

BEFORE THE IDAHO BOARD OF TAX APPEALS

DENNIS TRAINOR & KARLA SCONIERS	)	
LIVING TRUST,	)	
	)	APPEAL NO. 25-A-1015
Appellant,	)	
	)	FINAL DECISION AND ORDER
v.	)	
	)	
BONNER COUNTY,	)	
	)	
Respondent.	)	
	)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP57N01W045752. The appeal concerns the 2025 tax year.

This matter came on for hearing September 30, 2025, in Sandpoint, Idaho, before Board Member Kenneth Nuhn. Dennis Trainor appeared at hearing for Appellant. 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 assessed land value is \$2,062,955, and the improvements' value is \$788,700, totaling \$2,851,655. Appellant agrees with the value of the improvements, but contends the correct land value is \$967,670, totaling \$1,761,370.

The subject property is a 2.18 acre parcel in Sandpoint, Idaho, with 100 waterfront feet along the northern shores of Lake Pend Oreille. The property is improved with a 2,912 square foot three (3) bedroom, three (3) bathroom residence with an attached garage constructed in 2007. The property is further improved with a shop building, a paved private driveway, a gazebo, as well as a dock and boat lift.

Appellant's central concern was with the notable increase in subject's land value, which jumped from \$879,700 for the 2024 assessment year to \$2,062,950 for the current year. In Appellant's view, subject's current land value does not adequately consider the negative characteristics of the lot. Chief among these detriments was the Army Corps of Engineers' determination that portions of the subject parcel are wetlands, and the issuance of a cease-and-desist order in June 2006 prohibiting any further development or bringing in any foreign materials to the property. Appellants noted there is a cattail-filled area between the residence and the shop building, and the area between the residence and the shoreline was described as a wet peat bog. Appellant estimated the wetland areas consume approximately 52% of subject's total acreage, rendering those portions of the property useless.

Appellant further noted the subject property is not part of the Kaniku Shores Estates Home Owners Association so is not connected to water and sewer services. Instead, subject relies on a well and a septic tank with a drain field, though Appellant reported the well struggles to keep up with the water usage of the house. Appellant contended the extra monitoring and maintenance duties associated with these systems negatively impacts subject's market value.

Appellant additionally questioned whether subject was assessed equitably with other properties in the neighborhood. In this regard, Appellant compared subject's assessed value with those of six (6) other waterfront parcels located on the same road as subject, as well as one (1) non-waterfront property. Details concerning the referenced properties were limited to lot sizes and square footages of the associated dwellings. Lot sizes varied from 17,424 to 40,075 square feet, and the residences ranged in size from 2,808 to 5,590 square feet. Appellant divided the total assessed values of each property by the respective square footages of the residences and calculated assessment rates from \$423 to \$988 per square foot. Subject is assessed at \$1,014 per square foot, which Appellant contended was excessive given the fact subject's residence is the second smallest in the neighborhood and the lot cannot be further developed on account of the wetlands issue. In Appellant's opinion, the large increase in subject's land value was unjustified and unsubstantiated.

Respondent explained values for waterfront properties in subject's neighborhood were increased for 2024 based on reported sales data from 2023. In reviewing values for the current 2025 year, Respondent discovered subject's land value, along with land values of several other parcels, was inconsistent with general waterfront values in the neighborhood. As a result, Respondent increased the land values of all those parcels to be in line with the neighborhood.

In more direct support of subject's current valuation, Respondent offered information on three (3) improved waterfront sales situated within a couple miles of the subject property. Sale No. 1 concerned a 10.01 acre parcel with 350 feet of

waterfront improved with a 1,620 square foot residence which sold in July 2023 for \$3,800,000. Sale No. 2 was the September 2023 purchase of a 2,396 square foot residence situated on a 1.37 acre lot with 130 waterfront feet for \$3,000,000. Respondent regarded this sale property as most comparable to subject because it has a creek running along the waterfront which prevents further development of the parcel. Lastly, Sale No. 3 was a 2,709 square foot residence attached to a 1.15 acre parcel with 100 front feet on the lake with an October 2024 sale price of \$3,490,000. Respondent compared each sale property to subject and made adjustments for differences in lot size, construction quality, age, gross living area, garages, and outbuildings. The result was adjusted sale prices from \$2,739,754 to \$3,042,567. Respondent maintained subject's current valuation of \$2,851,655 was reasonable against the adjusted sale 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, 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. The sales comparison approach, the cost approach, and the income approach comprise the three (3) primary methods for determining market value. *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 approach in basic terms compares recent sales of similar property to the subject property, with adjustments made for differences in key property characteristics.

The primary issue raised by Appellant was whether the subject property was assessed equitably with other properties in the immediate neighborhood. To this end, Appellant provided assessment information on seven (7) properties located on subject's street. Appellant highlighted subject's assessed value, on a per-square-foot basis, was the highest in the data set. Of particular focus was the neighboring property, which was a .80 acre waterfront lot improved with a nearly 5,600 square foot residence with an assessed value of \$2,863,100, or roughly \$512 per square foot. Appellant contended subject's assessed value of \$2,851,655, or approximately \$1,014 per square foot, was unreasonable by comparison, particularly given subject's smaller residence and the fact the property cannot be further developed.

While the Board appreciates Appellant's concerns with subject's valuation compared to others in the neighborhood, a comparison of assessed values is not a recognized appraisal approach. Even if such were not the case, Appellant's analysis was flawed because it failed to take into account the significant differences in the

characteristics of the properties in the data set, particularly square footage. A reliable per-square-foot comparison requires a high degree of similarity between the properties being compared. Here, the residences in Appellant's data set vary from 2,808 to 5,590 square feet. With such a wide range, no meaningful comparison with the subject property is possible without heavy adjustments, which were absent in Appellant's analysis. That subject's assessment rate is higher than others in the group is unsurprising given subject's residence is the second smallest. Economies of scale naturally suggest that as the size of a residence increases, the value per square foot decreases, and vice versa.

It is also noteworthy that at roughly 95,000 square feet, subject's lot is significantly larger than all the other parcels in Appellant's data set, which range from roughly 17,000 to 40,000 square feet. Despite the larger lot size, subject's total assessed value is the third lowest of all the waterfront properties on Appellant's list, which indicates consideration was given to subject's characteristics, and does not support the conclusion subject is over-valued.

To demonstrate inequitable assessment, the Idaho Supreme Court has 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). None of these conditions are present in this case, so there is no basis to conclude subject was inequitably assessed.

Appellant additionally contended inadequate consideration was given to the active cease-and-desist order prohibiting further development of the property. Though development restrictions could impact a property's market value, the subject property is fully developed with a residence, a separate shop building, a gazebo, and a dock with a boat lift. In other words, subject is a full-service, single-family residential property and would compete in the marketplace as such. In the Board's experience, it is rare that the entirety of a parcel is developable, as nearly all have development restrictions in some form, whether difficult topography or setback requirements. So, the fact portions of the subject property cannot be further developed is not, on its own, sufficient basis to reduce the assessed value, particularly in the absence of any sales or market data supporting such a reduction.

Respondent's sales comparison model was better received by the Board. The analysis included three (3) recent waterfront sales with adjustments made for differences in relevant property characteristics. Adjusted sale prices ranged from \$2,739,754 to \$3,042,567, which tightly bracketed subject's assessed value of \$2,851,655. In all, the Board did not find sufficient evidence subject's valuation is overstated.

Idaho Code § 63-511 places the burden on Appellant to prove error in subject's valuation by a preponderance of evidence. The Board did not find the burden of proof satisfied. Though the Board understands Appellant's concerns, there was no market support for the value advocated by Appellant.

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 13th day of November, 2025.