants challenged the comparability of Respondent's Sale Nos. 1 and 2 because they were loft units. It was explained these units had spiral staircases leading up to a small loft area. In Appellants' view, these units were superior to subject. Respondent acknowledged the lofts likely contributed value, however, contended the largest or most important value contributor in the development was location, specifically the floor upon which a particular unit is located, with upper floor units commanding higher market prices than units on lower floors.

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 sales comparison approach, income approach, and cost approach, represent the three (3) primary methods for determining market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Both parties offered recent sales information for the Board's consideration. All seven (7) sales involved one (1) bedroom, one (1) bathroom units from subject's complex, though none were located in subject's same building. The sale units were diverse in location, ranging from the 1st floor to the 5th. There was also some variance in size, ranging from 710 to 923 square feet. The associated sale prices ranged from \$110,000 to \$229,000. Neither party directly compared any of the sales to subject as is customary in a traditional sales comparison approach. Rather, Respondent calculated an average price per square foot from four (4) sales

and concluded a price rate of \$224 per square foot.

In studying the sales data it becomes apparent to the Board that market participants do place a premium on units located on upper floors. Indeed, the only sale prices above \$200,000 involved units on the 4th and 5th floors. Also interesting was these two (2) upper floor units included lofts, which Respondent conceded likely contributed to higher prices. Without more sales data it is impossible to accurately identify the value contribution for units with either an upper floor location or loft design, or in the case at hand, units which enjoy both these amenities.

Subject is an upper floor unit, however, does not have a loft, which in the Board's view is a notable difference to be considered. In the final analysis, the Board did not find good cause to eliminate any of the comparable sales from consideration. This is because each sale unit bore important similarities to the subject. If Appellants' sales are added to Respondent's average price rate calculation, the rate becomes roughly \$199 per square foot, which when applied to subject's square footage results in a value of approximately \$163,000. This figure is nearly the same as subject's current assessment of \$161,343.

Idaho Code § 63-511 places the burden on Appellants to demonstrate error in subject's assessed value by a preponderance of the evidence. Appellants did not satisfy the burden of proof in this instance. Rather, the totality of the evidence presented in this matter supports subject's current assessed value. Accordingly, the decision of the Shoshone County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of

the Shoshone County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 20th day of November, 2019.