

BEFORE THE IDAHO BOARD OF TAX APPEALS

LINDA JANTZ,	)	
	)	
Appellant,	)	APPEAL NO. 23-A-1029
	)	
v.	)	FINAL DECISION AND ORDER
	)	
ADA COUNTY,	)	
	)	
Respondent.	)	
	)	
_____	)	

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Ada County Board of Equalization denying an appeal of the valuation on property described by Parcel No. S1408233850. The appeal concerns the 2023 tax year.

This matter came on for hearing October 11, 2023, in Boise, Idaho, before Board Member Leland Heinrich. Appellant Linda Jantz was self-represented. Ada County Chief Deputy Assessor Brad Smith 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 a residential property.**

**The decision of the Ada County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$251,500, and the improvements' value is \$8,500, totaling \$260,000. Appellant agrees with the value of the improvements, however contends the correct land value is \$12,700, totaling \$21,200.

The subject property is a 19.85 acre rural parcel located near Kuna, Idaho. Subject is one (1) of four (4) parcels comprising a larger active agricultural operation. The property

is improved with a 1,176 square foot uninhabitable residence assessed as a storage shed. The property is further improved with four (4) agricultural outbuildings, none of which have been assessed since 2000. Of subject's total acreage, 18.47 acres is assessed as irrigated agricultural land at \$12,700, .38 acres is wasteland with \$0 value, and the one (1) acre homesite is assessed at \$238,800.

Appellant's central issue concerned the valuation of subject's homesite. More specifically, Appellant argued the assessment should not include a homesite valuation, as the dwelling is uninhabitable and only used for storage. The residence was in livable condition when Appellant purchased the property in 2005, but it has sat unoccupied for the last ten (10) years and fallen into disrepair. Appellant further explained that while subject has electricity and a well, they are not used for residential purposes. Instead, the well is used to water the livestock and the electricity is used to power the electric fence to keep the livestock contained. It was noted there is a septic system on the property, but it has not been used in a decade, so Appellant doubted it was still functional.

Appellant also disagreed with the comparability of the sale properties Respondent provided during the hearing before the Ada County Board of Equalization. Of particular concern was the location of the sale properties, as two (2) were located in the City of Boise and one (1) was in the City of Kuna, neither of which Appellant regarded as comparable to subject's rural location. Appellant noted the sale properties had city utilities available, curb and gutters, and were located in well-established neighborhoods. Respondent clarified that while located several miles from subject, all three (3) sale properties were "S-parcels" or section parcels, meaning none were located in platted

subdivisions as believed by Appellant. Respondent additionally noted a 10% downward adjustment was applied to subject's valuation to account for the heavy traffic.

As Appellant's issue was subject's homesite valuation, Respondent offered information on three (3) sales of vacant residential lots. Sale No. 1 was a .48 acre parcel in Kuna which sold in December 2021 for \$225,000. Sale Nos. 2 and 3, at .50 and .46 acres in size, were both located in Boise. The former sold in April 2022 for \$250,000 and the latter sold in January 2022 for \$315,000. Respondent calculated per-acre sale prices from roughly \$470,000 to \$685,000 and maintained subject's one (1) acre homesite valuation of \$238,800 was reasonable by comparison.

#### 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, 2023, 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 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). Residential property is commonly valued using the sales comparison approach, which in basic terms compares recent sales of similar properties to subject and considers adjustments for differences in property characteristics.

Appellant's core argument was the subject residence is uninhabitable and has not been so for roughly the last ten (10) years, so the assessment should not include a homesite valuation. While the Board appreciates Appellant's position, we disagree a homesite should not be included in the assessment. Though there was some question regarding the operability of the septic system, the subject parcel does have electricity and water, so is otherwise capable of supporting a residence. This was evidenced by a relative's RV trailer currently sitting on the property connected to the electricity and water. The ability to support residential use contributes greatly to the market value of a residential parcel, which value contribution is typically captured by including a homesite valuation in the assessment.

More importantly, however, is that only land actively devoted to agricultural use is eligible for the special valuation treatment afforded to qualifying agricultural parcels. Here, the subject property is improved with a dilapidated residence and four (4) outbuildings. Naturally, the land areas upon which these improvements stand cannot be used for an agricultural purpose, so are ineligible for the special agricultural valuation. As the acreage associated with the buildings is not actively used for agricultural purposes, it must be assessed at market value, which in this case was as rural residential land. Under the circumstances here, the Board found no error with the inclusion of a one (1) acre homesite in subject's assessment.

In support of the homesite valuation, Respondent provided three (3) recent sales of vacant section lots. The sale lots were approximately one-half ( $\frac{1}{2}$ ) the size of subject's one (1) acre homesite and varied in price from \$225,000 to \$315,000. Though the Board would have preferred sales closer in proximity to the subject property, Respondent was unable to find any more proximate section lot sales so expanded the geographic scope in search of such sales. Subject's homesite valuation is \$238,800, which is near the bottom of the range indicated by the sales, and where Appellant offered no competing sales or other market data pointing to a lower valuation, the Board did not find subject's assessed value excessive.

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. Given the record in this matter, the Board did not find the burden of proof satisfied. Subject's assessed value was reasonably supported by Respondent's sales information so the Board did not find good cause to disrupt the current valuation.

Based on the above, the decision of the Ada County Board of Equalization is affirmed.

#### FINAL ORDER

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

DATED this 9<sup>th</sup> day of January, 2024.