

BEFORE THE IDAHO BOARD OF TAX APPEALS

THE FISHER FAMILY LIVING TRUST,	)	
	)	
Appellant,	)	APPEAL NO. 20-A-1061
	)	
v.	)	FINAL DECISION
	)	AND ORDER
BONNEVILLE COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**HOMEOWNER'S EXEMPTION 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. RPB47560100280. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing October 20, 2020, before Board Member Leland Heinrich. Trustee Albert Fisher appeared at hearing for Appellant. County Assessor Blake Mueller represented Respondent.

Board Members Leland Heinrich, David Kinghorn, and Kenneth Nuhn join in issuing this decision.

**The issues on appeal concern the market value of an improved residential property and whether the property qualifies for a homeowner's exemption pursuant to Idaho Code § 63-602G.**

**The decision of the Bonneville County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$66,311, and the improvements' value is \$465,730, totaling \$532,041. Appellant contends the correct land value is \$62,900, and the improvements' value is \$437,630, totaling \$500,530. Though a reduced value was requested on the appeal form, Appellant's main concern was subject did not receive a homeowner's exemption for 2020. Appellant contends subject qualifies for a homeowner's exemption of \$100,000 pursuant to

Idaho Code § 63-602G.

The subject property is a .97 acre lot improved with a single-family residence located in the Quail Ridge Estates subdivision in Ammon, Idaho. Before creation of the trust, Appellant's trustees had owned and lived on the property since 2011. In October 2019, the trust was created, and the property transferred ownership to The Fisher Family Living Trust.

Though a different value was requested on the appeal form, Appellant's main concern was subject did not receive a homeowner's exemption for 2020. Appellant reported subject has received the homeowner's exemption since 2011. In January 2020, Appellant received a notice from the Bonneville county assessor's office stating subject's homeowner's exemption was not allowed for the 2020 tax year and a new application needed to be filed before April 15, 2020. Appellant reported legal counsel advised it was not necessary to apply for the exemption. The previous owner of the property was a trustee in the Appellant trust, so Appellant argued ownership had not technically changed. In the grant deed for subject, there is a note for the assessor at the top stating the property "is a revocable trust and therefore homeowner's exemption still applies." Appellant and its lawyer considered this sufficient to qualify subject for the exemption in 2020. Despite this, Appellant did eventually submit an application at the end of May.

Appellant also described the events leading up to the failure to timely apply for the homeowner's exemption. Appellant did not dispute the notice to apply was received or that the application wasn't timely, but wondered whether a grace period should be allowed due to the COVID-19 global pandemic, which began shortly before the April 15, 2020, deadline. The pandemic drew many away from normal activities and put different pressures on people, and

Appellant argued a grace period should be applicable.

Respondent stated a new homeowner's exemption application is needed when ownership changes for a property. In this case, the ownership transferred from a natural person to the same person's trust. Idaho Code § 63-602G states the deadline for this exemption is April 15<sup>th</sup> of the applicable tax year, with no exceptions described in the statute. In addition to the statute, Respondent pointed to the county's notice of revocation of the exemption, which notified Appellant of the April 15<sup>th</sup> deadline and where to find the application. Respondent reported the county received Appellant's homeowner's exemption application on May 21, 2020.

Respondent acknowledged some tax filing deadlines were moved back by the Governor for various things such as vehicle registration, title work, and the property tax reduction program. However, no such deadline extension was authorized for the homeowner's exemption. Respondent noted, while COVID-19 did cause closed doors at the county, everyone was still working, and the county had drop boxes and drive-up options available. Respondent acknowledged the difficult situation, but maintained it must follow the law as written and cannot deviate from the terms of the statute despite the global pandemic.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest, or, as applicable, a property's 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, 2020, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

“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. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach is commonly used in the valuation of a residential property. In general terms, the approach examines recent sales of similar property, and considers the differences in property characteristics between the subject and the sale properties.

A traditional approach to value was not developed by either party, because the central issue at bar was the applicability of a homeowner’s exemption for subject. While Appellant did request a lower value than what was assessed on the appeal form, it was stated at hearing the value was not an issue, and thus the hearing focused on the exemption issue.

The homestead exemption is provided in Idaho Code § 63-602G, which reads in relevant part,

(2) The exemption allowed by this section may be granted only if:

. . .

(c) The owner has certified to the county assessor *by April 15* that:

(i) He is making application for the exemption allowed by this section;

(ii) The homestead is his primary dwelling place; and

(iii) He has not made application in any other county for the exemption, and has not made application for the exemption on any other homestead in the county.

(Emphasis added).

Appellant was unaware a new exemption application was needed, as ownership transferred from an individual to the individual's trust, and therefore did not technically transfer ownership in Appellant's view. The grant deed for subject also stated the homeowner's exemption was still applicable because the property was owned by a revocable trust. Appellant submitted the application in late May, after the April 15<sup>th</sup> statutory deadline. Appellant argued a grace period should have been applied due to the COVID-19 global pandemic, as other tax filing deadlines were extended.

In response to Appellant's concerns, Respondent reported that when ownership of a property changes, a new homeowner's exemption application must be filed. There is also no grace period mentioned in the statute. Respondent also directly mailed a notice to Appellant in January stating the homeowner's exemption was removed and Appellant would need to apply before April 15, 2020. While Respondent was aware the subject property was owned by a revocable trust, the statute is clear that a new application must be filed when ownership changes.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. As Appellant had no dispute about the valuation of the subject property, the Board will affirm the assessor's assessment of \$532,041. In the matter of the homeowner's exemption, the Board is certainly sympathetic to the difficult circumstances, but the Idaho statutes does not include any

provision for extending the application deadline beyond April 15<sup>th</sup>, and the Board has no authority to deviate from the clear restraints of the statute.

Based on the above, the Board must deny the homeowner's exemption request. 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 1<sup>st</sup> day of February, 2021.