

BEFORE THE IDAHO BOARD OF TAX APPEALS

DEBRA HOUSTON-DEXTER,)	
)	APPEAL NO. 22-A-1078
Appellant,)	
)	FINAL DECISION AND ORDER
v.)	
)	
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. RP54N04W080001A. The appeal concerns the 2022 tax year.

This matter came on for hearing November 18, 2022, in Sandpoint, Idaho, before Board Member Kenneth Nuhn. Appellant Debra Houston-Dexter was self-represented. Bonner County Assessor Donna Gow 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 rural residential property.

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

FINDINGS OF FACT

The assessed land value is \$132,145, and the improvements' value is \$20,333, totaling \$152,478. Appellant contends the correct land value is \$74,070, and the improvements' value is \$16,665, totaling \$90,735.

The subject property in question is a five (5) acre rural tract located in Spirit Lake, Idaho. The property is improved with a 1,000 square foot steel frame Quonset-style pole building erected in the early 1990s.

At hearing, Appellant raised concerns about the significant increase in the assessed value of the subject property compared to the previous year. While it was acknowledged the real estate market had experienced a remarkable appreciation the past couple of years, Appellant believed the current assessment notice overstated subject's value.

Appellant explained the subject property had not undergone any improvements since the 1990s, and the Quonset building has depreciated and is at the end of its life. Therefore, Appellant argued the Quonset building should not be assessed at a higher value.

On November 21, 2022, Appellant received an offer of \$35,000 to purchase the subject property. Appellant further stated that multiple offers have been received to purchase the property from time-to-time, but none of the offers came close to the \$90,000 value Appellant is seeking.

Lastly, Appellant believed the true market value of the subject property should be based on its selling price on the open market. In Appellant's view, the price at which a property sells reflects its true market value. Appellant further argued the assessment value should not be based on the increased valuations of other properties.

Respondent explained the local real estate market has been strong in recent years, resulting in significant year-over-year increases in property values. To support the current valuation of the subject property, Respondent provided sales data from three (3) sales

that occurred in 2021 and were located within six (6) miles of subject. When comparing these sales to subject, adjustments were made for factors such as lot size and land grade, and the adjusted sales prices for just the land ranged from \$187,785 to \$223,967. Respondent specifically noted Sale No. 2 was nearly identical to the subject property, located just 1.06 miles away on the same main road, and had a similar size and building value. This parcel sold for \$300,000 in April 2021, and the adjusted sale price was \$223,197.

After reviewing the sales data, Respondent concluded that the assessed value of the subject property at \$152,478 was too low. Based on this determination, the Respondent requested that the total assessed value of the subject property be increased to \$204,794.

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 three (3) primary methods for determining market value include the sales comparison approach, the cost approach, and the income approach. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). 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 property characteristics between subject and the sale properties.

Appellant's main concern was the significant increase in the assessed value of the subject property. However, Appellant failed to provide any market value evidence to demonstrate the property was assessed unfairly. Instead, the Appellant only offered verbal testimony on the general processes and assessment of real property.

On the other hand, Respondent supported subject's value with three (3) recent sales from subject's immediate area, which was the only market value evidence available in the record. The Board noted the subject property's current valuation was in line with the adjusted sale prices and found no support for reducing the assessed value.

Furthermore, the Board determined there was not valid reason to warrant an increase in the assessed value of the subject property.

As stated in Idaho Code § 63-511, the burden of proof lies with Appellant to prove error in the subject property's valuation by a preponderance of evidence. The Board did not find the burden of proof satisfied in this case, as Appellant did not provide a recognized appraisal approach to support a reduction in value. On the other hand, the sales information provided by Respondent was found supportive of subject's assessed value.

Based on the foregoing, the Board affirms the decision of the Bonner County Board of Equalization.

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, AFFIRMED.

DATED this 26th day of April, 2023.

IDAHO BOARD OF TAX APPEALS