

BEFORE THE IDAHO BOARD OF TAX APPEALS

DOUG AND SANDIE HEMINGWAY,	)	
	)	
Appellants,	)	APPEAL NO. 20-A-1058
	)	
v.	)	FINAL DECISION
	)	AND ORDER
TWIN FALLS COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	

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**COMMERCIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Twin Falls County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPT1590001006AA. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing October 19, 2020, before Board Member Leland Heinrich. Appellants Doug and Sandie Hemingway were self-represented. Deputy Prosecuting Attorney R. Kevin Henry 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 commercial property.**

**The decision of the Twin Falls County Board of Equalization is affirmed.**

**FINDINGS OF FACT**

The assessed land value is \$110,270. Appellants contend the correct value is \$40,000.

The subject property is an unimproved 1.06 acre commercial parcel located in the Twin Falls Eastland Industrial Park subdivision in Twin Falls, Idaho.

Appellants pointed to the roughly 275% increase in subject's current valuation over the prior year's assessment and questioned whether the market supported such an increase.

Appellants also noted the first ten (10) feet of depth along subject's frontage was encumbered by a utility easement in favor of the city. Respondent countered that all parcels in the area are likewise encumbered by the same restrictive easement, so subject was not uniquely impacted.

Respondent explained values in subject's area had remained relatively flat for the past decade because there had not been enough sales to support adjustments. The situation changed for the current assessment year due to a couple vacant lot sales which occurred during 2019. Specifically, two (2) lots across the street from subject both sold in May 2019. The sale lots were both 1.05 acres in size, and both sold for \$140,500. Respondent also reported an additional vacant sale from September 2017 for \$141,134, also situated across the street from the subject parcel. These sales suggested a value of approximately \$3 per square foot, which formed the basis for assessed values in the industrial park. The subject lot is assessed at \$110,270, or an overall rate of \$2.37 per square foot.

Respondent explained subject was assessed at a lesser rate due to a forty (40) foot wide access easement running along the eastern edge of the property which provides access to an interior parcel. Specifically, Respondent applied a 23% downward adjustment for the easement. An additional 10% downward adjustment was also applied for subject's larger acreage, which is a standard adjustment Respondent applies to parcels with excess acreage. In Respondent's view, subject's current valuation was well supported by the available local sales data.

### 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, 2020, in this case. Market value is always estimated as of a precise point in time. 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. The sales comparison approach, the cost approach, and the income approach represent the three (3) primary methods for determining market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Vacant lots are typically valued using the sales comparison approach, which in basic terms compares recent sales of similar property to the subject parcel and considers adjustments for differences in property characteristics.

Appellants focused on the notable increase in subject’s assessed value for the current year. Though Appellants’ concerns are understandable, no recent sales or other market data was presented to support the \$40,000 value petitioned. As noted above, the law requires the subject property be assessed annually at market value. Though subject’s value increased considerably for the current assessment year, the valuation is well supported by the sales data offered by Respondent. And it was not lost on the Board that values in the area have remained relatively stable for multiple years due to a lack of sales. Furthermore, Respondent made downward adjustments to account for the access easement along the eastern edge of the

property, as well as for subject's larger size. The Board is strained to find error in either subject's assessed value or Respondent's consideration of the parcel's unique characteristics.

Idaho Code § 63-511 places the burden on the Appellants to demonstrate error in subject's assessment by a preponderance of the evidence. Based on the record in this matter, the Board did not find the burden of proof satisfied. Subject's current valuation was supported by recent sales of commercial lots located directly across the street from subject, and additional consideration was given to subject's particular property characteristics. In short, the Board found no error in subject's assessed value. The decision of the Twin Falls County Board of Equalization is affirmed.

#### FINAL ORDER

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

DATED this 19<sup>th</sup> day of January, 2021.

IDAHO BOARD OF TAX APPEALS