

BEFORE THE IDAHO BOARD OF TAX APPEALS

PATRICE WALTERS,)	
)	
Appellant,)	APPEAL NO. 19-A-1212
)	
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 denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPA1761011009B. The appeal concerns the 2019 tax year.

This matter came on for hearing October 22, 2019 in Idaho Falls, Idaho before Hearing Officer Travis VanLith. Appellant Patrice Walters was self-represented. Assessor Blake Mueller 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 Bonneville County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$48,109, and the improvements' value is \$34,103, totaling \$82,212. Appellant contends the correct market value is \$62,000.

The subject property is a 1.11 acre residential parcel located in the Orlin Park subdivision in Idaho Falls, Idaho. The site is improved with a 924 square foot residence, comprised of 708 square feet on the main level and 216 square feet in the attic. The property is further improved with a 560 square foot detached garage.

Appellant explained the residence was originally constructed as a mechanic's garage, which resulted in some unique characteristics after it was converted to residential use. For example, the ceiling height is only 6'7" and the door jams measure 6'1". The residence has no closets, no interior doors, and no crawl space due to being constructed on a concrete pad. Appellant further pointed out there are no built-in appliances such as a garbage disposal or dishwasher, and the washing machine is in the kitchen so it can drain into the kitchen sink because there are no floor drains. Lastly, highlighted was the small and narrow bathroom, which has only a shower, not a bathtub. In Appellant's view, the residence has little or no value to anyone else and would likely be demolished by a future purchaser of the property.

In addition to concerns with the residence, Appellant identified undesirable aspects of the neighborhood. There are no sidewalks, nor curbs and gutters in the area, which results in water pooling on the subject property when it rains. Also mentioned was a lack of street lights and the existence of an open irrigation canal across the street from subject. Concerning the subject homesite specifically, Appellant noted it is not on city sewer and the water line is decades old.

Lastly, Appellant discussed subject's detached garage. It was noted to be a seventy (70) year old structure with cedar siding and no insulation. The lift-up door reportedly does not fully close and cannot be locked. Appellant attributed minimal value to the detached garage.

Respondent explained values in the county have been increasing over the past couple years, which has also caused some increase in subject's assessed value. It was explained subject's residence is rated as a "low" grade residence in "fair" condition. Respondent further pointed out subject's assessment benefits from several adjustments. Specifically, the residence

has a downward 25% adjustment due to the unique features, such as low ceilings, no laundry hookups, no insulation, and other characteristics. Subject's land also receives some adjustments. A downward 15% location adjustment was applied to the value of the one (1) acre homesite, and a 75% adjustment was applied to the "excess" acreage. In all, Respondent contended subject's unique issues have been addressed and are reflected in the current assessed value.

In terms of value evidence, Respondent focused on seven (7) sales within the city limits, though not necessarily in subject's specific neighborhood. The sale residences were generally similar to subject in terms of age, size, and quality. Sale prices ranged from \$82,500 to \$113,500. Sale No. 1 was regarded as most similar to subject in design, age, and size. This property sold in June 2018 for \$113,500. In an attempt to isolate the values attributable to the sale residences, Respondent removed assessed land values from the respective sale prices and calculated an average price rate of \$89.09 per square foot for the sale residences. Subject's residence was assessed at \$36.91 per square foot, or roughly \$26,000.

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, the cost approach, and the income 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). Residential property is commonly valued using the sales comparison approach, which seeks to estimate market value through a consideration of recent sales of similar or comparable property.

Appellant questioned the recent increases in subject’s assessed value. Various negative attributes of the subject property were discussed and photographs were provided. While it is clear subject suffers from some unique issues, the Board was not convinced any further adjustment is warranted. Respondent considered subject’s defects by applying appreciable downward adjustments to the residence and the underlying land. Good market or appraisal support for further adjustments was lacking in the record.

Though not a traditional sales comparison approach, Respondent did provide a limited analysis of seven (7) recent sales involving residences generally similar to subject in overall characteristics. There was some variance in sale prices, however, the bulk of the prices exceeded \$100,000. Respondent removed assessed land values from the respective sale prices and calculated an average price rate of nearly \$90 per square foot for the sale residences. By comparison subject’s residence is valued at \$36.91 per square foot. Based on these sales, which represent the only market value evidence in the record, the Board is

strained to find support for the position subject is overvalued.

In appeals to this Board, 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, we did not find the burden of proof satisfied. Though subject's detriments were well chronicled, Respondent's valuation includes several notable adjustments to account for the negative attributes. Without support for additional adjustments the Board finds subject's assessed value fair and reasonable.

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 be, and the same hereby is, AFFIRMED.

DATED this 7th day of January, 2020.