

BEFORE THE IDAHO BOARD OF TAX APPEALS

CAROL CHADWICK,)	
)	
Appellant,)	APPEAL NO. 22-A-1081
)	
v.)	FINAL DECISION AND ORDER
)	
OWYHEE COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Owyhee County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPF00600000550. The appeal concerns the 2022 tax year.

This matter came on for hearing October 13, 2022, in Murphy, Idaho, before Board Member Leland Heinrich. Appellant Carol Chadwick was self-represented. Owyhee County Assessor Tiffany Nettleton represented Respondent.

Board Members Leland Heinrich, Kenneth Nuhn, and Doug Wallis join in issuing this decision.

The issue on appeal concerns the market value of an improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$12,582, and the improvements' value is \$109,990, totaling \$122,572. Appellant does not dispute the land value but contends the correct improvements' value is \$77,440, totaling \$90,022.

The subject property is a .21 acre parcel located in Silver City, Idaho. The property is improved with a 3,398 square foot residence which is over 100 years old and includes

two (2) floors above ground and a basement. The main floor consists of 1,860 square feet, of which 1,140 square feet are finished; the second floor has 493 square feet and is completely finished; and the basement has 1,045 square feet, of which only 338 square feet are finished. The amount of finished area in the residence totals 1,971 square feet. The residence is further improved with a 234 square foot open-frame front porch.

Appellant shared the board of equalization (BOE) appeal process did not adhere to the statutory deadlines in Idaho code. Respondent explained many personnel in the assessor's office, including the assessor and chief deputy, are relatively new. Appellant claimed Respondent initially told Appellant to hold off on appealing, as all Silver City residential values were potentially going to be reversed to the 2021 assessed values. However, the assessor's office, alongside the county commissioners, decided it would not make sense to roll back all of Silver City to 2021 values, because there was no consistency within the area in the residences' grade, condition, and square footage. Additionally, some buildings were missing from the property records. Overall, Respondent felt some assessments were too high, but some were also too low, and so the decision was to reappraise every property in Silver City. The BOE allowed Appellant to appeal subject's valuation despite the deadline having passed, due to the past communication where Appellant was advised to not appeal.

In August 2022, all properties in Silver City were physically inspected and reappraised. Subject's residence was remeasured, and the property record was updated to reflect true square footage, finished area, grade, and condition. Respondent shared subject's grade was changed to "low," and the condition was changed to "poor." This lower condition rating assisted Respondent in re-valuing subject's improvement value,

which was decreased from \$123,700 to \$109,990. Respondent shared the improvements' value includes a 71% depreciation factor to account for subject's age and condition. Appellant is requesting subject's assessed value be reduced to its 2021 assessed value of \$90,022.

Respondent explained there were no comparable sales in the area because properties in Silvery City do not change hands frequently. And when they do, it is usually between family members or the sale is otherwise not arms-length in nature. Because Idaho is a non-disclosure state, it is also rare that sales verification sheets are turned in to the assessor's office, nor are there usually MLS listings available, especially when a sale is between related parties. Respondent based values on sales at previous points then time-adjusted them. Respondent explained Silver City residential properties are valued much lower than what a residential property would be worth virtually anywhere else in the county due to the location, lack of year-round access, lack of utility services, historical preservation restrictions, and other factors. The 2022 increase in residential property value for the county was near 50%, which was a combination of the market trend and an increase ordered by the Idaho State Tax Commission due to assessed values not keeping up with the market.

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, 2022, 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.

Neither party presented a traditional analysis in support of their respective value positions. There have been no sales in the Silver City area, which is its own market area, and most sales are not arms-length. However, subject, along with all Silver City properties, was reappraised in August 2022, which lead to subject’s value being lowered by \$13,710. Appellant’s presentation focused on a frustration with the BOE process and communication with the assessor’s office prior to the BOE hearing. However, the Board has no jurisdiction over Respondent’s prior communications and can only rule on subject’s 2022 assessed valuation.

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. The Board did not find the burden of proof met in this instance. While the Board understands the difficulty in finding comparable sales within such a unique area, the Board was strained to find a basis for any adjustment where there was no market evidence in the record. And with subject being rated low grade, poor condition, and with a 71% depreciation factor, the

Board does not find support for a further value reduction. The Board will uphold the reappraisal value of \$122,572.

FINAL ORDER

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

DATED this 30th day of January, 2023.