

BEFORE THE IDAHO BOARD OF TAX APPEALS

GEM 2000, LLC,	)	
	)	
Appellant,	)	APPEAL NOS. 23-A-1218,
	)	23-A-1219, and 23-A-1220
v.	)	
	)	FINAL DECISION AND ORDER
CUSTER COUNTY,	)	
	)	
Respondent.	)	
_____	)	

**COMMERCIAL PROPERTY APPEALS**

These appeals are taken from decisions of the Custer County Board of Equalization denying appeals of the valuations for taxing purposes on properties described by Parcel Nos. RPA00530010040A, RPA00530010030A, and RP14N19E330605A. The appeals concern the 2023 tax year.

This matter came on for hearing October 25, 2023, in Challis, Idaho, before Hearing Officer Travis VanLith. George McQuiston appeared at hearing for Appellant. Custer County Assessor Jacquiel Bruno 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 three (3) commercial properties.**

**The decisions of the Custer County Board of Equalization are affirmed.**

FINDINGS OF FACT

Parcel No. RPA00530010040A – (Appeal No. 23-A-1218)

The assessed land value is \$40,390. Appellant contends the correct land value is \$25,660.

This subject property is a 1.85 acre vacant commercial parcel located along Highway 93 in Challis, Idaho.

Parcel No. RPA00530010030A – (Appeal No. 23-A-1219)

The assessed land value is \$45,960. Appellant contends the correct land value is \$31,830.

This subject property is a 1.26 acre vacant commercial parcel situated adjacent to the above subject property.

Parcel No. RP14N19E330605A – (Appeal No. 23-A-1220)

The assessed land value is \$40,540, and the improvements' value is \$154,840, totaling \$195,380. Appellant agrees with the value of the improvements, however, contends the correct land value is \$25,790, totaling \$180,630.

This subject property is a 1.87 acre improved commercial property located east of Highway 93, roughly one-half (½) mile south of the above subject properties. The property is improved with a 2,808 square foot service garage constructed in 1992.

Appellant's concern centered on the increase in subjects' land values, which equated to roughly 53% overall. Appellant described commercial activity in Challis as limited, with no relevant recent commercial sales to justify any increase in commercial land values. Appellant pointed to a local gas station property which has been listed for sale the last two (2) years to illustrate the lack of local commercial activity. In Appellant's view, subjects' land values should revert back to the 2022 valuations.

In support of the valuation of the improved subject property, Respondent offered raw sales data concerning seven (7) improved commercial properties from areas characterized as generally comparable to the subject parcel's area. Two (2) of the sales

transpired during 2020, with reported sale prices of \$350,000 and \$487,000. The four (4) sales from 2021 ranged in price from \$122,000 to \$820,000. And the remaining sale property was purchased in 2022 for \$220,000. For comparison, the improved subject property is assessed at roughly \$195,000, which was reasonable in Respondent's opinion.

Turning to the values of the two (2) vacant subject lots, Respondent provided limited details regarding a mix of ten (10) commercial and residential sales which occurred in 2021 and 2022, eight (8) of which were vacant lots. Overall, the sale properties ranged in size from .50 to 5.66 acres and in sale price from \$13,000 to \$1,400,000. Two (2) of the sales in the data set were vacant commercial parcels. The first was a 1.09 acre commercial lot which sold for \$30,000 in December 2021, and the second was the \$170,000 purchase in September 2022 of a 5.66 acre lot located north of the vacant subject lots along Highway 93. As both vacant commercial lots sold for approximately \$30,000 per acre, Respondent maintained the roughly \$29,000 per acre rate applied to the subject properties was well-supported.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest or, as applicable, a property's exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2023, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

“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 for determining 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).

Neither party developed a value opinion using one (1) of the above recognized appraisal methodologies, though Respondent did provide two (2) groups of sales in support of subjects' respective valuations. The first sales group was comprised of seven (7) improved commercial sales with prices ranging from \$122,000 to \$820,000. Given that only two (2) sale prices in the data set were less than the roughly \$195,000 assessed value of the improved subject property, the Board was strained to find subject's valuation excessive or otherwise above market.

In similar fashion, Respondent's second set of sales was likewise found supportive of the land values of the vacant subject parcels. Both vacant commercial lot sales in the group sold for approximately \$30,000 per acre, whereas the subject lots were assessed at roughly \$29,000 per acre. In the absence of additional sales or other market data suggesting a lower valuation, the Board found subjects' land values reasonable.

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 did not offer any evidence to support a reduction in subjects' valuations, the Board did not find the burden of proof satisfied.

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

#### FINAL ORDER

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

DATED this 5<sup>th</sup> day of February, 2024.