

BEFORE THE IDAHO BOARD OF TAX APPEALS

DOUGLAS AND MARLENE KELLER,)	
)	
Appellants,)	APPEAL NO. 23-A-1257
)	
v.)	FINAL DECISION AND ORDER
)	
BANNOCK COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bannock County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPRPCPP011309. The appeal concerns the 2023 tax year.

This matter came on for hearing October 30, 2023, in Pocatello, Idaho, before Board Member Doug Wallis. Appellants Douglas and Marlene Keller were self-represented. Bannock County Assessor Anita Hymas 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 unimproved residential property.

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

FINDINGS OF FACT

The assessed land value is \$85,642. Appellants contend the correct value is \$18,928.

The subject property is a .80 acre vacant parcel located in Pocatello, Idaho.

Appellants were concerned with the roughly 350% increase in subject’s value for 2023 and requested subject’s value be reduced to match its 2022 assessment. Appellants

stated the property is currently unbuildable and has no utilities. Appellants expressed concern subject was assessed as having site improvements and being prepared for construction.

Appellants provided assessment information for eleven (11) unimproved properties stated to be within one (1) mile of subject. The properties ranged in size from .42 to 112.06 acres and were assessed between \$118 and \$143,915. Appellants made adjustments for access, resulting in adjusted values ranging from -\$42,169 to \$127,819¹. In comparison, subject is .80 acres and assessed at \$85,642. Appellants' value request is \$18,928.

Respondent first explained how subject was assessed. Respondent shared that subject is within Pocatello city limits so has the same first half-acre value as surrounding lots, then additional value is added for the other .3 acres.

Respondent then utilized a sales comparison analysis to support subject's assessment. Information on three (3) bare land sales was provided. Because all the properties were unimproved, only a time adjustment was applied to each. Sale No. 1 was a .51 acre parcel which sold in February 2022 for \$55,000. The adjusted sale price was \$61,050, or \$2.75 per square foot. Sale No. 2 was a .86 acre parcel which sold in January 2022 for \$130,000. The adjusted sale price was \$161,200, or \$4.30 per square foot. Sale No. 3 was a .28 acre parcel which sold for \$73,500 in September 2022. The adjusted sale price was \$76,440, or \$6.27 per square foot. In comparison, subject is a .80 acre parcel with a 2023 assessment of \$85,642, or \$2.46 per square foot.

¹ Appellants provided two (2) assessed values for Property Nos. 3, 4, and 5, but the assessment years were unclear. In one table, adjusted values were \$109,433, \$35,409, and \$18,451, respectively; in another, they were \$127,819, \$55,679, and \$4,940.

Respondent also stated the assessed values provided by Appellants were 2022 values, not 2023. Respondent further shared many of the sale properties were agricultural or contiguous parcels, which are assessed uniquely compared to subject.

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. There are three (3) approaches to value: the sales comparison approach, the cost approach, and the income approach. 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 differences in the property characteristics between subject and the sale properties.

Appellants did not develop a traditional valuation analysis to support a reduction in subject's assessment. Instead, Appellants developed a comparison of assessed valuations. The Board had concerns about the analysis provided. First, adjustments were

inconsistent, and it was unclear how the adjustments were derived. For example, Property Nos. 1, 2, and 4 all received an “Olympus Drive” access adjustment; however, Property No. 2’s adjustment was \$50,000, while the adjustments for Property Nos. 1 and 4 were only \$10,000. The Board was uncertain why such a large difference existed for an adjustment regarding the same access. Second, the assessments of the properties varied so widely, with the lowest value and highest value being roughly \$169,988 apart, that the Board could not make any connection between the analysis and subject’s market value. Appellants’ analysis also resulted in multiple negative value conclusions for subject, which the Board found illogical and convoluted. Third, Respondent shared the values utilized were from 2022, and many of the properties in the analysis were agricultural or contiguous parcels, which are not comparable to subject. Of primary concern, however, was the fact that a comparison of assessed values is not a recognized appraisal approach which would lead to an accurate estimation of market value. Considering all this, the Appellants’ analysis did not factor into the Board’s determination of subject’s market value.

Respondent utilized a traditional approach, providing a sales comparison analysis to support subject’s assessment. The three (3) properties were .51, .86, and .28 acres in size and sold for adjusted prices of \$61,050, \$161,200, and \$76,440; or \$2.75, \$4.30, and \$6.27 per square foot. In comparison, subject is .80 acres and is assessed at \$85,642, or roughly \$2.46 per square foot. Given the sales information, the Board finds subject’s assessment is reasonable.

In accordance with Idaho Code § 63-511, the burden is with Appellants to establish subject’s valuation is erroneous by a preponderance of the evidence. Where Appellants offered no market information to demonstrate subject is overvalued, the Board finds the

burden of proof was not met in this instance. The Board will uphold the decision of the Bannock County Board of Equalization.

FINAL ORDER

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

DATED this 5th day of March, 2024.