

BEFORE THE IDAHO BOARD OF TAX APPEALS

JEFF RALPH,)	
)	
Appellant,)	APPEAL NOS. 22-A-1130 and
)	22-A-1131
v.)	
)	FINAL DECISION AND ORDER
ADAMS COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Adams County Board of Equalization denying appeals of the valuation for taxing purposes on properties described by Parcel Nos. RP001330000200A and RP001330000240A. The appeals concern the 2022 tax year.

These matters came on for hearing November 3, 2022, in Council, Idaho, before Board Member Leland Heinrich. Appellant Jeff Ralph was self-represented. Adams County Assessor Stacy Swift Dreyer represented Respondent.

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

The issues on appeal concern the market values of two (2) vacant rural residential properties.

The decisions of the Adams County Board of Equalization are modified and affirmed.

FINDINGS OF FACT

Parcel No. RP001330000200A (Appeal 22-A-1130)

The assessed land value is \$230,050. Appellant contends the correct value is \$99,000. This parcel will be referred to as Property A for purposes of this decision.

Parcel No. RP001330000240A (Appeal 22-A-1131)

The assessed land value is \$230,050. Appellant contends the correct value is \$160,000. This parcel will be referred to as Property B for purposes of this decision.

The subject properties are adjacent vacant parcels located in the Little Salmon River Estates subdivision north of New Meadows, Idaho. The lots are each five (5) acres in size.

Appellant purchased Property A for \$79,000 in September 2020. Appellant described the property as “very sloped” and noted it would be difficult and costly to develop. Appellant purchased the adjacent Property B for \$224,000 in December 2021. Appellant claimed Property B was purchased for more than its market value, because Appellant was willing to pay an above-market rate to own two (2) adjacent parcels.

To support a reduction in value for subjects, Appellant provided information on two (2) nearby sales. Sale No. 1 was a vacant five (5) acre parcel which sold in December 2021 for \$165,000. Sale No. 2 was a vacant 5.04 acre parcel which sold in June 2021. The sale price was not available on record, but the pending sale price as of April 2021 was \$159,900. It was implied this was the sale price. Appellant asserted the sale lots had flatter topography and therefore would be easier to develop than subjects, mainly Property A.

Respondent testified assessments are based on the market, and as Property B was purchased in an arms-length transaction in late 2021, it represents a market value sale. In further support of subjects’ assessed values, Respondent provided information on six (6) vacant land sales, all of which were five (5) acres in size like subjects. The properties sold between December 2020 and October 2021 for time-adjusted prices of

\$103,819 to \$273,816, or roughly \$20,764 to \$54,763 per acre. Respondent reported a median price rate of approximately \$43,898 per acre and an average rate of approximately \$39,559 per acre. Each of the subject properties is currently assessed at \$230,050, or approximately \$46,010 per acre.

Five (5) of Respondent's sale properties were located in the Walker Ranch subdivision, which Appellant argued was not similar to subjects' subdivision. Appellant claimed the lots were not as steep and were therefore easier to develop. Respondent asserted the lots in Walker Ranch and Little Salmon River Estates are both in Land Class 10, so are similar enough to be considered comparable.

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 property characteristics between subject and the sale properties.

Both parties provided sales information for the Board, though neither party performed a traditional sales analysis with market adjustments made to the sale properties for differences compared to the subject lots. Appellant's sales consisted of a five (5) acre parcel purchased in December 2021 for \$165,000 and a 5.04 acre parcel purchased in June 2021 for \$159,000. The properties sold for \$33,000 and roughly \$31,548 per acre, respectively, whereas each of the subject parcels is assessed at \$46,010 per acre. Appellant stated the properties were more level compared to particularly Property A, which is steeply sloped.

Respondent provided information regarding six (6) sales of five (5) acre parcels which sold from \$103,819 to \$274,816, or roughly \$20,764 to \$54,763 per acre. Appellant shared concern five (5) of the six (6) sale properties were in Walker Ranch subdivision, which Appellant characterized as more level and easier to develop compared to subjects.

Appellant also shared subjects were recently purchased: Property A in September 2020 for \$79,000, and Property B in December 2021 for \$224,000. Appellant voiced an opinion Property B was purchased above market value, but no sales data or other information was provided to substantiate this claim. Because Property B was purchased so close to the assessment date of January 1, 2022, and its assessment closely aligns with the purchase price, the Board does not find evidence its value should be disturbed.

The Board does, however, find good cause to lower Property A's valuation. Where Property A's terrain is more steeply sloped than Property B, and where Appellant testified

the comparable sales are more level as well, the Board finds cause to adjust the value of Property A to account for added development difficulty and overall potential. Property A's 2020 sale price of \$79,000, though fifteen (15) months before the assessment date of January 1, 2022, also suggests Property A is inferior to Property B.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subjects' valuations are erroneous by a preponderance of the evidence. The Board found the burden of proof partially met. There was insufficient proof to alter the value of Property B; however, Property A was demonstrated to be overvalued. The Board will lower the assessment, but not to the value petitioned by Appellant. The decision of the Adams County Board of Equalization regarding the assessed value of Property A will be modified to reflect a new valuation of \$184,040.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Adams County Board of Equalization concerning Appeal No. 22-A-1131 (Parcel No. RP001330000240A) be, and the same hereby is, AFFIRMED.

IT IS FURTHER ORDERED that the decision of the Adams County Board of Equalization concerning Appeal No. 22-A-1130 (Parcel No. RP001330000200A) be, and the same hereby is, MODIFIED, to reflect a value of \$184,040.

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 31st day of March, 2023.

IDAHO BOARD OF TAX APPEALS