

BEFORE THE IDAHO BOARD OF TAX APPEALS

BONNER MORRISON,)	
)	
Appellant,)	APPEAL NO. 22-A-1123
)	
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. RPRRLR3011500. The appeal concerns the 2022 tax year.

This matter came on for hearing October 4, 2022, in Pocatello, Idaho, before Board Member Leland Heinrich. Appellant Bonner Morrison was self-represented. Bannock County Chief Deputy Assessor Anita Hymas represented Respondent.

Board Members 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 Bannock County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$70,639, and the improvements' value is \$20,400, totaling \$91,039. Appellant does not dispute the improvements' value but contends the correct land value is \$49,036, totaling \$69,436.

The subject property is a 5.08 acre parcel located in the Lava Ranch subdivision on the outskirts of Lava Hot Springs, Idaho. The property is improved with a 504 square

foot cabin which was added to the property in 2019. The cabin has no power or plumbing. The property is further improved with a 120 square foot utility shed.

Appellant purchased the subject property, which was vacant land at the time, in May 2015 for \$24,700 after it had been on the open market for two (2) years. Appellant shared the assessment information for subject over the past eleven (11) years which Appellant believed demonstrated subject was overvalued in 2015 and 2016, at \$38,000. Appellant also expressed concern subject's land value increased approximately 70% from 2021 to 2022.

Appellant explained a building permit was denied in 2016 because most of the lot has "excessive slope restrictions." Appellant provided a map which highlighted the restricted portion of the lot, but it was not clear the amounts of buildable acreage compared to unbuildable, nor was it clear the specific building permit parameters which were denied six (6) years ago. Nevertheless, Appellant stated these restrictions affect subject's marketability. Appellant also explained subject is not accessible year-round due to extreme weather in the winter months and a lack of county road maintenance services.

Appellant described another factor argued to affect the market value of subject. In 2018, Appellant shared, subject's street frontage incurred damage to old growth trees, estimated by Appellant to be one hundred (100) years old, which cannot be repaired or replaced in the foreseeable future. Appellant asserted this damage affected privacy and the associated market value. In 2021, a settlement with the logging company was entered with damages and devaluation of property settled at \$52,500. Appellant clarified this settlement included the cost of the timber from the trees which were taken down.

Appellant lastly asserted overinflation drove sale prices last year and “assessed values should not be reflective of the overvalued market.” Appellant recognized the market saw an increase in values in 2021 but viewed the 47% increase from last year’s assessment as too high. Appellant’s requested value would represent a 12% increase over last year’s valuation.

Respondent utilized a sales comparison analysis to validate the assessed market value of subject which was calculated using mass appraisal techniques in which all sales in the county are entered into a database then categorized to identify price trends which need to be applied to assessments. Respondent provided information on three (3) vacant land sales, as Appellant was not concerned with subject’s improvement value. Respondent stated adjustments were made for all differences between the sale properties and subject, but only a time adjustment is shown in Respondent’s exhibits. Respondent shared that the sale properties were in the same subdivision as subject, and like subject, none had power, water, or septic.

Sale No. 1 was a 5.0 acre property which sold in July 2021 for \$74,900, or \$16,104 per acre. Respondent reported a time-adjusted price of \$80,518. Sale No. 2 was a 5.21 acre property located on subject’s street which sold in December 2021 for \$83,000, or \$16,130 per acre. Respondent reported a time-adjusted price of \$84,038. Sale No. 3 was a 7.90 acre property which sold in December 2020 for \$92,500, or \$13,612 per acre. Respondent reported a time-adjusted price of \$107,531. In comparison, subject has 5.08 acres assessed at \$70,639, or \$13,905 per acre.

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. 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.

Appellant did not perform a traditional appraisal approach to support the value request for subject. Appellant focused on describing adverse characteristics subject experiences to persuade the Board the conditions were not reflected in subject's 2022 assessed valuation. Appellant also stated “assessed values should not be reflective of the overvalued market,” but the Board must disagree. By statute, each property must be assessed at market value every year. Idaho Code § 63-205.

The Board likewise was not convinced subject's value needed a reduction due to the damage incurred in 2018 for multiple reasons. First, the Board cannot retroactively modify subject's value from four (4) years ago and does not know the current state of the damage. Appellant stated there had been some cleanup over the years, but it was not clear to the Board the extent of these efforts. Respondent stated there was no visible damage to the property when the assessor's office was physically reappraising the area in 2021. Additionally, the lawsuit for damages may have been based on the value of the timber which was removed, but clarification of what damages were for was not specified. The lawsuit result itself does not justify a reduction in value. Rather, timely market data is necessary to justify a market value reduction.

Respondent, on the other hand, provided three (3) recent sales in subject's subdivision, one (1) on subject's same street, to demonstrate subject's assessed value is reasonable and equitable. The Board would have preferred a more thorough analysis where more differences were adjusted for, not just date of sale, but Respondent's sales analysis represents the only market data in the record. And where subject's property value was the lowest among the comparable sales, the Board finds no support for further adjustments.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subject's assessed value is erroneous by a preponderance of the evidence. The Board does not find the burden of proof satisfied in this instance. Where Appellant provided no market information, and effectively requested the Board ignore the 2021 market appreciation altogether, the Board viewed Respondent's sales analysis and concluding

value as the best evidence of subject's current market value. The Board will deny Appellant's appeal.

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 parcels be, and the same hereby is, AFFIRMED.

DATED this 24th day of January, 2023.