

BEFORE THE IDAHO BOARD OF TAX APPEALS

LESLIE LYNCH,)	
)	
Appellant,)	APPEAL NO. 20-A-1029
)	
v.)	FINAL DECISION
)	AND ORDER
GOODING COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Gooding County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPH3000026025CA. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing on October 27, 2020, before Board Member Leland Heinrich. Appellant Leslie Lynch was self-represented. Assessor Justin Baldwin 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 an improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$45,000, and the improvements' value is \$0, totaling \$45,000. Appellant contends the correct land value is \$125, and the improvements' value is \$0, totaling \$125.

The subject property is a .43 acre residential parcel located in Hagerman, Idaho. The property is improved with a single-level two (2) bedroom residence with a basement constructed in the early 1940s.

Appellant began with an explanation of recent valuations of the subject residence. In 2018, Appellant reported the assessed value of subject's residence was \$6,928. The value of the residence increased to \$45,000 for the 2019 assessment year, which was erroneous in Appellant's view because no improvements had been made. Appellant testified the residence is in poor condition and riddled with bullet holes and broken windows.

Concerning subject's land value, Appellant contended the current valuation was overstated and erroneous. Specifically, Appellant questioned whether the 2020 assessed value reflected the property's actual and functional use, or its highest and best use. Appellant purchased the subject property in 1964 for \$125 and noted the current valuation far exceeded the purchase price.

Respondent explained once it was notified about the condition of the subject residence, the property was inspected and the value of the residence was reduced to \$0 for the current assessment year. Regarding subject's land value, Respondent testified the current valuation, at \$2.40 per square foot, was consistent with residential land values in Hagerman. Though no details were shared, Respondent stated subject's land value was supported by numerous sales in the area.

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 three (3) primary approaches for determining value include 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 differences in the property characteristics between subject and the sale properties.

Appellant's primary concern centered on the 2019 valuation of subject's residence, which increased nearly \$40,000 from the prior year. While the Board appreciates Appellant's concerns, the Board's jurisdiction is restricted solely to the 2020 assessment year. As such, the Board is unable to address Appellant's concerns regarding subject's 2019 assessed value. We do note, however, the residence is assessed at \$0 for 2020, so there is effectively no valuation issue for the Board to consider with respect to subject's residence.

Turning to subject's land value, Appellant stated the property was purchased for \$125 in 1964. Appellant argued property is to be assessed at its actual and functional use, not the highest and best use, and questioned whether the current valuation reflected the actual and functional use of the property.

Appellant is correct; all non-exempt real property is to be assessed ". . . according to recognized appraisal methods and techniques as set forth by the state tax commission; provided, that *the actual and functional use shall be a major consideration* when determining market value for assessment purposes." Idaho Code § 63-208 (emphasis added). Respondent did not directly address Appellant's argument concerning actual and functional use, but nothing in the record indicates subject was valued inconsistently with the controlling statute. Subject was assessed as a rural residential property, which is the property's actual and functional use. Though no details were shared, Respondent maintained subject's land value was developed through numerous sales of residential parcels in the area, and noted subject's land value is consistent with other land assessments in the neighborhood.

Pursuant to Idaho Code § 63-511, the Appellant bears the burden of proving error in subject's valuation by a preponderance of the evidence. Where Appellant provided no sales or other market-based evidence in support of reducing subject's assessed value, the Board did not find the requisite burden of proof satisfied.

Based on the above, the decision of the Gooding County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 19th day of February, 2021.