BEFORE THE IDAHO BOARD OF TAX APPEALS

DALTON HYDRO, LLC, and STEVE HARMSEN	)	
	)	APPEAL NOS. 25-A-1031 and
Appellants,	)	25-A-1032
v.	)	FINAL DECISION AND ORDER
CANYON COUNTY,	)	
Respondent.	)	

COMMERCIAL PROPERTY APPEALS

These appeals are taken from decisions of the Canyon County Board of Equalization denying appeals of the valuations for taxing purposes on properties described by Parcel Nos. 352770100 and 352770110. The appeals concern the 2025 tax year.

These matters came on for hearing December 4, 2025, in Caldwell, Idaho, before Hearing Officer Travis VanLith. Steve Harmsen appeared at hearing for Appellants. Canyon County Assessor Commercial Supervisor Mike Cowan represented Respondent.

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

The issues on appeal concern the market value of two (2) unimproved commercial properties, and whether the subject properties qualify for special assessment pursuant to Idaho Code § 63-604.

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

FINDINGS OF FACT

Parcel No. 352770100 (Appeal No. 25-A-1031)

The assessed land value is $1,639,250. Appellant contends the property qualifies for special assessment as land actively devoted to agriculture or, alternatively, contends the correct value is $250,000.

The subject property is 3.92 acres of undeveloped land near the intersection of State Highway 20/26 and Aviation Way in Caldwell, Idaho. For the purposes of this decision, this parcel will be referred to as "Lot 1."

Parcel No. 352770110 (Appeal No. 25-A-1032)

The assessed land value is $1,463,620. Appellant contends the property qualifies for special assessment as land actively devoted to agriculture or, alternatively, contends the correct value is $500,000.

The subject property is 3.50 acres of undeveloped land adjacent to the above referenced Lot 1. For the purposes of this decision, this parcel will be referred to as "Lot 2."

Though there are two (2) different Appellants of record in these appeals, Steve Harmsen not only owns Lot 2, but also holds a controlling interest of Dalton Hydro, LLC, owner of record of Lot 1. As such, Appellants will be referred to in the singular for purposes of this decision. Additionally, Lots 1 and 2 are contiguous parcels which have been farmed together as one (1) parcel and when referenced together will be "the Lots."

For context, Appellant explained the Lots had been farmed for twenty (20) years or more prior to Appellant's acquisition, roughly twenty (20) years ago. After purchase, Appellant allowed the prior farmer to continue farming the land. After some time, that farmer retired, and Appellant found another farmer to continue farming the Lots. Appellant had no financial interest in the farming activity. Appellant stated there was no written lease agreement with the new farmer and contact was sparce, limited to occasional issues that came up with the Lots. At some point during 2024, the farmer died. Appellant was not notified and only found out sometime in 2025. To the best of Appellant's knowledge, as

of January 1, 2025, the parcels were tilled, irrigation rights had been purchased/renewed, and the expectation was the Lots would be farmed that year just as they had been the prior few decades. Based on this intent for 2025 and the fact the Lots had been farmed for the prior three (3) years, as required by statute, Appellant opined the Lots should qualify for the special assessment for 2025.

Respondent questioned the extent of the farming that took place on the Lots in 2024. According to Respondent's records, the farming of the Lots did not meet the statutory requirements for exemption in 2024, so Respondent cancelled the exemption mid-year 2024 and further denied it for 2025. Appellant claimed the intention, as of January 1, 2025, was that the Lots would be used for agriculture and maintained the exemption should still apply.

Alternatively, Appellant argued Respondent did not adequately consider the negative effects on the market values of the Lots due to the high-voltage power lines that traverse the parcels, the A-drain along Aviation Way that prohibits ingress and egress, and the fact there is no approved access to the Lots by the City of Caldwell.

Appellant explained the power lines traverse the very northeast corner of Lot 1 and extend through Lot 2, dividing the parcel approximately 60% west and 40% east of the lines. Appellant stated the power line easement prevents any building below the power lines, limiting use and thus negatively affecting market value.

Appellant raised concern over the fact there is no city-approved access to either of the Lots. Appellant explained efforts throughout 2025 to establish approved access have been unsuccessful and opined this lack of access negatively affected the Lots'

values. Appellant further claimed the A-drain on the westerly property line limits possibilities for access.

In support of lower values, Appellant provided information on twelve (12) sales of vacant land. Parcels ranged in size from .92 to 31 acres. Seven (7) were located in Nampa, Idaho, one (1) in Star, Idaho, and four (4) in Caldwell, like subject. The sales occurred between June 2023 and May 2025, and prices ranged from $249,000 to $6,000,000. Appellant highlighted three (3) sales most comparable to subject. The first involved the purchase of 14.15 acres on State Highway 44 in Star, for $3,000,000, or $4.87 per square foot, in January 2024. The second concerned the April 2024 sale of 10.86 acres on Amity Avenue in Nampa, for $1,850,000, or $3.91 per square foot. And the third regarded the purchase of 4.45 acres on Highway 20/26 in Caldwell in May 2025 for $917,809, or $4.73 per square foot. Based on these sales, Appellant requested a price rate of around $5 per square foot for the subject Lots.

Respondent questioned the comparability of the highlighted sales noting two (2) were located miles away from subject, and further challenged the similarity of zoning, highway frontage, and traffic counts. Respondent also observed no adjustments were made to any of the sale properties for comparison to the subject Lots.

In support of the Lots' assessed values, Respondent offered a sales comparison analysis of five (5) commercial land sales that took place between April 2021 and April 2024, Sale Nos. 1 through 3 regarded land in Caldwell, and Sale Nos. 4 and 5 were in Nampa. In direct comparison to the subject Lots, adjustments were considered for time, size and location. Sale No. 1 was one (1) of the same sales used by Appellant and referred to as "TBD Haystack Way" (Haystack). This August 2023 sale of two parcels

totaling 8.58 acres sold for $3,974,850, or $10.64 per square foot, and had an adjusted sale price per square foot of $11.06. Sale No. 2 regarded 16.79 acres that sold for $7,141,623, or $9.76 per square foot, in February 2022. An adjusted sale price of $11.23 per square foot was concluded. Sale No. 3 concerned a 1.73 acre parcel that sold for $1,091,000, or $14.48 per square foot, in April 2021 with an adjusted sale price of $16.68 per square foot. Sale No. 4 involved 4.26 acres that sold for $1,750,000, or $9.43 per square foot, in February 2024 and had an adjusted sale price of $10.15 per square foot. Lastly, Sale No. 5 regarded 3.84 acres that sold in April 2024 for $2,341,785, or $14.00 per square foot. An adjusted sale price per square foot of $14.28 was concluded. The average price per square foot in the analysis was $12.68, with a median price of $11.23 per square foot. For comparison, the subject Lots are assessed at approximately $9.60 per square foot. Based on the sales analysis, Respondent considered the assessments fair.

Additionally, Respondent pointed out the Haystack sale was contiguous to subject Lot 1 and had the same power lines traversing the parcels. Appellant contended this sale was not comparable to the subject Lots because there were significant improvements, such as curb and gutter, fire hydrants, water and sewer, and buildings were already constructed. Respondent provided aerial photographs of the Haystack parcels taken at the time of purchase in 2023 showing no buildings present and power lines traversing roughly the middle of one (1) parcel and the northeast corner of the other. Respondent also argued Haystack had similar access as the subject Lots because Haystack does not have direct access from Highway 20/26, and left turns onto Haystack Way are prohibited from the highway.

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, 2025, 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 vacant 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.

There are two (2) issues on appeal. First, Appellant contends both Lots qualify for special assessment as land actively devoted to agriculture. Second, if Lots 1 and 2 do not qualify for special assessment, Appellant contends the market values are erroneous.

We first look at subjects' qualification for special assessment as land actively devoted to agriculture. According to Respondent's records, the Lots' special assessment status was rescinded mid-season 2024 because the parcels were not farmed, and the designation was further denied for the 2025 assessment. Appellant stated, as of January 1, 2025, it was the intention of all parties that the Lots be devoted to agriculture for the 2025 growing season, and the assessment should reflect such.

Idaho Code § 63-604 addresses exemption from taxation with regard to land actively devoted to agriculture. The record is unclear as to how Respondent was treating the Lots for purposes of the exemption, as separate parcels or as a combined parcel. Importantly, for agricultural land greater than five (5) acres, annual application for exemption and approval by the board of county commissioners is not required. Idaho Code § 63-602(a). As the Lots are 3.92 and 3.5 acres, respectively, neither qualify individually for automatic renewal. And, as the record does not indicate how renewal was handled at the county level, the Board must apply statute as written. Thus, Idaho Code § 63-604(b), which applies to land five (5) contiguous acres or less, shall be examined. It reads in pertinent part:

> (b) The area of such land is five (5) contiguous acres or less and such land has been actively devoted to agriculture within the meaning of subsection (1)(a) of this section during the last three (3) growing seasons; and
>
> (i) It agriculturally produces for sale or home consumption the equivalent of fifteen percent (15%) or more of the owner's or lessee's annual gross income; or
>
> (ii) It agriculturally produced gross revenues in the immediately preceding year of one thousand dollars ($1,000) or more. *When the area of land is five (5) contiguous acres or less, such land shall be presumed to be nonagricultural land until it is established that the requirements of this subsection have been met.*
>
> (Emphasis added.)

Each of the subject parcels is less than five (5) contiguous acres, so the first half of part (b) is satisfied. However, that is where the Board's certainty ends. The record has no information about the agricultural exemption having been applied for or approved, as required. Even if timely application for this special exemption had been made, there is question as to how much farming, if any, took place on the Lots during 2024. Appellant stated there was no lease with the farmer and no involvement in the agricultural activities beyond the occasional phone call from the farmer to address issues relating to the land. Having had no involvement in the farming activities, Appellant has nothing to show any crop yield for home consumption or for sale. As such, the requirements of the statute have not been satisfied to qualify as land actively devoted to agriculture.

While it is clear the subject Lots do not satisfy the requirements for land less than five (5) acres, the same conclusion would be reached even if the Lots were evaluated together, as a 7.42 acre parcel, because there was no evidence of agricultural use during 2024. And without any qualifying agricultural use, the subject parcels are not entitled to the special valuation treatment afforded under Idaho Code § 63-604. The Board finds no error in Respondent's removal of the agricultural exemption for the subject parcels.

We turn now to the question of market value. Appellant argued two (2) points: there are detrimental characteristics of the Lots not given proper consideration and the sales used to support the assessed values of the Lots should be agricultural, not commercial or industrial, as that has been the use of the Lots for several decades. Respondent contended the Lots are in a rapidly developing area on a main arterial thoroughfare and, without active farming activities on the Lots, should be valued as vacant commercial land, as zoned.

Appellant provided information on ten (10) sales completed before the January 1, 2025 lien date, and two (2) sales from after. The information was limited, and no adjustments were made for direct comparison of the sale properties to the subject Lots. Appellant highlighted three (3) of the sales regarded as most similar to the Lots. One (1) sale was completed in May 2025 and untimely for consideration given the lien date of January 1, 2025. The other two (2) were more than ten (10) miles away from the subject Lots, and neither were located near a main arterial road intersecting the interstate. Even if the difficulty of comparability of the entire set of sales is overlooked, the average price per square foot of the ten (10) timely sales is $7.66, without considering any adjustments, which far exceeds the $5 per square foot Appellant claims is the proper market value.

Appellant claimed the power lines, the A-drain present on the west property line and the lack of city-approved access negatively affect the market value of the Lots. Interestingly, Appellant and Respondent both provided information on one (1) particular sale the Board found to have a high degree of similarity to the Lots. The Haystack sale involved two (2) contiguous parcels of bare land totaling 8.58 acres located adjacent to the subject lots with the same power lines that traverse the subject Lots. Haystack had no ingress/egress from Highway 20/26, but rather had access from a street off the main arterial, similar to the Lots. Though Appellant argued the Haystack sale was not comparable, the Board disagrees. And, where the subject Lots are assessed below the lowest adjusted price per square foot in Respondent's sales analysis, it evidences Respondent has carefully considered detrimental characteristics of the Lots and valued them accordingly.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subjects' valuations are erroneous by a preponderance of the evidence. With no proof the Lots continue to qualify for special assessment as land actively devoted to agriculture, and limited information on sales making comparability difficult to determine, the burden has not been met. The Board will uphold the decisions of the Canyon County Board of Equalization.

FINAL ORDER

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

DATED this 9th day of February, 2026.