

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| COLLEEN BEIER, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 21-A-1033 |
| |) | |
| v. |) | FINAL DECISION AND ORDER |
| |) | |
| BONNER COUNTY, |) | |
| |) | |
| Respondent. |) | |
| |) | |
| |) | |
| |) | |

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP000610000150A. The appeal concerns the 2021 tax year.

This matter came on for hearing October 27, 2021, before Board Member Leland Heinrich. Appellant Colleen Beier was self-represented. County Appraiser Rachel Castor 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 rural residential property.

The decision of the Bonner County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$283,581, and the improvements' value is \$117,892, totaling \$401,473. Appellant contends the correct land value is \$270,551, and the improvements' value is \$98,125, totaling \$368,676.

The subject property is a .255 acre waterfront parcel located in Cocolalla, Idaho. The subject has 51.8 waterfront feet on Lake Cocolalla, and it is improved with a 1,024 square foot residence and a detached garage.

Appellant originally appealed to the county just to see what the process was like. After the Board of Equalization hearing, however, Appellant observed dollar amounts attributed to subject's property components in the county's exhibits that did not seem to add up to the total assessment amount. The questions about how the values were derived and added to become the full assessment prompted Appellant's appeal to this board.

Respondent noted Appellant did not seem concerned with the comparable sales used, and so did not discuss in detail the sales comparison analysis it developed. Respondent opted to address Appellant's specific concerns of not understanding where the values of specific components came from to reach the total assessed value. Respondent first explained rounded numbers are used in its comparable sales analysis, so Appellant's waterfront footage is valued at \$5,223.58 per front foot, not the \$5,223 Appellant observed and used for her calculations. Respondent held there was no error on the assessment; it was using exact numbers, not rounded. Respondent also noted waterfront is not all assessed at a flat rate, and the rate per front foot depends on the amount of frontage a property enjoys.

Next, Respondent explained a flat rate of \$13,000 is used to value utilities in subject's area. It was stated the discrepancy found by Appellant when adding the land and improvements to get total market value was because \$13,000 for utilities needed to be added to the raw land value. Respondent also noted the values of the dock and garage were not included in the land or improvement value in their analysis before the Board of

Equalization, so those values were missing from Appellant's calculations as well. Overall, Respondent stated the improvements' value included the residence, the garage, and the dock, of which only the residence value of \$98,125 was included in Appellant's calculations.

Appellant expressed many concerns regarding Respondent's analysis. First, Appellant noted subject has only one (1) dock which is fully moveable and not attached to the land. Respondent stated the dock was assessed in two (2) pieces because it is an L-shape. It was stated in order to get the full square footage, it was measured in two (2) pieces to allow for easier review.

Appellant next noted the property has well and septic, not sewer. Respondent answered they have a flat rate on all properties with onsite improvements, which includes anything that makes vacant land capable of supporting a dwelling, no matter the specific type of system. Respondent noted the \$13,000 flat rate is probably less than most systems' actual value.

Appellant's final concern regarded the number of fireplaces being assessed. Respondent indicated there were two (2) in the property record: a wood stove and a masonry fireplace. Appellant testified the wood stove has been gone for twenty-five (25) years. Respondent stated the wood stove would be removed from the property record so it will not be included in future assessments.

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 subject and the sale properties.

Respondent developed a sales comparison analysis to support subject’s assessment, but at hearing it became clear Appellant’s concerns were not regarding the sales. Appellant’s concern was the dollar amounts for property characteristics presented at the Board of Equalization (BOE) hearing did not add up to subject’s assessed value.

Respondent explained amounts were rounded on the printouts at the BOE hearing, while exact values were used to calculate the actual assessed value. It was also noted certain aspects were not relevant in Respondent’s sales analysis used at the BOE appeal, such as onsite improvements, the dock, and the garage. Thus, the values of these items

were not clear to Appellant and not included in her calculations. This ultimately caused the discrepancy between the assessed value and Appellant's requested value.

Respondent also answered questions Appellant had concerning the property record. Though there is only one (1) dock, Respondent assessed it in two (2) pieces because it is an L-shape. Onsite improvements in subject's area are valued at \$13,000, regardless of the type of system, so it was inconsequential subject has a septic system instead of sewer. Lastly, Respondent testified the absent wood stove, which was removed many years ago, would be eliminated from the property record.

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 instance, the Board finds the burden of proof satisfied, though there was not sufficient support to reduce subject's value to that petitioned by Appellant. At hearing, Respondent adequately addressed most of Appellant's concerns. However, it became apparent a wood stove included in the assessment is no longer present on the property. Therefore, the Board will modify the assessment to remove the value attributable to the non-existent wood stove.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$399,773, with \$283,581 attributed to the land and \$116,192 attributed to the improvements.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 29th day of December, 2021.

IDAHO BOARD OF TAX APPEALS

NOTICE OF APPEAL PRIVILEGES

Enclosed is a Final Decision and Order of the Idaho State Board of Tax Appeals concerning an appeal.

Motion for reconsideration of the hearing record or motion for rehearing the appeal (with good cause detailed) may be made by filing such motion with the Clerk of the Board