

BEFORE THE IDAHO BOARD OF TAX APPEALS

COREY CUSACK,	)	
	)	
Appellant,	)	APPEAL NO. 24-A-1236
	)	
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. RPR3851022612. The appeal concerns the 2024 tax year.

This matter came on for hearing December 9, 2024, in Pocatello, Idaho, before Board Member Doug Wallis. Appellant Corey Cusack was 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 a vacant residential parcel.

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

FINDINGS OF FACT

The assessed land value is \$119,192. Appellant contends the correct land value is \$5,000.

The subject property is a 6.67 acre vacant rural residential parcel located in the Buckskin Canyon area roughly eight (8) miles east of Pocatello, Idaho. The lot is

contiguous to a five (5) acre parcel to the south which serves as Appellant's primary residence.

Appellant described some of subject's negative attributes and questioned whether they were adequately considered in the assessment. It was noted the driveway, which runs through subject and provides access to Appellant's main parcel and another property, runs along Rapid Creek. Appellant explained due to powerline easements and county setback requirements, there is not enough space to develop a homesite on the west side of the driveway. And most of the parcel to the east of the driveway was described as a steep hillside. The parties agreed there was an eastern portion of the parcel atop the hillside that was far less sloped and would be relatively easy to develop, but Appellant contended accessing the building site would make the endeavor prohibitive. Appellant pointed out subject has no access from the east, so the only option for accessing the building site on the eastern portion of the lot would be to construct a road up the hillside, with slopes exceeding 45%. Overall, Appellant characterized the subject parcel as effectively unbuildable and contended it should be assessed as such.

Respondent disagreed the subject property is unbuildable. Respondent estimated the buildable eastern portion of the lot was roughly two (2) acres in size, so was large enough to satisfy any setback requirements needed for residential development. Respondent acknowledged it would take significant effort to install an access road to the building site, but stated properties in the area continue to sell despite access and other topography issues. Respondent further explained most parcels in the Buckskin Canyon area are impacted by difficult topography, so Respondent did not regard subject as unique or atypical.

Given subject's difficult attributes, Appellant was alarmed to see a nearly 2,400% increase in the assessed value, from \$5,000 in 2023 to roughly \$120,000 for 2024. Appellant not only characterized the increase as exorbitant, but also contended the valuation was wildly inconsistent with other assessments in the area. In this regard, Appellant shared assessment information on ten (10) properties in subject's general neighborhood. The first two (2) properties were adjacent 10.25 acre parcels under common ownership, one (1) of which was improved with a residence. The assessed land value of the improved parcel was \$9,410 per acre and the valuation of the vacant lot was \$83 per acre. The next two (2) properties referenced by Appellant were adjacent to the first two (2) and were assessed similarly, with the assessed land value of the improved parcel at \$9,401 per acre, and the adjacent vacant lot at \$83 per acre. Respondent clarified all four (4) parcels were specially assessed as actively devoted to agriculture so were not assessed at market value like the subject property.

The following two (2) properties discussed by Appellant were situated in the nearby Panorama subdivision, which is currently being developed. The first was a 7.23 acre vacant lot situated adjacent to the subject property with an assessed land value of \$86 per acre. The second parcel was a vacant 4.86 acre lot assessed at \$85 per acre. Respondent explained the parcel adjacent to subject was assessed as an agricultural property, and the other parcel is dedicated open space for the subdivision so was assessed only a nominal value because it cannot be developed or independently sold.

Appellant next referenced two (2) adjacent improved parcels with different ownerships. The first property was a 12.10 acre tract assessed at roughly \$7,775 per

acre. The second was a 10.21 acre parcel with an assessed land value of \$9,151 per acre.

The final two (2) properties Appellant discussed were not adjacent to each other but were located in subject's neighborhood. The first was a 10.66 acre vacant parcel assessed at \$86 acre, and the second was an approximately 63 acre vacant tract assessed at \$80 acre. Respondent was not familiar with the assessment details of these specific properties, but speculated both were likely assessed as agricultural parcels.

Appellant additionally shared some recent listing information on four (4) vacant parcels in the Buckskin Canyon area. It was unclear when the properties were listed for sale, but Appellant believed all had been on the market for at least the last few months of 2024. The first two (2) sale lots were both situated in the Panorama subdivision so had developed access to the respective building sites. The first was a 5.03 acre parcel with an asking price of \$95,000, or \$18,886 per acre, and the other was a 5.01 acre lot with an asking price of \$179,000, or \$35,728 per acre. The third listing concerned a roughly 80-acre tract with an asking price of \$500,000, or \$6,282 per acre. Lastly, Appellant offered a listing for an approximately 40-acre parcel with an asking price of \$472,700, or \$11,882 per acre. Appellant stressed subject's assessed value of nearly \$18,000 per acre was excessive given the asking prices for lots regarded by Appellant as superior.

Respondent explained in prior years the subject property had been erroneously assigned a "token value" which is typically reserved for parcels that are too small to develop but cannot be combined with the adjacent main parcel because it is located in a different section or in a subdivision. During its reappraisal of subject's area for the 2024 assessment year, Respondent corrected the error, which effectively reclassified subject

as a rural buildable residential parcel. However, instead of valuing subject as a stand-alone parcel, Respondent treated it as additional acreage to Appellant's house parcel because that is how the property is actually used. This methodology had the effect of increasing the total acreage and decreasing the overall value per acre of both parcels. Respondent pointed out if assessed on its own, subject's assessment would be higher because it would include a one (1) acre homesite which carries an \$86,000 base value in subject's area, plus the market value of remaining acres.

In terms of support for subject's current valuation, Respondent offered information on six (6) sales from the Buckskin Canyon area which transpired during 2022 and 2023. The sale parcels ranged in size from five (5) to nine (9) acres and were located in rural forested areas with sagebrush and trees. The sale lots were accessible via dirt road and were noted to have difficult topography, with slopes between 18% and 25%. Sale prices ranged from \$130,000 to \$590,000¹. Respondent time-adjusted the respective sale prices to reflect pricing levels on January 1, 2024, the relevant date of valuation in this matter. After time adjustments and removing any improvement values from the respective sale prices, Respondent calculated adjusted sale prices from \$150,450 to \$256,500, or from \$0.40 to \$1.10 per square foot. Subject's 6.67 acres are assessed at \$119,192, or \$0.41 per square foot, which Respondent contended was reasonable against the adjusted price data.

Lastly, Respondent shared some assessment information from subject's immediate neighborhood, including the land schedule used to determine land values.

¹ The \$590,000 sale concerned an 8.54 acre improved parcel. Details concerning the improvements were not shared, but after removing the values attributable to the improvements, Respondent determined a residual adjusted land value of \$150,450, which was used in the analysis for comparison with subject.

Respondent explained the land schedule was developed using local sales and it was consistently applied throughout the neighborhood. To illustrate, Respondent highlighted that the \$171,484 assessed land value of Appellant's five (5) acre home parcel directly to subject's south matched the land value of the five (5) acre homesite parcel under different ownership located directly north of subject. Respondent maintained subject's valuation was equitable with other land values in the area.

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) 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). 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 the differences in property characteristics between subject and the sale properties.

Appellant's primary concern centered on the increase in subject's assessed value from \$5,000 in 2023 to nearly \$120,000 for 2024. Appellant characterized the increase as excessive and inconsistent with other assessments in the area. In this regard, Appellant shared assessment information for a number of properties in the neighborhood, which showed widely varying land values from roughly \$80 to \$9,400 per acre, all of which Appellant stressed were lower than subject's valuation of nearly \$18,000 per acre. While the Board appreciates Appellant's concerns with the seemingly disparate land values, a comparison of assessed values is not a recognized appraisal approach and is not regarded as the best evidence of current market value. Even if such were not the case, the assessment information provided by Appellant did not demonstrate subject was overvalued or otherwise assessed inequitably. Most of the properties referenced by Appellant were agricultural parcels, which are specially assessed in Idaho, and are thus an entirely different property type. And one (1) of the parcels located in the Panorama subdivision is designated open space, which means it cannot be developed or sold separately from the development and therefore carries a nominal assessed value. In other words, none of the properties referenced by Appellant were assessed at market value like the subject property, so cannot be meaningfully compared or otherwise used to evaluate potential inequity in subject's valuation.

In an effort to demonstrate land value equity, Respondent shared assessment information on several parcels in subject's immediate proximity. Respondent highlighted the \$171,484 land value of Appellant's five (5) acre main house parcel is identical to the

assessment of the adjacent five (5) acre parcel to the north of subject. Respondent maintained all parcels in the area were assessed using the same land value schedule, and subject was not treated differently.

In more direct support of subject's valuation, Respondent also shared some recent sales data from the area. With parcel sizes between five (5) and nine (9) acres, the six (6) sale properties bracketed subject's size of 6.67 acres. After applying time adjustments and removing improvement values from the sale prices as appropriate, Respondent concluded adjusted sale prices from \$0.40 to \$1.10 per square foot. Given that subject's assessed value of \$0.41 per square foot is at the bottom of the indicated range, the Board was strained to find support for the conclusion subject is overvalued.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. While the Board understands Appellant's concerns with the significant increase in subject's assessed value, it was caused by a correction made to subject's property record. As explained by Respondent, subject had been erroneously assessed at a token value in previous years, which is a value typically reserved for parcels impacted by uniquely limiting circumstances which do not apply to the subject property. In other words, 2024 is the first year the subject property has been assessed at market value, the same as all other nonexempt properties in Idaho. So, while the increase in subject's value may appear alarming at first glance, such is not the case given the full context of events. Given this, and the local sales data offered by Respondent, the Board did not find good cause to disturb subject's valuation.

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

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 21st day of January, 2025.