

BEFORE THE IDAHO BOARD OF TAX APPEALS

RIVER RANCH TWO, LLC,)	
)	
Appellant,)	APPEAL NO. 24-A-1245
)	
v.)	FINAL DECISION AND ORDER
)	
BOISE COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Boise County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP002540010020. The appeal concerns the 2024 tax year.

This matter came on for hearing December 18, 2024, in Idaho City, Idaho, before Hearing Officer Travis VanLith. Attorney Michael Band appeared at hearing for Appellant. Boise County Prosecuting Attorney Alex Sosa 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 residential property.

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

FINDINGS OF FACT

The assessed land value is \$555,000, and the improvements' value is \$507,276, totaling \$1,062,276. Appellant contends the correct total value is \$810,000.

The subject property is a 7.4 acre residential parcel located in the Riverfront Estates subdivision in Garden Valley, Idaho, with 560 feet of riverfront on the south fork

of the Payette River. The property is improved with a 2,652¹ square foot three (3) bedroom, two (2) bathroom log-style residence constructed in 1976. Additional improvements include a 350 square foot detached garage and an 1,830 square foot shop building. The property also has several small ponds and one (1) large shared pond with the western adjacent property discussed below.

Appellant purchased the subject property in a transaction including two (2) adjacent parcels on subject's east and west boundary lines in January 2021 for \$2,325,000. The property to the west is an 8.65 acre parcel with 250 feet of riverfront improved with a 5,496 square foot, two-story, log-style residence constructed in 1998. Though there is a secondary driveway, the westerly parcel is accessed via a shared driveway that cuts through the middle of the subject property. The parcel to subject's east was a vacant 8.48 acre riverfront tract. Details concerning the purchase were not shared, but the three (3) parcels were used together as an integrated estate property by the prior owner. It was unclear if the prior estate property was split into three (3) separate parcels before or after Appellant's 2021 purchase. Currently, each of the three (3) parcels are held in separate, but related, ownerships.

In support of a lower valuation, Appellant offered an independent fee appraisal report for the subject property with a March 15, 2024, effective date of valuation. The appraisal characterized subject's physical characteristics as relatively typical for the market, but pointed out the property is accessed via a shared driveway with the improved parcel to the west, so is unique in that regard. The appraisal's sales comparison model included six (6) sales from 2023, four (4) of which were located in Garden Valley. Lot

¹ Appellant's appraisal report utilized a size figure of 2,501 square feet.

sizes ranged from 2.0 to 8.49 acres. The sale residences were all newer than subject and varied in size from 1,576 to 3,057 square feet. Sale prices ranged from \$620,000 to \$1,200,000. After adjustments for relevant differences such as location, lot size, square footage, construction quality, and condition, the appraisal determined adjusted sale prices from \$720,300 to \$1,057,300. Based on the adjusted price data, the appraisal concluded a value of \$810,000 for subject.

In support of subject's assessed value, Respondent offered one (1) sales analysis for the land value and one (1) for the value of the improvements. Noting the lack of recent riverfront sales, the first analysis included three (3) vacant riverfront sales from Garden Valley which occurred during 2021 and one (1) from 2022. The sale lots ranged in size from 1.12 to 11.48 acres. Actual sale prices were not apparent in the record, but Respondent reported time-adjusted sale prices from \$284,608 to \$699,075. After removing \$30,000 for the onsite improvements associated with the 11.48 acre sale parcel, Respondent calculated adjusted price rates from roughly \$58,000 to \$332,000 per acre. Respondent concluded a value of \$515,000, or roughly \$70,000 per acre, for subject's 7.4 acres.

Respondent's second analysis included four (4) improved riverfront sales which transpired during 2023, one (1) of which was also included in Appellant's appraisal. The sales varied in parcel size from .91 to 2.0 acres. The sale residences were two-story models, and all shared the same "average" construction quality as subject. The sale residences varied in size from 1,172 to 2,656 square feet and were somewhat newer than subject's residence. Sale prices ranged from \$750,000 to \$955,000, and adjusted prices

varied from \$1,039,941 to \$1,425,818. Subject's current assessed value is \$1,062,276, which Respondent maintained was reasonable against the adjusted price data.

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. 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 arm's-length sales of similar properties to the subject property and makes appraisal adjustments for differences in relevant property characteristics.

Before discussing the parties' valuation models, the Board will first address the timeliness issue Respondent raised with respect to the March 15, 2024, date of valuation

of Appellant's appraisal report. While the Board agrees market value evidence from beyond the data of assessment is generally considered untimely, there is no such issue in this instance because Appellant's appraisal relied entirely on sales and market data from 2023. As such, the value conclusion on January 1 would not differ in any material way from the conclusion reached by the appraisal report on March 15. Accordingly, Appellant's appraisal will be considered timely for purposes of this decision.

Both parties developed comparative sales models in support of their respective value positions, which efforts were appreciated by the Board. There were, however, some concerns with aspects of both parties' analyses. Though subject's improvements are fairly typical for the area, having 7.4 acres along the river was demonstrated to be less common. In terms of parcel size, the sales utilized by Appellant's appraisal more closely approximated subject's acreage than did Respondent's sales. On the other hand, Respondent's analysis was comprised exclusively of riverfront sales located in Garden Valley, whereas only two (2) of the sales used in Appellant's appraisal were Garden Valley riverfront properties. It is well established that location heavily influences the market value of real property. Location, in the context of the subject property, includes not only the neighborhood of Garden Valley, but also frontage on the river, a coveted amenity in the local market. Respondent's keen focus on subject's riverfront location was appropriate in the Board's view, even more so than parcel size, which was strongly emphasized by Appellant's appraisal report.

Another of subject's relevant characteristics is the log-style design of the residence, which typically commands more value than a traditional "stick-built" residence. Respondent clearly recognized the importance of this characteristic, as evidenced by

three (3) of the four (4) sales in its analysis being log-style residences. By contrast, only two (2) of the six (6) sales used by Appellant's appraisal featured log-style residences. Overall, the Board found more commonality in key characteristics between Respondent's sale properties and subject than with the appraisal's sale properties.

Despite the Board's general preference for Respondent's sales information, there were notable adjustments made for lot size and finished living area, which suggests a relevant level of dissimilarity compared to subject. Indeed, Respondent applied an average of roughly 57% in gross adjustments to the sales. While Respondent's gross adjustments were certainly notable, so too were the gross adjustments made in the appraisal, which averaged approximately 42%. In other words, both parties struggled to find directly comparable sales, which is not surprising given the wide diversity of property type in the Garden Valley real estate market.

Idaho Code § 63-511 places the burden on Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The Board did not find the burden of proof satisfied here. Though the Board appreciated Appellant's sales model, it was ultimately not found to represent the superior estimate of subject's current market value in this particular instance. Both parties' valuation models included notable adjustments, so the primary difference, in the Board's view, was the sales properties themselves. And, where Respondent focused exclusively on riverfront sales in subject's local Garden Valley neighborhood, the Board was persuaded its analysis represented the better indicator of subject's market value in this instance.

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

FINAL ORDER

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

DATED this 19th day of March, 2025.