BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JAMES AND JEANNENE BOYD from the decision of the Board of Equalization of Valley County for tax year 2007.	) APPEAL NO. 07-A-2674) FINAL DECISION) AND ORDER

COTTAGE SITE APPEAL

THIS MATTER came on for hearing February 27, 2008 in Cascade, Idaho before Hearing Officer Travis VanLith. Board Members Lyle R. Cobbs , David E. Kinghorn and Linda S. Pike participated in this decision. Appellant James Boyd appeared at hearing. Assessor Karen Campbell appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of valuation for taxing purposes of property described as Parcel No. XR00191000029AA.

The issue on appeal is the "fee simple" market value of a State cottage site.

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

FINDINGS OF FACT

The assessed land value is $925,220. Appellants request the land value be reduced to $493,050. The assessment equates to $18,142 per front foot. While Appellants' value claim equates to $9,668 per front foot.

The subject site, leased from the State of Idaho, has 51 feet of Payette Lake frontage and a total size of 2.54 acres. There are panoramic views of the lake and nearby mountains. Appellants noted the view is partially over extensive docks and boat slips protruding from an adjacent parcel. There is a residence on the subject site that is separately assessed and not addressed by this appeal.

Appellants dispute the subject assessment on multiple grounds. A spreadsheet was submitted which outlined certain alleged errors in the Assessor's calculations. There were five (5) alleged errors of a general or across-the-board nature: 1) unverified sales prices (negative 7.5%

adjustment needed), 2) use of wrong (2006) improvement values, 3) wrong time adjustment of older price information (corrected annual rate 12%), 4) wrong average (should use weighted average), and 5) wrong sales included (missed) in study. The sum of the corrections was a minus $10,012 per front foot. Appellants used this "corrected" information to determine a proposed standard rate of $14,900 per front foot. The Assessor's base rate for a standard lakefront site using mostly the same sales was determined to be $20,000 per front foot. The raw average from the sales considered by the County was $20,029.

From their new and corrected average rate, Taxpayers made further deductions (minus $5,411) to reflect the value of the subject and its specific property characteristics. The resulting valuation for subject was then posited at $9,500 per front foot. The Assessor explained some of the "corrected" data or assumptions were clearly improper which was agreed to by Appellants after hearing the explanations.

Appellants also presented a fee appraisal, dated in September 2007, which provided a land value estimate for the subject site in fee simple at $14,700 per front foot, or $763,224 in total. The appraisal did not present any numeric appraisal analysis in support of the land value rate. The entire appraisal report may not have been submitted.

The Assessor reported Valley County property values in general and specifically with lakefront property have trended dramatically upward in recent years. The supply of lakefront sites at Payette Lake was noted to be limited. Respondent presented a spreadsheet with analysis of 10 lakefront property sales from 2005 and 2006. The sales all had residences. There were no bare land sales available. Using the abstraction method of land value and a simple average from the 10 sales, the County determined a typical site would have a value of $20,000 per front foot. The standard lakefront lot was considered to be 100 front feet by 225 feet deep. The specific value

considerations (adjustments) and associated calculations pertaining to subject's 2007 assessment were presented. This included a negative 10% adjustment in consideration of subject's location next to a public access point.

Respondent explained why subject land belonging to the State and under lease would have an assessment prepared by the County. The primary purpose was addressed by Idaho Code § 39-3635 - Cottage Site Leases. The assessment forms a basis by which the Payette Lake Water and Sewer District may collect its fees. The State has also chosen in the past to use the assessment in the determination of its lease rates.

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.

The subject land assessment requires a market value consideration of a fee simple estate. Idaho Code § 39-3635. Residential land like subject is commonly valued with reference to comparable sales, i.e. the sales comparison approach to value. Due to a lack of land-only sales, the Assessor used improved sales of lakefront property and an abstraction method.

Appellants asserted the County's methodology was in error in multiple respects, although some points were conceded at hearing to actually be correct. The remaining "corrections" were not supported by a preponderance of the evidence. Idaho Code § 63-511(4). There may have been some merit for instance to considering a weighted-average in addition to, or as opposed to, a simple average. But it was not demonstrated to be the only or best way to analyze the County's ten (10) lakefront sales.

Taxpayers' value claim equated to about $9,700 per lakefront foot after extensive adjustments to the County's valuation modeling. None of the County sales indicated or suggested such a low value rate. In fact the lowest indicated land value from the County's sales was $11,077 per front foot.

Likewise Appellants' fee appraisal evidence was not found to present a better estimate of subject's market value in fee simple. There were no supporting calculations or detailed explanations of sales information considered.

In conclusion, the Assessor was found to have reasonably considered a large number of lakefront sales in determining the typical value of a standard site. Subject's particular value was arrived at after making adjustments for its particular property characteristics. This appraisal resulted in a final value that the Board found was reasonable in light of the available sales information. Where Appellants have not proven error by a preponderance of the evidence, the decision of the Valley County Board of Equalization will be affirmed.

FINAL ORDER

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

MAILED MAY 1, 2008