

BEFORE THE IDAHO BOARD OF TAX APPEALS

JAYO LAND DEVELOPMENT COMPANY, INC.,)	
)	
Appellant,)	APPEAL NO. 19-A-1028
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
)	
)	

VACANT LAND APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. R8512250140. The appeal concerns the 2019 tax year.

This matter came on for hearing October 16, 2019 in Boise, Idaho before Hearing Officer Travis VanLith. Doug Jayo appeared at hearing for Appellant. Chief Deputy Assessor Brad Smith 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 vacant residential lot.

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

FINDINGS OF FACT

Subject's assessed land value is \$94,000. Appellant contends the correct land value is \$37,786.

The subject property is a .26¹ acre undeveloped residential lot located in the J L Towne Subdivision in Meridian, Idaho. The subdivision was developed in the 1970s.

Appellant purchased subject in 2017 at a reported price rate of \$2.63 per square foot.

¹ At hearing, Respondent noted subject's correct acreage is .336 acres. This will be reflected on the 2020 assessment.

Respondent noted the lot was purchased in an unadvertised bulk sale. Appellant claimed the subject does not have access to public services and therefore should be valued as raw land. Further, Appellant explained subject will incur a future expense to obtain pressurized irrigation. Respondent challenged this and provided documents showing water, sewer, and power lines do run to the subject property. Respondent explained once a foundation was constructed, the services could then be connected.

To support subject's assessment, Respondent offered information on three (3) 2018 vacant land sales similar to subject. The sale prices ranged from \$110,000 to \$129,900, for lots which ranged in size from .19 acres to .30 acres. Respondent adjusted the sale prices for date of sale at 1% per month to reflect market conditions on the January 1, 2019 assessment date. The adjusted prices ranged from \$111,664 to \$137,545.

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 submitted by the parties, 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) approaches to value, the sales comparison approach, the cost approach, and the income approach. Residential property is commonly valued using the sales comparison approach.

Appellant's main point regarding subject's market value was that public services were not in place and the lot should therefore be valued as raw land. It was noted a future cost to secure pressurized irrigation will be incurred. Respondent explained public services are available in the immediate area and simply need to be connected after the foundation for a new structure is constructed.

Appellant used information associated with a bulk sale to determine a price rate for subject of \$2.63 per square foot. This rate was applied to subject's acreage in arriving at a value of \$34,368. Respondent argued the subject sale was part of a bulk purchase where the property was not listed on the open market and therefore should not be used in a measurement of market value. Where subject was acquired in a bulk purchase transaction, the Board likewise afforded this sales information minimal weight.

The Board found Respondent's sales data and analysis on three (3) 2018 vacant lot sales to be a good indicator of subject's current market value. An adjustment was made to account for date of sale. Respondent's analysis indicated a range of value between \$111,664 to \$137,545 for the subject lot. Subject is assessed for 2019 at \$94,000, which is well below the value range indicated by recent sales.

Pursuant to Idaho Code § 63-511, Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. Given the evidence presented

in this matter, the Board did not find the burden of proof satisfied. As such, the decision of the Ada County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 2nd day of December, 2019.