

BEFORE THE IDAHO BOARD OF TAX APPEALS

DARYL MULLINIX,	)	
	)	
Appellant,	)	APPEAL NO. 21-A-1049
	)	
v.	)	FINAL DECISION AND ORDER
	)	
IDAHO COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**AGRICULTURAL PROPERTY APPEAL**

This appeal is taken from a decision of the Idaho County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP27N01E237962A. The appeal concerns the 2021 tax year.

This matter came on for telephonic hearing Wednesday, November 3, 2021, before Board Member Leland Heinrich. Appellant Daryl Mullinix was self-represented. County Assessor Kim Nuxoll 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 property.**

**The decision of the Idaho County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed land value is \$8,525, and the improvements' value is \$13,840, totaling \$22,365. Appellant does not contest the land value, but contends the improvements' value is \$2,000, totaling \$10,525.

The subject property is a 20.83 acre agricultural parcel located along the Salmon River in Idaho County. The property is improved with five (5) outbuildings described as

sheds, three (3) which are around 100 years old and two (2) which were built by Appellant in the past twenty (20) years. None of the sheds are on concrete foundations.

Appellant asserted none of the sheds had been on the assessment for the past fifty (50) years, which includes the entirety of Appellant's ownership of the subject. Appellant therefore assumed the structures to have zero value. Appellant requested Sheds 1, 2, and 5, the older sheds, revert to the previous values of \$0 each, and the values for Sheds 3 and 4 be lowered to a total of \$2,000 to "reflect actual cost."

When Appellant purchased subject, the three (3) older structures were on wooden skids which were rotted. Appellant reported moving two (2) of the original three (3) structures, Sheds 1 and 2, but could not move the third, Shed 5, because it was partially collapsing and could not be moved without falling apart.

Appellant provided photos of Shed 5 which demonstrated the walls are coming apart and are held together with fishing wire. Appellant also shared information about a structure on a different parcel owned by Appellant in support of lowering Shed 5's value. Appellant pointed out Shed 5 is valued at \$13.52 per square foot while the other shed owned by Appellant is valued at \$10.56 per square foot. This is significant, Appellant shared, because Shed 5 is over 100 years old, sitting on rotting wood skids, and falling apart, while the compared structure is less than 25 years old, on a concrete foundation, and is in overall better condition. Appellant questioned how an old shed in poor condition could be worth more per square foot than a newer structure in much better condition.

Appellant described Shed 3 as a cover meant to store equipment near the Salmon River. Photos were supplied showing holes in the walls and other wear and tear. Appellant stated it was built with simple wood posts, on the ground with no foundation. Appellant

used salvaged barn materials which were stated to be between fifty (50) and seventy (70) years old. Appellant claimed it is worth \$2 per square foot and should be assessed to reflect this.

Appellant also shared details regarding a property characterized as similar to subject. Appellant testified the compared property is improved with six (6) structures, three (3) of which were reported to be assessed at zero value. Appellant stated the structures were essentially the same as the structures on subject and questioned why subject's sheds were not also valued at zero, specifically the three (3) over 100 years old. Appellant worried subject was not assessed equitably.

Respondent stated the sheds had been on the tax roll and assessed for years, at least since 2013, but by clerical error they were left off for a couple years. When the category changed for some of the land in 2019, the county mistakenly missed the values of the five (5) sheds. In 2020, the error was caught and corrected, and the sheds were once again listed and valued on the assessment, for the 2021 assessment.

Respondent addressed Appellant's concerns regarding the property with the sheds assessed at \$0, reporting the buildings on subject are used, while the buildings on this comparable property are not, which Respondent stated was a huge difference. According to Respondent, the structures on the other property are falling down, and while subject's sheds may also be collapsing, they are currently being used and therefore have some value.

Appellant asserted the provided photos showed two (2) buildings on the other property appeared to be storing equipment, and therefore the statement they were not being used was untrue. Respondent maintained the structures are unused and testified

the owner is not getting special treatment or an unfair advantage. Respondent stated subject's buildings are better taken care of, though conceded the older sheds may be assessed too high.

### 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.

Neither party developed a traditional appraisal analysis to support their respective value claims. Appellant provided photo evidence depicting the condition of the sheds as well as a comparison of a similar property's assessment. Appellant demonstrated the

sheds on subject are generally falling apart and are not sophisticated structures. Appellant asserted because similar buildings on a different small agricultural parcel are assessed at zero value, the values of Sheds 1, 2, and 5 should likewise be reduced to have zero value on subject's assessment. Appellant requested Sheds 3 and 4 be valued at \$2,000 total.

Respondent stated Appellant's buildings are currently being used, indicating they have utility and therefore have value. Respondent stated this is the reason Appellant's sheds have value while the structures on the property Appellant referenced do not.

While Appellant had concerns as to whether the structures were actually unused, it is important to note a comparison of assessed values is not a recognized appraisal approach. This type of comparison could lend evidence a property is assessed inequitably; however, there is not enough evidence on record for the Board to determine such inequity exists here. That being said, Respondent acknowledged the market adjustment might have been misapplied to at least one (1) of subject's sheds.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. We find the burden of proof satisfied in this instance, though we did not find sufficient support to reduce subject's value to that petitioned by Appellant. Though the sheds may have been mistakenly omitted from past assessments, the Board concurs the sheds have value because they have utility. The Board also agrees, however, Shed 5 is overvalued. Based on its condition, the Board orders a 25% adjustment for the value of Shed 5, setting its value at \$4,005. The Board upholds the values of Sheds 1, 2, 3, and 4, as well as the land value.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Idaho County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$21,031, with \$8,525 attributed to the land and \$12,506 attributed to the improvements, broken down as follows:

Shed 1	\$350
Shed 2	\$350
Shed 3	\$3,412
Shed 4	\$4,389
Shed 5	\$4,005

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 3<sup>rd</sup> day of February, 2022.

IDAHO BOARD OF TAX APPEALS