

BEFORE THE IDAHO BOARD OF TAX APPEALS

BRUCE MILLS,	)	
	)	
Appellant,	)	APPEAL NO. 25-A-1014
	)	
v.	)	FINAL DECISION AND ORDER
	)	
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. RP000630000140. The appeal concerns the 2025 tax year.

This matter came on for hearing October 2, 2025, in St. Anthony, Idaho, before Hearing Officer Travis VanLith. Appellant Bruce Mills was self-represented. 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 improved residential property.

The decision of the Fremont County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$169,026, and the combined value of the improvements is \$371,593, totaling \$540,619. Appellant contends the correct land value is \$62,042 and the improvements' value is \$201,516, totaling \$263,558.

The subject property is a 2.83 acre residential parcel situated along the Snake River in the Hidden Estates subdivision near St. Anthony, Idaho. The property is improved with a one (1) bedroom, one (1) bathroom residence comprised of 1,080 square feet on the main level and 600 square feet on the upper level. There is also an 840 square foot garage attached to the residence. The property is further improved with an 864 square foot detached garage and two (2) small sheds.

Appellant agreed with the combined \$1,716 assessed value of the two (2) small sheds, but argued the other values were overstated and should be reduced. Starting with subject's land value, Appellant disputed Respondent's characterization of the parcel as a water-influenced lot. Appellant explained the Snake River, which runs along subject's northern boundary, is not accessible from the subject lot due to a low-lying swampy area. Appellant noted there is a roughly 24-degree slope down to the cattail-filled swampy area which Appellant estimated encompassed approximately three-quarters (3/4) of an acre. According to Appellant, the irrigation canal running along subject's eastern boundary has no lining, so it leaches the water that causes the swampy area.

In addition to the swampy area, Appellant stressed there is no view of the river from the subject property. Appellant pointed out there is a small tree-covered island separating subject from the main channel of the river and, due to the number of trees, there is no view of the river from subject. In Appellant's view, inadequate consideration was given to subject's detrimental characteristics.

In support of a lower valuation, Appellant offered two (2) methodologies. In the first analysis, Appellant focused on the land assessment of the adjacent Lot 15.

Appellant characterized Lot 15 as “nearly identical” to subject in terms of physical characteristics. Appellant estimated Lot 15 as roughly two (2) acres in size, which was noted to approximate subject’s acreage after removing 0.75 acres for the swampy area. In Appellant’s opinion, subject’s land value should match the \$62,042 value of Lot 15. Respondent emphasized that Lot 15 was an interior lot with no river frontage, so contended it was not comparable and should not be used in the evaluation of subject’s market value.

Appellant’s second methodology was likewise based on the assessment of another nearby parcel. Specifically, Lot 8, a 1.36 acre riverfront parcel located several lots from subject. Lot 8 was noted to have level topography with easy access to the water and unobstructed views up and down the river. Using an aerial photograph, Appellant measured the respective widths of the river in front of subject and Lot 8 and determined the width of the front of Lot 8 was 4.5 times larger. Appellant applied the river width ratio to subject’s land value of \$169,026 and calculated a value of \$14,205 per acre. Applying this to subject’s 2.86 acres resulted in a value of \$40,626. Though Appellant believed this methodology produced a reasonable estimate of subject’s land value, Appellant ultimately preferred the first analysis, so requested subject’s land value be reduced to \$62,042.

Appellant next addressed subject’s improvement values, beginning with the residence. It was explained when Appellant started construction of the subject residence, it was intended eventually to serve as a guest house once the main residence was built. Plans for a main residence never materialized, and construction of the subject dwelling has been ongoing since it began in 2003. The completion

percentage of the subject residence was somewhat unclear, but Appellant stated a bathtub and built-in kitchen appliances still need to be installed. Appellant also reported a leak in the main water line, so the plumbing is not functioning. Appellant described having a 5-gallon water bucket in the bathroom in order to use the toilet. In 2024, Appellant received a verbal estimate of \$21,500 to remedy the plumbing issues. In Appellant's estimation, the residence was approximately 75% complete in its current state.

In discussing an appropriate value for subject's residence, Appellant contended the design, as a one (1) bedroom, one (1) bathroom residence, was less desirable in the marketplace, particularly for buyers with children. On this note, Appellant shared that a local realtor was not able to find any recent sales of small one (1) bedroom residences, just condominiums and townhouses, which Appellant argued was evidence subject's design was undesirable. Finding no sales of one (1) bedroom houses, Appellant instead referenced the assessed values of two (2) nearby properties with residences Appellant characterized as similar to the subject dwelling. Details of the referenced properties were limited, but Appellant reported the first was a 930 square foot residence¹ assessed at \$18,878, or \$21 per square foot, and the second was reportedly a 1,488 square foot residence with an assessed value of \$90,553, or \$60 per square foot. Though the referenced assessments indicated lower valuation rates, Appellant concluded a value of \$80 per square foot, or \$159,800², for subject's

¹ The data sheet for this property describes the \$18,878 structure as an "outbuilding." The data sheet also reported a "dwelling" with an assessed value of \$663,224.

² It was not apparent how Appellant calculated the \$159,800 figure, as subject's residence totals 1,680 square feet, which would equate to \$134,400, using a rate of \$80 per square foot.

residence. In Appellant's view, this value would better reflect the residence being only 75% complete.

Appellant next moved to the assessed value of the detached garage. It was explained the structure was built by Appellant over the course of three (3) summers. Appellant shared "spud links" were used for concrete reinforcement instead of rebar and nails were used instead of screws. It was noted there is no plumbing or electricity. In short, Appellant characterized the construction quality as poor. To support a lower valuation, Appellant shared limited assessment information on four (4) outbuildings within roughly one (1) mile of subject. The first was a 784 square foot outbuilding with a 2025 assessed value of \$7,970, or \$10 per square foot. Next was a 682 square foot outbuilding with a current valuation of \$4,520, or \$7 per square foot. The third outbuilding discussed was a newly constructed structure 920 square feet in size assessed at \$30,406, or \$33 per square foot. Last was a 1,140 square foot outbuilding constructed in the last year with a valuation of \$32,764, or \$29 per square foot. Applying the average assessment rate of \$20 per square foot, Appellant calculated a value of \$16,400. Though the assessment data suggested a somewhat lower value, Appellant offered \$20,000 as a reasonable estimate of the value of subject's detached garage.

Regarding the value of subject's attached garage, Appellant reasoned the value should likewise be \$20,000 because it is roughly the same size as the detached garage. In conclusion, Appellant requested subject's total assessed value be reduced to \$263,558, with \$62,042 attributable to the land and \$159,800 to the residence, plus \$20,000 for the attached garage, \$20,000 for the detached garage, and \$1,716 for the two (2) small sheds.

In response to Appellant's concerns, Respondent addressed the individual components of subject's assessment. Regarding subject's land value, Respondent explained a roughly \$40,000 downward adjustment was applied to account for the swampy portion of the lot and the fact that the small island separates subject from the main channel of the river. In support of subject's land value, Respondent offered limited information on eight (8) water-influenced sales. Sale Nos. 1 and 2, located in an adjacent subdivision, were both 1.1 acre lots which sold in July 2020 for \$115,000 each. Sale No. 3 concerned a 1.4 acre parcel from subject's development which sold for \$154,000 in May 2020. The remaining sales were located somewhat farther away, but in areas Respondent regarded as generally comparable to subject's neighborhood. Sale No. 4 was a 2.75 acre lot which sold in December 2024 for \$380,000. Sale No. 5, which also occurred in 2024, concerned a 4.54 acre parcel which sold for \$205,000. Sale No. 6 was the June 2023 purchase of a 3.82 acre parcel for \$415,000. Sale No. 7 was a 6.2 acre lot which sold for \$350,000 in November 2023. Sale No. 8 was a 1.8 acre parcel which sold in August 2023 for \$160,000. Respondent characterized all of the sale lots as inferior to subject, mostly due to steep topography, minimal frontage, and/or access easements running through the parcels. Respondent stressed subject's current land value of approximately \$59,000 per acre; less than all but two (2) of the sale lots. Both of these sale lots, however, were notably larger than subject, and Respondent noted the price rate typically decreases as the acreage of the parcel increases.

Respondent next discussed the valuation of subject's residence and attached garage. It was first noted that construction on the residence started in 2003, and Respondent has been mostly monitoring progress through conversations with

Appellant, as permission for an interior inspection has not been granted. For the 2023 assessment year, Respondent initially considered subject's residence 100% complete and valued it accordingly. However, after a conversation with Appellant, Respondent reduced the completion rate to 75%. The same occurred in 2024, with Respondent initially evaluating subject's residence as 100% complete and reducing it to 75%. For the current 2025 valuation, Respondent again increased the completion rate to 100%, as Appellant indicated to Respondent that the only remaining work was installation of a light fixture and a bathtub. In addition to valuing subject as 100% complete, Respondent also considered the residence a one (1) bedroom, two (2) bathroom design because those features are reflected in the original building plans. Appellant clarified that while the original design included two (2) bathrooms, only one (1) was actually built.

Respondent explained its valuation methodology with respect to improved residential properties is to use a cost approach, with adjustments made to the cost tables based on local sales data. In other words, no direct comparative sales analysis was used to determine subject's valuation. That being said, Respondent did offer information on recent improved sales to support subject's assessment. The first group of three (3) sales, all with notably larger residences, were located in subject's immediate area. Sale No. 1, situated adjacent to the subject property, was a 3,378 square foot four (4) bedroom, three (3) bathroom residence constructed in 1983 which sold for \$739,000 in June 2022. Sale No. 2 was located a few blocks from subject, but details concerning the improvements, such as square footage, were unknown because the residence was unfinished at the time of sale. This property sold in June 2023 for \$550,000. Sale No. 3

concerned a 5,226 square foot seven (7) bedroom, five (5) bathroom residence constructed in 1999 which sold in August 2023 for \$1,200,000.

Respondent also provided information on a group of five (5) sales from 2024 located in St. Anthony with residences more similar to subject's in square footage. The first two (2) sales involved two (2) bedroom, one (1) bathroom residences. The first, constructed in 1910, was 1,330 square feet in size and sold for \$260,000 in March 2024. The second was a 1,283 square foot residence constructed in 1920 with a February 2024 sale price of \$250,000. The remaining three (3) sale residences were all constructed in 2024 and varied in size from 1,581 to 2,012 square feet. Sale prices for this group ranged from \$415,000 to \$450,000.

Lastly, Respondent provided information on the sale of a one (1) bedroom, one (1) bathroom residence located in Island Park. The residence, constructed in 2024, was 576 square feet in size and situated on a .3 acre lot. The property sold for \$272,000 in July 2024.

Respondent did not directly address the valuation of subject's detached garage but did share some cost information gained through recent conversations with local builders. According to Respondent, residences were being built for roughly \$200 per square foot in subject's area. Costs for attached garages reportedly ranged from \$42 to \$68 per square foot, and detached garage costs varied from \$49 to \$71 per square foot. Based on the available sales information and cost data, Respondent maintained the respective values of subject's improvements were reasonable.

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 sale comparison approach, which approach in basic terms compares recent sales of similar property to the subject property, with adjustments made for key differences in characteristics.

Because Appellant was concerned with each value component of subject's assessment, with the exception of the two (2) small sheds, the Board will individually address each, starting with subject's land value. While the Board appreciated Appellant's efforts to develop value estimates using two (2) different methodologies,

neither adhered to recognized standards of appraisal. Most importantly, both methodologies relied on comparisons of assessed values, which is not a recognized appraisal approach. Even if such were not the case, the properties to which subject was compared were markedly dissimilar to subject, with one (1) being an interior subdivision lot and the other lot being only roughly one-half ($\frac{1}{2}$) subject's size. Appellant's analyses failed to consider these key differences in characteristics which undermined the reliability of the value conclusions.

Though a traditional sales comparison approach was not developed, Respondent did provide information on eight (8) waterfront lot sales from subject's immediate area and from competing neighborhoods. Lot sizes varied from 1.10 to 4.54 acres and sale prices ranged from \$115,000 to \$415,000, or from roughly \$45,000 to \$138,000 per acre. The most similarly sized sale was a 2.75 acre lot which sold for \$380,000, or \$138,000 per acre. Subject's 2.83 acres are assessed at \$169,026, or nearly \$60,000 per acre, which includes a roughly \$40,000 adjustment for the swampy area and because subject's frontage is not on the main channel of the river. According to Respondent, subject's land value without the adjustment would be \$209,050, or approximately \$74,000 per acre. In other words, not only is subject's land value supported by the available sales information, but special consideration was also given to subject's less-desirable characteristics in the form of a downward adjustment. In all, the Board found subject's land value reasonable.

We turn now to subject's residence. Again, Appellant did not offer any recent sales or other market data to support a lower valuation. Rather, Appellant referenced the assessments of two (2) nearby dwellings, though there was some question as to

whether one (1) of the structures was actually a dwelling, as it was categorized as an outbuilding on the assessor's office data sheet for the property. Even ignoring this, the lack of physical details concerning the referenced dwellings prevented any meaningful comparisons with the subject residence. Ultimately, it was not apparent why the assessment information was provided, because Appellant did not utilize it to develop a value conclusion. Instead, Appellant referenced the unfinished status of subject's residence and requested the value be reduced to \$159,800. While the Board understands Appellant's concerns, there was simply nothing to support a value of \$159,800 for subject's residence.

Though there was insufficient support for the value petitioned by Appellant, the Board did identify some concerns with the valuation of subject's residence. First, Respondent valued subject as a one (1) bedroom, two (2) bathroom residence. Appellant testified, however, there is only one (1) bathroom. Another concern was lack of consideration given for subject's nonfunctioning plumbing. Appellant reported there is a major leak in the main water line, so the water has been turned off, meaning nothing requiring water can be used in the house. It was unclear whether Respondent was aware of the plumbing issue and the correct bathroom count, but now that it has been brought forward, an adjustment should be made. Under the circumstances, the Board finds \$263,000 to be a reasonable valuation of subject's residence.

Appellant's final concerns centered on the valuations of both the attached and detached garages. Appellant again offered assessed values of other outbuildings in subject's general area to support lower values for subject's garages. Not only is a comparison of assessed values not a recognized appraisal approach, but there was not

enough information about the referenced outbuildings to determine any comparability with subject's garages. Regardless, Appellant ultimately did not utilize the assessment information and instead chose an arbitrary value of \$20,000 for each subject garage. Given there was no support for the \$20,000 figure, the Board is disinclined to adjust the values of subject's attached and detached garages.

In appeals to this Board, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Idaho Code § 63-511. While the Board did not find support for the values petitioned by Appellant, the Board did find good cause to adjust the value of subject's residence due to the plumbing issues and to reflect the correct bathroom count. As such, the decision of the Fremont County Board of Equalization is modified to reflect a reduction in subject's assessed value to \$523,964, as detailed below.

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, MODIFIED to reflect a decrease in subject's total assessed value to \$523,964, as follows:

Land:	\$169,026
Residence:	\$263,000
Attached Garage:	\$ 48,365
Detached Garage:	\$ 41,857
<u>Sheds (2):</u>	<u>\$ 1,716</u>
Total	\$523,964

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above-ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 25th day of November, 2025.