

BEFORE THE IDAHO BOARD OF TAX APPEALS

PEDERSEN FAMILY TRUST,	)	
	)	
Appellant,	)	APPEAL NO. 24-A-1108
	)	
v.	)	FINAL DECISION AND ORDER
	)	
BANNOCK COUNTY,	)	
	)	
Respondent.	)	
	)	
_____	)	

**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Bannock County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPRRSPC003800. The appeal concerns the 2024 tax year.

This matter came on for Zoom hearing January 8, 2025, before Board Member Leland Heinrich. Trustee Pamela Pedersen represented Appellant. Bannock County Assessor Anita Hymas 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 vacant rural residential property.**

**The decision of the Bannock County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed value is \$154,192. Appellant contends the correct value is \$114,853.

The subject property is a 9.64 acre vacant residential parcel in the Spring Creek Estates subdivision south of Lava Hot Springs.

First, Appellant pointed to the fact subject's assessed value increased over 110% since 2022 and questioned the validity of such an increase. Next, in support of the value claim, Appellant highlighted the assessed values of four (4) vacant properties near subject. The first was a 9.9 acre tract of land located 775 feet from subject in the same rural recreational subdivision with an assessed value of \$126,984. Second, also in the same subdivision, was an 11 acre parcel with an assessed value of \$111,709. The last two (2) were contiguous parcels with the same owner, both about five (5) acres each, located about a mile away from subject with approximate assessed values of \$64,000 and \$65,000, respectively. In Appellant's view, these parcels were highly similar to subject in location, size, and topography, yet assessed values were far less than subject, which Appellant argued showed inequity. Lastly, Appellant described the subject land as steep mountain terrain which appellant claims only leaves three (3) to four (4) acres suitable for use.

Regarding Appellant's concern with subject's substantial increase in assessed value, Respondent explained the market drives the assessment increases, and Idaho law mandates all properties be assessed at market value annually. In support of the assessed value, Respondent provided information on three (3) vacant land sales in subject's general area which occurred between January 2021 and February 2022. It was noted all of the sales were bare land with no utilities or access to water, similar to subject. Sale No. 1 was a 9.94 acre property in Spring Creek Subdivision that sold in June 2021 for \$245,000. Sale No. 2 was a 5.06 acre vacant parcel in the nearby Lava Ranch development. It sold in January 2021 for \$194,000. Sale No. 3 was a 6.51 acre property that sold in February 2022 for \$375,000. Respondent adjusted the sale prices for date of

sale, though the specific adjustment rate was unclear. Respondent concluded adjusted sales prices of \$282,975, \$228,920, and \$418,125 respectively.

Appellant regarded the sales provided by Respondent as too dissimilar to subject to be considered comparable. Specifically, Sale No. 2 was located in Lava Ranch, over five (5) miles from subject, with a community drinking water well, a fishing pond, trash collection service, and other amenities in the community. Also, Sale No. 3 was flat acreage, over six (6) miles away, and close to town and a golf course. Subject, conversely, is in a development with no homeowner's association, and no infrastructure whatsoever, save for the grading of the road to which landowners contribute.

Respondent agreed subject has a lot of topography issues. Upon further review, Respondent found the neighboring properties to subject received a downward adjustment of 25% due to the topography and lack of amenities. Respondent recommended the same adjustment be applied to subject, which would bring the assessed value to \$115,644.

#### 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 develop a traditional value approach, rather focused on the assessed values of four (4) parcels similar in size and topography located very near subject. All the parcels were valued significantly lower than subject, which Appellant argued proved inequity. Appellant opined that Respondent's sales were not comparable in location, amenities, or topography to subject. However, Appellant did not offer any market data to support the lower value claim.

Respondent developed a sales comparison analysis, but the Board had some concerns. First, the sales used were several years old and required significant time adjustments. Also, the fact the adjustment rates were unknown, and Respondent could not explain how the adjusted sales prices were concluded, left the Board wanting. The Board found it notable other parcels in subject's development received a 25% downward adjustment for topography and lack of amenities, an adjustment not applied to subject. Respondent requested to apply this downward adjustment of 25% to subject and reduce the assessed property value to \$115,644, which is reasonable in the Board's view.

Idaho Code § 63-511 places the burden on Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The Board finds the downward adjustment requested by Respondent is appropriate in this instance. Without any further market data in the record to support a lower valuation, the Board will modify the value accordingly.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bannock County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$115,644.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above-ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 3<sup>rd</sup> day of March, 2025.