

BEFORE THE IDAHO BOARD OF TAX APPEALS

MARK AND EVE ROSSMILLER,)	
)	
Appellants,)	APPEAL NO. 24-A-1007
)	
v.)	FINAL DECISION AND ORDER
)	
BONNER COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization modifying an appeal of the valuation for taxing purposes on property described by Parcel No. RP59N02W038240. The appeal concerns the 2024 tax year.

This matter came on for hearing September 30, 2024, in Sandpoint, Idaho, before Board Member Kenneth Nuhn. Appellants Mark and Eve Rossmiller were self-represented. Bonner County Assessor Dennis Engelhardt 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 Bonner County Board of Equalization is affirmed.

FINDINGS OF FACT

The original assessed land value was \$148,860, and the improvements' valuation was \$145,466, totaling \$294,326. The Bonner County Board of Equalization (BOE) increased the value of the improvements to \$175,040 and left the \$148,860 land value

intact, resulting in a total assessed value of \$323,900. Appellants contend the correct total value is \$250,000.

The subject property is a 2.5 acre rural residential parcel located in the Upper Pack River area north of Sandpoint, Idaho. The property is improved with a 1,404 square foot partially complete residence with an attached garage. The property is further improved with a small utility shed.

Appellants' concerns centered on some errors in the characteristics reflected on subject's property record, as well as the unfinished status of the residence. Appellants identified the following characteristics as being erroneous:

1. The residence is comprised of four (4) total living area rooms, not six (6).
2. The residence includes two (2) bedrooms and one (1) bathroom, not three (3) bedrooms and two (2) bathrooms.
3. There is no formal dining room in the residence.
4. The residence has zero (0) fireplaces, not two (2).
5. The roof is metal, not composite shingle.

According to Appellants, the above errors were brought to the attention of the assessor's office in 2023, but corrections were not made. And because corrections were not made, Appellants concluded subject's current assessed value could not be an accurate estimate of the property's market value. In response, Respondent provided a copy of subject's current property record to demonstrate corrections were made to the room counts and the roof type. Respondent maintained the heat source for the residence is a wood stove, as evidenced by a photograph depicting a steel flue extending through the roofline, so made no correction for the fireplace.

Turning to the finish level, Appellants estimated the subject residence is roughly 66% complete, not 86% complete as contended by Respondent. In this regard, Appellants noted drywall still needed to be installed in a couple interior rooms and the garage, built-in cabinetry needs to be installed throughout the residence, subfloor and wood flooring in two (2) rooms is not yet installed, baseboards and crown molding need to be installed, fourteen (14) cubic yards of fill needs to be brought in and graded to comply with the plumbing code, four (4) exterior windows and three (3) interior doors need to be installed, and the plumbing and electrical need to be finished for final inspection. Appellants petitioned the completion status of the residence be reduced to 66%.

Respondent disagreed with Appellants' contention the residence is only 66% complete. Respondent provided the standard checklist used by the assessor's office to estimate the completion percentage of new residential construction. The checklist included seventeen (17) distinct components, each contributing a different percentage to the overall 100% completion rate. Respondent stressed that it has not been permitted on the subject property to inspect progress on the residence, so had to rely on aerial photography and information obtained from Appellants to estimate the level of completion. Most of the major components of the subject residence, such as rough framing and rough-in electrical, were noted to be complete or nearly complete. The checklist also reflected partially complete statuses for numerous components such as built-in cabinets and interior doors, plumbing fixtures, flooring covers, and others. The checklist determined an 86% overall completion percentage, which Respondent maintained was consistent with the information available.

Appellants additionally argued the assessor's office violated Idaho Code § 63-308(3) by not issuing a corrected assessment notice after subject's original 2024 assessed value of \$294,326 was increased to \$323,900. Respondent explained the BOE increased the valuation, not the assessor's office, so the assessor's office has no duty to issue a corrected assessment notice.

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). 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.

Appellants did not offer any sales or other market data in support of a lower valuation, as Appellants' focus was on perceived errors in subject's property record and the estimated completion percentage of the residence. To begin, Appellants contended subject's current assessment could not possibly be accurate because there were errors in some of the characteristics reflected in the property record. While incorrect characteristics could certainly lead to an inaccurate value conclusion, such was not demonstrated to be the case here. On the contrary, Respondent provided a copy of subject's 2024 property record which showed the errors identified by Appellants in 2023 were corrected. Therefore, the current valuation was not determined using erroneous characteristics.

Appellants also challenged Respondent's determination the subject residence is 86% complete. Appellants detailed a number of items still needing to be installed, most of which were related to drywall, built-in cabinetry, and flooring in portions of the residence. Appellants estimated the residence is 66% complete, but it was unclear how that figure was determined. By contrast, Respondent estimated a completion percentage utilizing a checklist comprised of seventeen (17) separate components that together total to a 100% completion rate. Respondent evaluated each component against the information available about the subject residence, and the total came to a completion percentage of 86%.

Appellants characterized Respondent's checklist as "arbitrary" and the 86% completion percentage as incorrect. The Board disagrees. In the Board's view, the

checklist is rather comprehensive, covering everything from plans, permits, and surveys to painting and decorating. The checklist identifies the contribution percentage of each component toward the final finished product, or a 100% completion rate. In recognition of the unfinished items detailed by Appellants, Respondent assigned lower finish percentages to those components on the checklist. However, the components contributing greatest to the overall completion percentage are mostly complete, which is why the overall completion totaled 86%. In all, the Board found the checklist a useful tool for estimating the degree of subject's completion, and where little support was offered for Appellants' estimate of 66% complete, the Board will accept Respondent's determination of 86% complete.

Appellants additionally contended the assessor's office failed to comply with Idaho Code § 63-308(3) by not issuing a corrected assessment notice when subject's original 2024 assessed value was increased to \$323,900. Appellants' reliance on the code section is misguided in this case, as it does not apply to the circumstances presented here. Idaho Code § 63-308(3) provides in relevant part that the assessor shall immediately issue a corrected assessment notice "[i]n case any changes or corrections are *made by the assessor* from the original valuation assessment notice." (emphasis added). The statute requires the assessor to issue a corrected assessment notice only when the assessor alters the original assessment. Here, the BOE changed subject's assessment, not the assessor. Therefore, the notice requirement would fall on the BOE, which notice was accomplished by the BOE's decision letter dated July 1, 2024.

Idaho Code § 63-511 places the burden on Appellants to establish subject's valuation is erroneous by a preponderance of the evidence. The Board did not find the

burden of proof satisfied. Respondent corrected the errors in subject's property record Appellants identified in 2023, and in the Board's view, Respondent's methodology for determining the 86% completion percentage of the subject residence was more thorough and better supported than Appellants' rough estimate of 66% complete. And where Appellants offered no recent sales or other market data indicating a lower valuation, the Board did not find sufficient support to disturb the current assessed value.

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

FINAL ORDER

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

DATED this 3rd day of December, 2024.