

BEFORE THE IDAHO BOARD OF TAX APPEALS

CHARLES THURBER,)	
)	
Appellant,)	APPEAL NO. 22-A-1213
)	
v.)	FINAL DECISION AND ORDER
)	
ONEIDA COUNTY,)	
)	
Respondent.)	
)	
)	
)	

COMMERCIAL PROPERTY APPEAL

This appeal is taken from a decision of the Oneida County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP0005200A. The appeal concerns the 2022 tax year.

This matter came on for telephonic hearing December 22, 2022, before Hearing Officer Cindy Pollock. Appellant Charles Thurber was self-represented. Oneida County Assessor Kathleen Atkinson 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 commercial property.

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

FINDINGS OF FACT

The assessed land value is \$14,000, and the improvements' value is \$13,795, totaling \$27,795. Appellant agrees with the value of the improvements, however, contends the correct land value is \$0, for a total valuation of \$13,795.

The subject property is a .031 acre commercial property located in downtown Malad City, Idaho. The property is improved with an old commercial building, though

physical details were not shared. At least one (1) portion of the building is leased to a commercial tenant.

Appellant's central argument was the subject parcel should be combined with the adjacent commercial property¹ also owned by Appellant for purposes of assessment, not assessed separately. Appellant contended both lots should have a combined single minimum lot value of \$14,000, all of which Appellant argued should be assigned to the adjacent property, leaving a residual land value of \$0 for the subject property.

Appellant referenced another parcel in the area improved with two (2) commercial buildings and assessed with a single lot value. Respondent clarified that the property referenced by Appellant was a single parcel with a single legal description and was therefore assessed as a single commercial property. Respondent stressed the subject property has its own legal description and is improved with its own commercial building, as does the adjacent property also owned by Appellant. As they are legally distinct properties, Respondent assessed them separately.

Respondent explained due to the lack of sales of like-kind property, smaller commercial lots like subject are assessed a flat minimum site value of \$14,000, rather than on a per-square-foot basis as done with larger commercial parcels. Respondent reported eighteen (18) such small commercial lots in the county, each assessed the same \$14,000 minimum lot value. Respondent stated there is only one (1) owner, other than

¹ Despite not filing separate appeal forms, the Oneida County Board of Equalization (BOE) allowed Appellant to present arguments about the subject property, the adjacent commercial property, and a third property, though it was unclear the location of the latter building with respect to the other two (2). In appealing to this Board, Appellant filed a single notice of appeal form reflecting only the parcel number for the subject property and included the BOE's decision letter which also reflected only subject's parcel number. As the Board's rules require a separate notice of appeal for each parcel appealed, the only issue ripe for the Board's consideration is strictly the market value of the subject property, not other properties owned by Appellant.

Appellant, who owns multiple small commercial lots. Respondent testified each of those lots were assessed the same \$14,000 minimum lot value just like every other small commercial lot in the county. Respondent maintained the subject property was assessed equitably with other similar properties and argued the current valuation should not be disturbed.

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. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Neither party developed value estimates using a recognized valuation approach. Instead, Appellant's argument was that the subject lot should be combined with an

adjacent small commercial lot for purposes of assessment and assigned a single \$14,000 minimum lot value instead of the lots being assessed separately, each at \$14,000.

While the Board understands Appellant's argument, there was nothing offered in support of the position subject should be combined with another parcel for purposes of assessment. Idaho requires every non-exempt parcel of real property to be assessed annually at market value. This necessarily requires the issuance of a distinct legal description for each individual parcel in Idaho, each of which must be assessed at market value for purposes of assessment.

The subject property is a stand-alone commercial property with its own unique legal description and parcel number. It is legally distinct from Appellant's adjacent commercial property, which has its own unique legal description and parcel number. Either property could be sold independently of each other, as the properties have not been developed into a single integrated commercial enterprise, nor are they used for a common or shared purpose. In fact, the only apparent connection between the two (2) properties is Appellant's ownership of both, as each is improved with its own separate commercial building. In short, there is no logical or legal reason to "combine" the subject property with the adjacent parcel, other than to simply benefit Appellant with a lower combined valuation. This falls well short of the good cause necessary to justify disrupting Respondent's entire assessment model with respect to small commercial parcels in the county. Until the subject parcel is legally combined with another property, it must be assessed on its own merits.

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. Where Appellant

offered nothing in support of reducing subject's assessed value, the Board did not find the burden of proof satisfied. The decision of the Oneida County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 26th day of April, 2023.