

BEFORE THE IDAHO BOARD OF TAX APPEALS

BROOKSIDE DEVELOPMENT, LLC,)	
)	
Appellant,)	APPEAL NOS. 24-A-1254 and
)	24-A-1255
v.)	
)	FINAL DECISION AND ORDER
SHOSHONE COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Shoshone County Board of Equalization denying appeals of the valuations for taxing purposes on properties described by Parcel Nos. RPO09500230000A and RPO0950024018AA. The appeals concern the 2024 tax year.

These matters came on for hearing November 20, 2024, in Wallace, Idaho, before Board Member Kenneth Nuhn. Managers Matt and Minde Beehner appeared at hearing for Appellant. Shoshone County Assessor Jerry White represented Respondent.

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

The issue on appeal concerns the market values of two (2) vacant residential parcels.

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

FINDINGS OF FACT

Parcel No. O09500230000A (Appeal #24-A-1254)

The assessed land value of this .695 acre parcel is \$3,584. Appellant contends the correct land value is \$474.

Parcel No. O0950024018AA (Appeal #24-A-1255)

The assessed land value of this .367 acre parcel is \$1,930. Appellant contends the correct land value is \$250.

The subject properties are adjacent vacant residential parcels located along Canyon Creek in Wallace, Idaho.

Appellant's primary concern centered on whether the subject properties were assessed equitably with other parcels in the neighborhood. It was explained the subject lots were assessed as a single 1.062 acre parcel, which assessment included downward adjustments for location, access, and the fact the creek runs through the lots. Though Appellant agreed subjects are difficult parcels and should be adjusted, Appellant contended the adjustments were not consistent with other nearby lots. Most striking to Appellant was the assessment of an adjacent 1.759 acre vacant parcel for \$1,200, or approximately \$0.02 per square foot, whereas subjects are assessed at \$0.12 per square foot. Appellant was curious why the assessment record for the adjacent lot reflected no adjustments, just a single \$1,200 value. Respondent did not regard the adjacent parcel as comparable to subjects because it is comprised of mostly steep hillside.

Appellant also provided assessment information on four (4) additional steeply sloped parcels in the area. The first was a .284 acre lot improved with a 2,880 square foot pole building. Appellant noted no adjustments were made to the land value despite being located on a hillside. The second property referenced by Appellant was a .215 acre parcel improved with a 1,660 square foot residence and a detached garage. The parcel was noted to have two (2) homesites, but no adjustments were applied for its hillside location. The remaining two (2) properties were adjacent improved parcels under common

ownership: one (1) was improved with a 1,218 square foot residence, and the other with a small shed. Appellant highlighted the parcel improved with a residence received a 20% downward land adjustment and the shed parcel received a 47% adjustment, which Appellant stressed were inconsistent. In all, Appellant questioned whether the subject properties were assessed equitably compared to the referenced parcels.

In support of subjects' current valuations, Respondent offered information on two (2) recent sales located less than 1.5 miles from the subject lots. Sale No. 1 concerned two (2) adjacent unimproved lots with a combined size of .109 acres which sold in November 2023 for \$10,000, or \$2.10 per square foot. Sale No. 2 was the July 2023 purchase of a .412 acre lot improved with a small shed for \$18,000, or \$1.00 per square foot. Subjects are assessed at \$0.12 per square foot, which was reasonable in Respondent's view.

Appellant challenged the comparability of Respondent's sale properties. According to Appellant, the sale lots were located in a different neighborhood along a county road, so did not have any access issues like subjects. It was also noted electricity was readily available to both sale lots, and one (1) of the lots reportedly also had septic installed. Because the subject parcels lack utilities, Appellant contended the sales provided by Respondent should not be used. Respondent agreed utilities add value to a property and pointed out subjects' valuation of \$0.12 per square foot is well below the price rates indicated by both sales.

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, 2024, 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. 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). 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 the differences in property characteristics between subject and the sale properties.

Appellant did not utilize any of the above valuation approaches, focusing instead on whether the subject properties were equitably assessed with other steeply sloped parcels in the area. In this regard, Appellant referenced the assessment of an adjacent vacant lot for \$1,200, or \$0.02 per square foot, as well as inconsistent land influence adjustments made to several other improved parcels. While the Board understands Appellant's concerns, a comparison of assessed values is not a recognized appraisal approach. More importantly, there was not enough information about the topography and

other issues affecting the referenced parcels to make any reasonable comparisons with the subject lots or to identify inequity in the land adjustments applied, or not applied. Respondent did not regard the adjacent vacant lot as comparable to subjects primarily because it suffered more dramatic sloping issues. Respondent did not directly comment on the other properties discussed by Appellant but given that all four (4) included improved homesites, it is difficult to conclude they share similar access and topography issues as subjects. And none were located in the creek bed like subjects. It is therefore not surprising different land influence adjustments were applied. It should also be noted that Respondent's use of different adjustments is not, on its own, conclusive evidence of inequitable assessment.

With respect to equity and uniform assessment, the Idaho Supreme Court has expressed,

Realizing the significant limitations of time and staff and the magnitude of the effort that would be required to inspect and appraise each individual property in the county, to require a standard of absolute accuracy and uniformity would be futile. These ends are the ideal, and where the assessor deviates excessively relief will be granted. But, the presumption is that the assessor was correct.

Title & Trust Co. v. Bd. of Equalization, 94 Idaho 270, 277, 486 P.2d 281, 288 (1971).

The Court has further held, "an individual who claims that a selective assessment procedure had deprived him or her of the protection guaranteed by the state constitutional requirement of uniformity of taxation must show a deliberate plan to discriminate based upon an unjustifiable or arbitrary classification." *Xerox Corp. v. Ada Cnty. Assessor*, 101 Idaho 138, 144, 609 P.2d 1129, 1135 (1980). The record in the present case did not demonstrate subjects' assessments were the result of a deliberately discriminatory plan

or procedure. Quite the opposite, the perceived inconsistencies in the land adjustments highlighted by Appellant demonstrate that Respondent carefully considered the unique attributes of each individual parcel and applied adjustments accordingly. It should also not be overlooked that subjects received more land influence adjustments than any other parcel in the record, which demonstrates Respondent was knowledgeable about subjects' deficiencies, and the adjustments were made to address those specific issues. In short, the Board did not find the subject properties were inequitably assessed.

Respondent did not develop a traditional comparative sales model, but did share information on two (2) recent sales from the area. Both sale lots were smaller than subjects' combined 1.062 acres, and though details were scant, it did not appear the sale lots suffered any access or topography issues. Sale prices were \$10,000 and \$18,000, or \$2.10 and \$1.00 per square foot, respectively. Respondent acknowledged the sale lots were superior to the subject parcels, but stressed such is reflected in subjects' assessed value of \$0.12 per square foot, which is a small fraction of the reported sale prices.

Idaho Code § 63-511 places the burden on Appellant to establish subjects' valuations are erroneous by a preponderance of the evidence. Given the record in this matter, the Board did not find the burden of proof satisfied. Though the Board strained to correlate subjects' valuations to the reported sale prices, there was nothing offered to support the conclusion subjects are overvalued. The decisions of the Shoshone County Board of Equalization are affirmed.

FINAL ORDER

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

DATED this 14th day of January, 2025.