

BEFORE THE IDAHO BOARD OF TAX APPEALS

KENNETH COVERT,)	
)	
Appellant,)	APPEAL NOS. 22-A-1243 and
)	22-A-1244
v.)	
)	FINAL DECISION AND ORDER
BANNOCK COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Bannock County Board of Equalization denying appeals of the valuation for taxing purposes on properties described by Parcel Nos. RPR4013049702 and RPR4013023402. The appeals concern the 2022 tax year.

These matters came on for hearing December 16, 2022, in Pocatello, Idaho, before Board Member Leland Heinrich. Appellant Kenneth Covert was self-represented. Bannock County Assessor Sheri Davies represented Respondent.

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

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

The decisions of the Bannock County Board of Equalization are affirmed.

FINDINGS OF FACT

Parcel No. RPR4013049702 (Appeal 22-A-1243)

The assessed land value is \$11,161, and the improvements' value is \$89,200, totaling \$100,361. Appellant contends the correct land value is \$7,440, and the improvements' value is \$84,668, totaling \$92,108.

Parcel No. RPR4013023402 (Appeal 22-A-1244)

The assessed land value is \$96,221, and the improvements' value is \$849,755, totaling \$945,976. Appellant contends the correct land value is \$64,148, and the improvements' value is \$690,089, totaling \$754,237.

Located a couple miles south of Pocatello, Idaho, the subject properties are contiguous rural residential parcels totaling 3.05 acres in size. The larger 2.16 acre parcel is improved with a multi-level residence constructed in 2013. The residence totals 6,553 square feet in size, with 2,773 square feet on the main floor, 1,007 square feet on the upper level, and 2,269 square feet in the basement, of which 280 square feet are finished. The residence also includes a 504 square foot basement garage. The smaller .89 acre subject parcel is improved with a 1,040 square foot detached garage with storage space in the upper loft area.

Appellant's primary issue centered on subject's diminished view resulting from the Charlotte Fire which ravaged the area in the summer of 2012. In addition to the subject parcels, the fire burned a grove of juniper trees along the eastern ridgeline near the subject properties. Some of the charred trees were removed after the fire, but Appellant estimated a couple hundred dead trees still remain. Appellant described the area as a blight and contended subjects' market value has been negatively impacted by the unsightly dead trees. Appellant contended subjects' assessed values should return to the 2021 valuations.

Appellant additionally expressed concerns with the assessed values of several land parcels in subject's immediate neighborhood. Appellant shared assessment information for five (5) parcels ranging in size from 5.95 to 20.71 acres, each assessed

at \$0. In Appellant's view, it was improper and unfair for these parcels to have zero assessed value while subjects' valuations increased markedly over the prior year. Though unfamiliar with the specific assessment details of the parcels referenced by Appellant, Respondent explained open spaces are typically associated with subdivisions and are common areas to be used and enjoyed by owners within the development. Such areas are defined on the recorded plat map and are assessed accordingly.

As the subject properties are used together as a single homestead, Respondent valued them as an integrated unit. In this regard, Respondent offered information on three (3) improved rural residential properties. Sale No. 1 was a 4.65 acre parcel improved with a 3,898 square foot two (2) story residence constructed in 2005. This property sold in March 2021 for \$950,000. Sale No. 2 concerned a 3,255 square foot residence constructed in 2007 situated on an 18.55 acre parcel with a December 2021 sale price of \$959,000. Sale No. 3 was the August 2021 purchase of a 2.7 acre parcel with a 4,047 square foot single-level residence with a basement constructed in 2014. Respondent adjusted the respective sale prices at 1.25% per month to reflect pricing levels on the January 1, 2022, assessment date. The result was adjusted prices for the three (3) sales of \$1,068,750, or \$222 per square foot; \$970,988, or \$239 per square foot; and \$940,313, or \$194 per square foot, respectively. The subject properties are assessed at \$200 per square foot, noted by Respondent to be lower than the adjusted price rates.

Respondent additionally shared information on five (5) unimproved lot sales which occurred during 2021. Three (3) of the sale lots were located within roughly one (1) mile of the subject properties and were also burned in the Charlotte Fire. These lots ranged in size from 2.54 to 5.68 acres and in sale price from \$105,000 to \$130,000, with time-

adjusted prices from \$115,500 to \$143,000. The remaining two (2) sale lots were also located roughly a mile away but were not impacted by the fire. These lots were 1.0 and 4.1 acres in size, respectively, with sale prices of \$110,000 and \$175,000, and time-adjusted prices of \$119,625 and \$194,688. Respondent maintained the \$107,382 combined land value for the subject properties was reasonable given the adjusted price rates of the lot sales.

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. The three (3) primary approaches to 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 did not develop an opinion of value using any of the recognized appraisal approaches. Instead, Appellant argued subject's value should be reduced on account of the diminished view from the remaining dead trees burned in the Charlotte Fire. While the Board agrees view can greatly influence market value, there was no market evidence in this case that a fire from more than ten (10) years ago continues to negatively impact values in the area. Respondent reported numerous recent sales in the area since the fire, which does not suggest the neighborhood is depressed or otherwise distressed. Appellant offered nothing to substantiate the claim subject's market value has been diminished, so there is no basis for an adjustment.

Appellant was also troubled by several parcels in the immediate area classified as open area and assessed at \$0. In Appellant's view, it was unfair for these properties to "escape" taxation while subjects' assessed values continue to climb. From the assessment information provided, most of the questioned parcels are owned by a homeowner's association connected to a subdivision development. Though no plat map was provided, and the record was otherwise rather thin on the issue, it appears the parcels are designated open or common areas for the benefit of owners in the subdivision. Common areas are not unusual in subdivision developments. And contrary to Appellant's belief the parcels are escaping taxation, such is not true. The contributory value of common areas is reflected in the assessed values of the properties within the subdivision, as all owners enjoy the right to use such common areas. A buyer of a property in a subdivision with defined common areas is also purchasing access and use of those

common area amenities, the value of which is inherently captured in the sale price, or market value of the property. In other words, the value of the common areas is distributed to all property owners in the subdivision, as each are also “owners” of any such common areas. The Board did not identify anything unusual or extraordinary with respect to the parcels highlighted by Appellant. Regardless, the issue here is the market value of the subject property, not the assessment treatment of other parcels in the area.

Idaho Code § 63-511 places the burden on Appellant to establish subjects’ valuations are erroneous by a preponderance of the evidence. The Board did not find the burden of proof satisfied in this instance. The only market value evidence was that offered by Respondent, and where the sales data was found to be supportive of subjects’ current assessed values, there was no good cause for the Board to disturb the current valuations.

Based on the above, the decisions of the Bannock County Board of Equalization are affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Bannock County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED.

DATED this 1st day of May, 2023.