

BEFORE THE IDAHO BOARD OF TAX APPEALS

BERT WILLIAMS,)	
)	
Appellant,)	APPEAL NO. 20-A-1164
)	
v.)	FINAL DECISION
)	AND ORDER
BOUNDARY COUNTY,)	
)	
Respondent.)	
)	
)	
)	

HOMESTEAD EXEMPTION APPEAL

This appeal is taken from a decision of the Boundary County Board of Equalization considering the homestead exemption amount allowed for property described by Parcel No. RP60N02W348851A. The appeal concerns the 2020 tax year.

This matter came on for telephonic hearing November 19, 2020, before Hearing Officer Travis VanLith. Appellant Bert Williams was self-represented. Assessor David Ryals represented Respondent.

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

The issue on appeal concerns the proper amount of the homestead exemption to which Appellant is entitled.

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

FINDINGS OF FACT

The assessed land value is \$36,480, and the improvements' value is \$39,610, totaling \$76,090. Appellant did not contest the assessed value, but rather the amount of the homestead exemption received for the subject property for 2020.

The subject property is a .98 acre rural residential parcel located roughly thirteen (13) miles north of Sandpoint, Idaho. The property is improved with a 1,188 square foot manufactured home constructed in 2000. Access to the property is via a dirt road maintained

by the county. Due to its remote location, the subject property does not have fire protection, and law enforcement in the area was reported as being “spotty.” It was also noted the property suffers annually from flooding, for which Respondent explained a downward 50% adjustment was applied to subject’s land value.

Appellant was not concerned with subject’s assessed value, but rather the amount of the homestead exemption for the current assessment year. Appellant pointed out subject’s 2020 valuation increased nearly \$20,000, from roughly \$55,000 to \$76,000, yet the amount of the homestead exemption decreased from \$27,890 to \$19,023.

Respondent explained Appellant is one (1) of two (2) record owners of the subject property, and so is only entitled to 50% of the homestead exemption. The other record owner is Appellant’s wife, who is deceased. Respondent noted once Appellant’s wife’s estate is removed from the deed, Appellant would be entitled to the full 100% homestead exemption for the subject property.

Respondent additionally provided some sales information in support of subject’s current valuation. Three (3) of the sales transpired during 2019, and the other two (2) sales took place in 2012 and 2014. These latter two (2) sales were not used to develop subject’s current assessed value, but were offered to provide a full accounting of available sales information. The three (3) 2019 manufactured home sales were generally similar to subject in lot size, age, condition, and square footage, though two (2) of the manufactured homes were noted to be superior in quality. Sale prices for the 2019 sales ranged from \$153,280 to \$174,000. The sale properties were directly compared to subject, and adjustments were made for differences in property characteristics such as total living area, age, and quality. The result was adjusted sale

prices ranging from \$129,997 to \$160,480. Based on the adjusted sales analysis, Respondent estimated a value for subject of \$106,000. Subject's current assessed value is \$76,090.

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 comprise the three (3) primary methods for determining marked value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using the sales comparison approach, which in basic terms compares recent sales of similar property to the subject, with adjustments considered for differences in property characteristics.

Appellant did not challenge subject's current assessed value. Instead, Appellant questioned why the amount of the homestead exemption decreased for 2020, despite the roughly \$20,000 increase in assessed value. Respondent explained, while the subject property

qualified for the homestead exemption, Appellant was entitled to only 50% of the allowable exemption as a one-half ($\frac{1}{2}$) owner of the property. The other owner still appearing on the deed is the estate of Appellant's wife. While the Board is sympathetic to Appellant's situation, we find no error in the amount of the homestead exemption applied to subject's 2020 assessment, as explained below.

Idaho Code § 63-602G provides in pertinent part,

(1) For each tax year, the first one hundred thousand dollars (\$100,000) of the market value for assessment purposes of the homestead as that term is defined in section 63-701, Idaho Code, or fifty percent (50%) of the market value for assessment purposes of the homestead as that term is defined in section 63-701, Idaho Code, whichever is the lesser, shall be exempt from property taxation.

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

(a) The homestead is owner-occupied and used as the primary dwelling place of the owner. The homestead may consist of part of a multidwelling or multipurpose building and shall include all of such dwelling or building except any portion used exclusively for anything other than the primary dwelling of the owner. The presence of an office in a homestead, which office is used for multiple purposes, including business and personal use, shall not prevent the owner from claiming the exemption provided in this section; and

(b) The state tax commission has certified to the board of county commissioners that all properties in the county which are subject to appraisal by the county assessor have, in fact, been appraised uniformly so as to secure a just valuation for all property within the county; and

(c) The owner has certified to the county assessor 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, and has not made application for the exemption on any other homestead in the county.

(d) For the purpose of this section, the definition of "owner" shall be the same definition set forth in section 63-701(7), Idaho Code.

Idaho Code § 63-701(7) states, "'Owner' includes a vendee in possession under a land sale contract. Any partial ownership shall be considered as ownership for determining initial qualification for property tax reduction benefits; however, *the amount of property tax reduction* under section 63-704, Idaho Code, and rules promulgated pursuant to section 63-705, Idaho Code, *shall be computed on the value of the claimant's partial ownership . . .*" (emphasis added). Applied to the case at bar, there are two (2) record owners of the subject property: Appellant and the estate of Appellant's wife, each with equal 50% ownership interests in the property. As long as Appellant remains a partial owner of the subject property, Appellant is entitled only to 50% of the homestead exemption, which is precisely what is reflected on the assessment notice. The Board finds Respondent properly administered the provisions of the relevant statutes concerning the homestead exemption.

Though Appellant did not contest subject's assessed value, Respondent did provide several sales in support of the current valuation. The sale properties were generally similar to subject, though there were some minor differences, for which Respondent made adjustments in its sales comparison model. Based on the adjusted sales analysis, Respondent concluded a value of roughly \$100,000 for the subject property. As subject's current valuation is approximately \$25,000 less than the value indicated by Respondent's sales model, the Board found subject's assessed value reasonable.

Pursuant to Idaho Code § 63-511, the Appellant bears the burden of demonstrating error in subject's valuation by a preponderance of the evidence. Given the record in this matter, the Board did not find the burden of proof satisfied. Subject's assessed value was

supported by recent sales information and accompanying analysis, and the amount of the homestead exemption was found to have been properly determined.

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

FINAL ORDER

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

DATED this 22nd day of March, 2021.