

BEFORE THE IDAHO BOARD OF TAX APPEALS

WOODLANDS AT BILLS ISLAND	)	
HOMEOWNERS ASSOCIATION, INC.,	)	
	)	APPEAL NO. 24-A-1250
Appellant,	)	
	)	FINAL DECISION AND ORDER
v.	)	
	)	
FREMONT COUNTY,	)	
	)	
Respondent.	)	
	)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Fremont County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RP13N42E247506. The appeal concerns the 2024 tax year.

This matter came on for Zoom hearing February 12, 2025, before Board Member Leland Heinrich. Board Member Steve Poorman appeared at hearing for Appellant. Fremont County Deputy Prosecutor Blake Hall 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 Fremont County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed value is \$181,300. Appellant contends the correct value is \$575.

The subject property is a .98 vacant residential lot situated in Bill's Island subdivision, a gated island development located near Island Park, Idaho.

The subject parcel was originally a 3.87 acre parcel owned by the developer of the subdivision. In April 2022, the 3.87 acre parcel was split into two (2) discrete lots: 1) the .98 acre subject property, and 2) a 2.86 acre improved parcel. The developer retained title to both parcels after the split. The larger 2.86 acre parcel was sold in November 2022 for \$725,000. Title to the .98 subject property was transferred to Appellant on January 10, 2024.

Appellant disagreed with the current valuation of the subject property, particularly the classification of subject as a residential lot. Appellant explained the subject parcel has a boat dock and has always served as a marina for the subdivision. In Appellant's view, the subject property is a common area amenity for use by all owners in the development, so should therefore be classified as a common area parcel and assessed at a nominal rate, as is customary for such parcel types.

Respondent pointed out the subject property, both before and after the split in 2022, was at all times owned by the developer of the subdivision until title was transferred to Appellant in January 2024. According to Respondent, the property has always been assessed as a residential parcel, which was never questioned by the prior owner (developer). Respondent stressed there was nothing in the original deed, nor the subsequent deed after the split, designating subject as a nontransferable, nondevelopable common area parcel. Accordingly, subject was assessed as an unrestricted buildable residential lot, as that was the property's status as of January 1, 2024.

In support of the assessed valuation, Respondent offered information on nine (9) sales from subject's subdivision which occurred between November 2022 and October

2023. Other than parcel size, sale price, and sale date, no details were offered, so it was unclear if the sale properties were vacant or improved. The four (4) waterfront sales ranged in size from .85 to 2.86 acres and in sale price from \$450,000 to \$725,000¹. The five (5) interior sales concerned parcels from .86 to 3.36 acres in size, with sale prices from \$237,000 to \$395,000. Based on this local sales data, Respondent concluded a market value of \$181,300 for subject's .98 acres.

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) 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

¹ The 2.86 acre sale for \$725,000 was subject's companion parcel created after the split in 2022.

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.

Though indirectly concerned with the assessed value, Appellant's central issue was the classification of subject as a residential parcel. Appellant explained the subject property has always served as a community marina for the benefit of the subdivision and contended it should be assessed accordingly. Though the Board understands Appellant's concerns and is sympathetic to the situation resulting from the unique circumstances surrounding the subject property, we disagree it should be assessed as a common area parcel for 2024.

The subject property was once a 3.87 acre unrestricted residential parcel owned by the developer of the subdivision. In 2022, the developer split that parcel into two (2) smaller parcels, one (1) of which was the .98 acre subject lot at issue here. The developer retained title to both parcels after the split but ended up selling the larger parcel later in 2022. It was not until January 10, 2024, that title to the subject property was transferred by quitclaim deed to Appellant. In other words, Appellant did not own the subject property on January 1, 2024, which brings into question whether Appellant has standing to challenge the property's classification on the date of assessment.

Even if Appellant could properly challenge subject's classification retroactively, the end result would be the same. The January 2024² deed transferring title of subject to Appellant was unrestricted, with no mention of the property being designated a common area marina, nor any restrictions on its development or transferability. It was simply a

² On June 24, 2024, Appellant recorded another quitclaim deed for the subject property which included the use and transferability restrictions typically associated with designating a common area parcel.

buildable residential lot in a gated subdivision. With no deed restrictions, the subject property was no different than any other unrestricted residential parcel on January 1, 2024, and could be freely developed or sold. As such, Idaho law requires the property be assessed at market value, which is what occurred here.

Idaho Code § 63-51 places the burden on Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. The Board did not find the burden of proof satisfied. Subject's proper classification on January 1, 2024, which is the controlling date in this appeal, was as a residential property. The deed, at that time, included no restrictions on the development or use of the subject property, so there is no legal justification to value it as anything other than a buildable residential lot. As this is precisely how the property was assessed, the Board finds no good cause to disturb the valuation. The decision of the Fremont County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 4th day of March, 2025.