

BEFORE THE IDAHO BOARD OF TAX APPEALS

JACK SUMMERS,)	
)	
Appellant,)	APPEAL NO. 20-A-1127
)	
v.)	FINAL DECISION
)	AND ORDER
BANNOCK COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bannock County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPR3851021800. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing November 16, 2020, before Board Member Leland Heinrich. Appellant Jack Summers was self-represented. Appraiser Jason Hooker 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 unimproved rural residential property.

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

FINDINGS OF FACT

The assessed land value is \$28,234. Appellant contends the correct value of this unimproved land is \$1,000.

The subject property is a vacant 5.18 acre parcel located just past the Buckskin Road summit area in Pocatello, Idaho. Subject is located in a steep, narrow ravine and is solely used as a fenced horse pasture connected to Appellant's home lot. The property is mostly covered in sage brush and weeds, with little other foliage or grass. Due to the lack of grass to graze,

it is used only for the horses to run around so they are not cooped up in a barn.

Appellant contended subject is not sellable at all, especially not for the assessed value. Appellant's argument for a lower valuation centered mainly on the fact subject is not desirable as a homesite. Specifically, Appellant delivered a five (5) point presentation detailing support for a lower assessment. The first point described subject's topography. Next to the subject property, two (2) steep ravines converge. This was demonstrated on Appellant's Exhibit 1, page 3, which provided a wide view of the area. The subject parcel includes a portion of the ridge between the two ravines, with a small clear, flattened area, but is mostly situated on the slope of a ravine. The subject property is steep, narrow, and open, covered in sagebrush and weeds. Subject is located on the north side of the ravine, mostly steep and heading uphill. Appellant's Exhibit 1, page 2 depicted homes in this area are situated on property lines because the terrain affords limited building areas. According to Appellant, only the flattened area of ridge near the converging ravines could potentially be buildable on subject. Because of the terrain, it would be difficult to equip any home with septic and power, and snow melts through the ravine for months in the spring. The home would also not have a view of the nearby Portneuf Range, which other homes in the area enjoy. Appellant concluded it was *possible* to build a home on the land, but it would not be desirable. In line with this, Appellant voiced frustration that nobody from the assessor's office had been physically on the property to inspect it.

Appellant's second point was the property was far from Buckskin Road both in distance and elevation. If subject were to become a homesite, Appellant testified it would need a 900-foot access road going up the ravine at an almost 10% incline. Appellant stated this would be

an unjustifiable length for a driveway because of the amount of snow the area gets in the winter.

Third, Appellant testified there are nearby improved parcels which are more desirable and more likely to be purchased compared to subject. Specifically, there are three (3) subdivisions within one-half ($\frac{1}{2}$) mile of subject, on top of the ridge. Appellant stated these homes have county-maintained roads and short driveways, which subject does not and could not have. Appellant inferred the availability of these nicer, more conveniently-located properties should lower subject's value.

Appellant's fourth point was neighboring parcels' assessed values were lower than subject's. For example, one adjacent parcel is valued at \$250 per acre, and another is valued at \$85 per acre. Comparatively, subject is assessed at almost \$6,000 per acre. Appellant questioned the large difference in value-per-acre between the parcels with almost-identical terrain. Appellant also stated the parcel valued at \$85 per acre was most similar to subject, as it is a continuation of the slope experienced on subject. It was noted by Respondent the property referenced by Appellant receives an agricultural exemption, whereas subject is assessed at market value.

The fifth and final point in Appellant's presentation was subject's only utility is as a fenced-in horse pasture for the summer. Appellant reported subject has been used purely as a horse pasture for over 35 years. According to Appellant, this is its only use and value, as connected to Appellant's home lot. The parcel has very little foliage and was described by Appellant as more of a "corral" for four (4) or five (5) horses during the summer. It is more of a place for the horses to run around than a place to graze.

Respondent started its presentation by describing how Bannock County assesses property. Respondent stated values began increasing in 2019 because many properties were assessed below market value, and the county needed to bring values up to current market levels. Two years ago, Bannock switched to a new assessing system provided by the Idaho State Tax Commission to help the county more equitably and accurately assess property. Respondent also reported it values contiguous land owned by the same owner as a single unit, which value is split equitably between the individual parcels. This was the method used in valuing the subject parcel because it more accurately reflects the use of property.

Respondent acknowledged Appellant was correct subject would not be an ideal choice for a home parcel, but stated assessments look at *current* use, not *potential* use, when determining value. Respondent also reported the difference in per-acre rates for surrounding lots was due to context. For example, the lot bordering subject's north and west has a lower value per acre because it has an agricultural exemption. The parcel to the south, which is also owned by Appellant, has a \$1,000 token value because it has limited utility. This token assessed value is not applicable to subject because the property does have some utility; for example, it is currently used as a horse pasture. Respondent stressed all land has value, and it is utility which determines how much value it has. Respondent also reported long driveways, of 1,000 feet or more, are common near and on Buckskin Road.

In relation to Appellant's concern the subject parcel had not been physically inspected, Respondent reported the property was "remotely inspected" in October 2019. When the county remotely inspects a property, they look at it from an aerial view and also observe what can be seen from public land.

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. There are three (3) approaches to value: the sales comparison approach, the cost approach, and the income approach. 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 the subject and the sale properties.

Neither party utilized a traditional approach to value to advocate for their respective positions. Instead, Appellant focused on demonstrating subject is not desirable as a homesite, and Respondent described the market in Bannock county and the methods the county uses to assess property. Appellant made a good case the subject property is steep, has limited area and accessibility for a homesite, and bringing utilities to the site would be costly. However, as

Respondent testified, subject's assessment is based on *current* use, not *potential* use. Subject was assessed as a steep, vacant parcel, not as a functional homesite.

Appellant also expressed concern subject was assessed inequitably compared to surrounding parcels. In regard to this, Respondent reported one (1) of the referenced properties has an agricultural exemption, and the other has little utility. In contrast, subject does not receive an agricultural exemption and has utility, for example as a horse pasture, which is how Appellant currently uses the parcel. Overall, the Board finds consideration has been given for subject's existing conditions and is reluctant to reduce the value further.

Neither party offered sales data into the record. Thus, the Board had no evidence to demonstrate market values of similar properties in the area. While Appellant provided oral testimony as to the surrounding parcels' assessment data, a comparison of assessed values is not a recognized appraisal approach. With an absence of specific sales data, the Board struggled to find a reduction is warranted.

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. In this case, we do not find sufficient evidence to disturb the assessed value set by the Bannock County Board of Equalization. Considering all the evidence and oral testimony in this appeal, the decision of the Bannock County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bannock County Board of Equalization concerning the subject parcel be, and the same

hereby is, AFFIRMED.

DATED this 1st day of March, 2021.