

BEFORE THE IDAHO BOARD OF TAX APPEALS

JOSEPH JACKSON,	)	
	)	
Appellant,	)	APPEAL NO. 23-A-1012
	)	
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 denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP58N01W277920. The appeal concerns the 2023 tax year.

This matter came on for hearing October 3, 2023, in Sandpoint, Idaho, before Board Member Kenneth Nuhn. Appellant Joseph Jackson was self-represented. Bonner County Deputy Assessor Al Ribeiro 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 \$347,267, and the improvements' value is \$336,444, totaling \$683,711. Appellant contends the correct total value is \$453,962.

The subject property is a ten (10) acre rural tract located approximately ten (10) miles northeast of Sandpoint, Idaho. The property is improved with a 1,424 square foot residence constructed in 1976, as well as a separate 816 square foot guesthouse

constructed in 2015. The property is further improved with several outbuildings, though details were not shared.

Appellant's primary concern centered on the disparate valuation of the subject property compared to other rural properties in the area. Appellant provided assessment information on seventeen (17) properties ranging from 10.48 to 200 acres in size, located mostly within a couple miles of subject. Details concerning the improvements were not provided, though Appellant reported nearly all had multiple residences and additional outbuildings. Assessed values ranged from roughly \$190,000 to \$845,000. Appellant highlighted a 19.12 acre parcel improved with a main residence, guesthouse, and "numerous large buildings" assessed for \$453,962 and argued the subject property, with only one-half ($\frac{1}{2}$) the acres, should be assessed the same or less.

Respondent explained the assessed values shared by Appellant were not current but were actually 2022 assessed values. For example, one (1) property included in Appellant's data set concerned an approximately ten (10) acre commercial property improved with large factory and storage buildings and an assessed value of \$612,090. Respondent testified the current 2023 assessed value of this same property is roughly \$2,280,000. Respondent also noted many of the residences referenced by Appellant were older than the subject residence, which would naturally lead to different valuations. In similar fashion, some of the properties were assessed pursuant to the timber exemption, which means the acreage is statutorily assessed at a lower rate per acre than subject's dry grazing land. In all, Respondent disagreed the assessment data offered by Appellant demonstrated inequity or error in subject's current valuation.

In support of subject's assessed value, Respondent provided two (2) sales analyses: one (1) for subject's land value and one (1) for the improvements. The first analysis consisted of two (2) vacant ten (10) acre sales located about one (1) to six (6) miles from the subject property. The first parcel, which shared the same "Good" land grade as subject, sold in February 2022 for \$445,000. The second property sold in January 2022 for \$415,000. However, due to an inferior land grade, Respondent made an upward adjustment to the sale price for comparison with subject, resulting in an adjusted sale price of \$551,302. Subject's total land value, including the agricultural ground, is assessed at nearly \$350,000, which Respondent maintained was reasonable.

Respondent's second sales analysis included three (3) recent improved residential sales. Sale No. 1 was the \$425,000 purchase of a 1,728 square foot residence constructed in 1972 in November 2022. Sale No. 2 concerned a 1,578 square foot residence constructed in 1975 which sold in January 2022 for \$500,000. Lastly, Sale No. 3 involved a 1,030 square foot residence constructed in 1984 which sold for \$380,000 in December 2022. After removing assessed land values and values attributable to other improvements, Respondent compared each sale residence to subject's residence and made adjustments for differences in age, square footage, and garage size. The result was adjusted sale prices for the sale residences ranging from \$188,504 to \$235,742. Subject's larger main residence is assessed at roughly \$184,000, and the smaller guest house at nearly \$125,000, which Respondent argued was consistent with the recent sales information.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value in fee simple interest or, as applicable, exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2023, in this case. Market value is always estimated as of a precise point in time. Market value is defined in Idaho Code § 63-201, as,

“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 multiple recent sales of similar properties to the subject property and makes adjustments for differences in key property characteristics.

Appellant's central argument was the subject property's current assessed value was inconsistent with other assessed values in the area. While the Board understands Appellant's concerns, a comparison of assessed values is not a recognized appraisal approach and therefore not regarded as a reliable indicator of current market value. Even if such were not the case, there were too few details concerning the properties in

Appellant's data set to make any meaningful comparisons with the subject property. Indeed, the only property characteristics shared were lot size and whether the properties had multiple dwellings and additional outbuildings. No details concerning the size, age, quality, or condition of the improvements were provided, which are key characteristics for purposes of comparison. Further, the fact that assessed values vary in subject's general area is not itself evidence of inequitable assessment. Every property is unique and must be assessed according to its specific characteristics. This was clearly demonstrated in Appellant's assessment data, with parcels varying in size from roughly 10 to 200 acres. And as explained by Respondent, the varied land values were due largely to the type of exemption each property qualified for, whether timber or one (1) of several agricultural land categories. These properties are assessed pursuant to different statutes according to the particular type and use, so naturally the assessed values would vary.

Respondent's analysis was better received by the Board, though again details concerning the sale properties were limited, particularly the locations of the improved sales in relation to the subject property. In any event, Respondent developed a sales comparison model in which the sale properties were compared to subject and adjustments were made for differences such as age, square footage, garage size, and land grade. Based on the adjusted sale prices, Respondent argued subject's current assessed value was consistent with recent sales activity.

Though there were some questions with aspects of Respondent's analysis, the sales data represented the only recent market value evidence in the record and therefore was heavily weighed by the Board. And, where there was no competing sales data or

market analysis supporting a lower valuation, the Board finds subject's assessed value reasonable.

Idaho Code § 63-511 places the burden on Appellant to establish, by a preponderance of the evidence, that subject's valuation is erroneous. Where Appellant relied solely on assessed values of generally dissimilar properties, there was insufficient support for the Board to conclude error in subject's valuation. Rather, the Board finds Respondent's sales analysis generally supportive of subject's assessed value and will therefore not disturb the valuation.

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 20th day of November, 2023.