BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ERIC ARTHUR SWENSON from the decision of the Board of Equalization of Kootenai County for tax year 2006.	)))	APPEAL NO. 06-A-2515 FINAL DECISION AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing December 14, 2006, in Coeur d'Alene, Idaho, before Hearing Officer Steven Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant was not present at hearing. Assessor Mike McDowell, Residential Appraisal Manager Darin Krier and Appraiser Steve Hagler appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. 033400000030.

The issue on appeal is the market value of residential property.

The decision of the Kootenai County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is $432,781, and the improvements' valuation is $62,700, totaling $495,481. Appellant requests the land value be reduced to $196,733, and the improvements' value remain at $62,700, totaling $259,433.

The subject property is a .247 acre improved residential lot located on Harbor Island on the south side of the Spokane River near Couer d' Alene, Idaho. Subject has 69 front feet along the shore of the river.

Appellant was not present at this hearing, but did submit written information attached to the *Notice of Appeal* filed with this Board.

Appellant challenged subject's assessment on two grounds. The first, that the septic system could not be enlarged due to subject's proximity to the river. The second point of

contention was that subject was located in a federally recognized flood zone.

Respondent explained that subject's area was last re-appraised in 2003, at which time, base rates were determined. To maintain market values each year, positive trends were calculated using sales data which were then applied to the original base values. The trend rate used for 2006 assessments was 2.2% per month, which was uniformly applied to all properties in subject's area.

Respondent addressed the septic system issue by noting that many properties along the river were similarly restricted. Respondent further pointed out that the sales data did not indicate a measurable value difference between those properties that could expand their septic systems and those that could not. It was also mentioned that Appellant increased subject's living area by adding a second level to the residence, even though no additional bathrooms were permitted.

Respondent then explained that all properties on Harbor Island were located in the same flood zone and potential buyers would be aware of such. Because of this fact, it was argued that subject's marketability would not be compromised as compared to other properties on the island. It was also noted that only the six sales from the island were considered, and because they all shared the same flood concern, Respondent reasoned they were appropriate to use in determining subject's value.

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. 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.

For the purpose of taxation, Idaho mandates that all property must be valued at current

market value each year as defined in Idaho Code § 63-201(10):

> "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.

Respondent thoroughly detailed the indexing methodology used to assess property in subject's area. The evidence illustrated compliance with Idaho's market value standard and required valuation program.

The Assessor's valuation of property for the purposes of taxation is presumed correct. The Senator, Inc. v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d 45, 48 (2003). The court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

No error in the assessed value of subject has been demonstrated by Appellant. While it was agreed that subject was somewhat disadvantaged by septic system restrictions and it's location in a flood zone, these factors were adequately addressed by Respondent. Sales of properties with similar detriments were provided, which further supported the valuation, and nothing in the record indicates that subject's assessment was arbitrary or capricious. In light of the evidence presented, the Board will affirm the decision of the Kootenai County Board of Equalization.

FINAL ORDER

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

is, affirmed.

DATED this 27th day of April, 2007.