

BEFORE THE IDAHO BOARD OF TAX APPEALS

MATT AND MINDE BEEHNER,)	
)	
Appellants,)	APPEAL NOS. 19-A-1098,
)	19-A-1099 & 19-A-1100
v.)	
)	FINAL DECISION
SHOSHONE COUNTY,)	AND ORDER
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Shoshone County Board of Equalization denying the appeals of valuations for taxing purposes on property described by Parcel Nos. RP48N04E262225A, RPO09500160000A and RP48N04E262250A. The appeals concern the 2019 tax year.

This matter came on for hearing October 15, 2019 in Shoshone, Idaho before Hearing Officer Cindy Pollock. Appellants Matt and Minde Beehner were self-represented. County Prosecuting Attorney 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 a residence comprised of three (3) parcels.

The decisions of the Shoshone County Board of Equalization are affirmed and modified.

FINDINGS OF FACT

Appeal No. 19-A-1098 (Parcel No. RP48N04E262225A)

The assessed land value of this .79 acre parcel is \$23,731, and the value of the improvements is \$227,490, totaling \$251,221. Appellants contend the correct land value is \$10,000 and the correct improvements' value is \$175,000, totaling \$185,000.

Appeal No. 19-A-1099 (Parcel No. RPO09500160000A)

The assessed land value of this .347 acre parcel is \$6,082, and the value of the improvements is \$46,450, totaling \$52,532. Appellants contend the correct land value is \$4,000 and the correct improvements' value is \$35,000, totaling \$39,000.

Appeal no. 19-A-1100 (Parcel No. RP48N04E262250A)

The assessed value of this land-only .14 acre parcel is \$2,788. Appellants contend the correct land value is \$1,000.

Together the above parcels serve as Appellants' primary residence and for purposes of this decision will be referred to as a single property. Collectively, the parcels total roughly 1.28 acres. The improvements include a single-level three (3) bedroom, two and one-half (2½) bathroom 2,502 square foot residence constructed in 1990. Other improvements include an attached garage, a detached shop, a small utility shed, and several lean-to's. The subject property is located in the Woodland Park area of Wallace, Idaho.

Appellants identified several aspects which were argued to diminish subject's market value. First, they described an issue with accessing subject's shop situated at the rear of the property. According to Appellants, a neighbor has blocked a portion of the roadway by constructing a garage. This effectively narrows the street to the point a larger truck and trailer are unable to turn around in order to leave the subject property.

Appellants further noted subject's area was part of a Superfund Site, for which cleanup efforts continue to this day. The environmental issues have created a couple different issues in Appellants' view. One such issue is the asphalt around the shop has started to crack. Due to the environmental restrictions, it was explained once the asphalt gets too dilapidated it would either need to be replaced, or roughly twelve (12) inches of material would have to be scraped

off and replaced with clean fill material. It was argued this factor would likely be detrimental in the eyes of a potential buyer. Respondent noted subject has been remediated.

Another issue related to the remediation effort is the amount of truck traffic passing by subject on Burke Road. Appellants noted the truck traffic is most notable between May and September. Related to this point, it was explained current plans call for the storage of 816,000 cubic yards of waste material at a repository up the road from subject. Future plans may include an additional repository to hold upwards of 1,500,000 cubic yards of waste. The cleanup is expected to take many years to complete. Subject's proximity to these active repositories and the accompanying truck traffic and noise were regarded by Appellants as negative influences on subject's market value.

Appellants pointed to further value-reducing attributes of the neighborhood. For instance, subject is located near a disused garbage dump. It was not clear when the dump ceased operations, but photographs depicted broken glass and other materials scattered about the landscape. In addition, Appellants pointed to an automobile salvage yard located roughly one-third (1/3) of a mile down the road which is visible from the subject property.

Turning to value evidence, Appellants offered information concerning three (3) sales from subject's neighborhood. Sale No. 1 was a .13 acre lot improved with a 1,920 square foot multi-level residence constructed in 1980. The property is further improved with wood decking, a detached shop/garage, a small utility shed, and a lean-to. This property sold in September 2018 for \$138,000. Sale No. 2 concerned a 1,392 square foot residence situated on a .18 acre lot. Other improvements include wood decking, an attached garage, and a covered carport. This property sold in September 2018 for \$142,000. The final sale property was a .21 acre lot

which sold in November 2017 for \$162,500. Details concerning the residence and other improvements were missing from the record, though this last property was considered by Appellants to be generally comparable to subject.

Respondent's primary value evidence was in the form of three (3) recent sales. Sale No. 1, which sold in March 2019, concerned a five (5) bedroom, three (3) bathroom 3,040 square foot residence constructed in 1980. The residence was considered "fair" class and in "average" condition. This five (5) acre parcel, located roughly thirty (30) miles away near Pinehurst, Idaho, was further improved with wood decking, a utility shed, several large pole buildings, and some paving. The property sold for \$390,000. Sale No. 2 was a .62 acre parcel located in Silverton, Idaho. The parcel was improved with a 3,509 square foot multi-level residence constructed in 1998. The three (3) bedroom, two (2) bathroom residence was considered by Respondent to be a "good" class residence in "good" condition. Other improvements included a detached utility building, a shed, and some paving. The property sold in March 2019 for \$315,000. Sale No. 3 was an "average" class residence constructed in 2016 and rated to be in "very good" condition. The single-level residence totals 4,090 square feet in size and is comprised of four (4) bedrooms and four (4) bathrooms and is located near Kingston, Idaho roughly twenty (20) miles from subject. The 19.91 acre parcel was further improved with an attached garage, a large pole building, a lean-to, and some pavement. This property sold in March 2018 for \$450,000.

Respondent additionally referenced two (2) more sales. The first was a .55 acre parcel in Pinehurst improved with a 1,440 square foot residence constructed in 1971. This property was further improved with an attached garage, a utility shed, wood decking, and paving. The

residence was considered “fair” class construction in “average” condition. This property sold in June 2018 for \$175,000. The second sale was a twelve (12) acre parcel located in Kellogg, Idaho which sold in December 2017 for \$375,000. The 3,516 square foot residence, comprised of four (4) bedrooms and three and one-half (3½) bathrooms, was considered by Respondent to be a “good” class residence in “good” condition.

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. There are three (3) primary methods for determining market value; 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 often valued using the sales comparison approach, which approach in general terms compares recent sales of similar property to the subject.

Appellants detailed various negative aspects affecting subject, including being part of an EPA Superfund Site, and restricted access to subject's detached garage. Appellants noted the environmental concerns would have to be disclosed to a potential purchaser. More immediately pressing, however, was the heavy amount of truck traffic stemming from the environmental cleanup effort in the area. On the access issue, it was contended a neighbor illegally erected improvements on a portion of the city street, which limits the size of vehicle capable of accessing subject's shop improvements. While the Board understands the concerns regarding these issues and the potential impact such factors may have on subject's use and market value, there was simply no market-based or appraisal evidence to support the claimed reduction. Much of subject's general area was impacted by the environmental contamination issue and also continues to experience the noise from passing trucks. The record did not demonstrate subject was uniquely impacted by the cleanup efforts. In similar fashion, Appellants did not prove from the market an adjustment was warranted for the narrow access to subject's detached garage.

Though the Board did not find support for reducing subject's value based on general neighborhood arguments, the sales information, primarily that offered by Appellants, indicate an adjustment is yet warranted. Appellants provided information concerning three (3) recent sales located less than one (1) mile from subject. Though there was some variance in terms of residence and lot size, the sale properties were generally representative of subject, sharing the same class and condition ratings of "fair" and "average", respectively. The sale properties also included various outbuildings and other residential improvements, similar to subject. Sale prices for these properties ranged from \$138,000 to \$162,500, which is notably lower than

subject's current assessed value of \$306,541.

Respondent also provided sales information for the Board's consideration, however, there were notable concerns regarding the comparability of the sale properties to subject. First, none of the sale properties were located in subject's neighborhood, nor were adjustments explained or evidently made for location. Instead, the properties were located some distance away in or near Pinehurst, Silverton, Kingston and Kellogg. In the Board's experience, location is a key contributor to a property's market value. This consideration of this value factor wasn't well explained in the record. Further, most of the county appraiser's selected sale properties involved larger parcels with larger and newer residences. Only two (2) sale residences shared the same class and condition rating as subject. No adjustments were made for the notable physical differences between subject and the sale properties, nor was it clear to the Board how the sale properties correlated to or were otherwise supportive of subject's current assessed value.

Pursuant to Idaho Code § 63-511, Appellants bear the burden of proving error in subject's valuation by a preponderance of the evidence. Given the record in this case, we found the burden of proof satisfied. Appellants' sale properties were judged to be more representative of subject in terms of location and overall physical attributes. Respondent's sale properties differed from subject in notable ways, yet no adjustments were made. In all, the Board found support for a reduction in subject's valuation.

The decision of the Shoshone County Board of Equalization is modified to reflect a decrease in total valuation to \$260,000.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Shoshone County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED and MODIFIED, as follows:

MODIFIED: Appeal No. 19-A-1098 (Parcel No. RP48N04E262225A)

Land: \$ 23,731

Improvements: \$187,899

MODIFIED: Appeal No. 19-A-1099 (Parcel No. RPO09500160000A)

Land: \$ 6,082

Improvements: \$39,500

Total: \$45,582

AFFIRMED: Appeal No. 19-A-1100 (Parcel No. RP48N04E262250A)

Land: \$2,788

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered values for the current tax year shall not be increased in the subsequent assessment year.

DATED this 19th day of December, 2019.