

BEFORE THE IDAHO BOARD OF TAX APPEALS

JORY TREASE,	)	
	)	
Appellant,	)	APPEAL NO. 23-A-1251
	)	
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 modifying the valuation for taxing purposes on property described by Parcel No. RPR4225004108. The appeal concerns the 2023 tax year.

This matter came on for Zoom hearing December 6, 2023, before Hearing Officer Travis VanLith. Appellant Jory Trease 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 an unimproved residential property.

The decision of the Bannock County Board of Equalization affirmed.

FINDINGS OF FACT

The assessed land value is \$128,449. Appellant contends the correct land value is \$37,760.

The subject property is a 20.40 acre unimproved rural residential parcel located between McCammon, Idaho and Lava Hot Springs, Idaho. The property is situated in what is locally referred to as the Crystal Springs subdivision, though the subdivision was

never legally formed. The development consists of roughly eighteen (18) mountainside parcels, only one (1) of which is improved with a residence and used full-time for residential purposes.

Appellant disagreed with subject's current assessed value and questioned whether the valuation adequately reflected the property's detriments. Of chief concern was the lack of legal access, as subject is located approximately one (1) mile from the nearest paved county-maintained road. Access to subject is via an overgrown two-lane private dirt track which is not maintained by the county. Appellant explained that while subject's deed does state the property has ingress and egress rights, the same was not the case for the parcels situated between subject and the county road. Apparently, the seller/developer included the ingress/egress language in subject's deed at Appellant's insistence, but similar language was not included in the other deeds. Therefore, Appellant must trespass across six (6) parcels to access the subject property.

Appellant additionally noted subject's overall slope is 23 degrees, which renders most of the property unbuildable and effectively unusable for any purpose. In Appellant's estimation, only about one (1) acre of the subject property is buildable. Appellant further stressed no utilities are available to subject. Lastly, Appellant shared the subject property is uninsurable because first responders are unable to access the area, which was evidenced in 2004 when a wildfire ravaged the mountainside and fire fighters could not respond.

In support of a lower valuation, Appellant cited a decision from this Board concerning the 2021 valuations of two (2) vacant parcels from subject's subdivision. In characterizing the properties as unique, Appellant noted the decision focused on location,

limited access, the absence of utilities, and the lack of comparable sales in concluding a value of \$32,000 for each parcel under appeal. As subject is similarly unique in Appellant's opinion, it was argued the \$32,000 figure should be the starting point for subject's valuation, to which a time-adjustment factor of 1.5% per month should be added for market appreciation over the past year. Based on this, Appellant calculated a value of \$37,760 for subject and contended the value should be applied to each parcel in the subdivision.

Lastly, Appellant asserted there was discriminatory assessment treatment of the subject property. According to Appellant, a 30% downward land adjustment was supposed to have been applied to all parcels in the subdivision, but several, including subject, did not receive such adjustment. Respondent clarified the Bannock County Board of Equalization applied the 30% adjustment to parcels in the southern portion of the subdivision with slopes exceeding 30 degrees, and a 10% adjustment was applied to parcels in subject's area, which generally have lesser degrees of slope. Subject received the 10% land adjustment. Respondent maintained the 10% applied to subject's valuation was not the result of discriminatory assessment treatment, but instead a reflection of the property's less severe slope.

Respondent also questioned Appellant's contention subject has no legal access, as well as the condition of the access road. Respondent was unaware of any legal disputes related to Appellant accessing the subject property. Respondent also stated the road was in fine condition, as evidenced by the recent construction of a cabin on a nearby parcel which involved large trucks and equipment navigating the road. In Respondent's view, subject's access was not atypical so no adjustment was warranted.

In terms of valuation, Respondent explained its general assessment methodology involves stratifying the sales data according to different criteria including size, location, access, and amenities. Respondent shared that while there were no recent sales in subject's subdivision, sales activity in the broader market area has been robust the last several years, which has resulted in unprecedented market appreciation. During this same period, the assessor's office was in the process of implementing a new software system and converting every parcel in the county into the new system. It was explained that during the conversion process a property's assessed value was held static until it was moved to the new system, at which time the value is brought up to market level. The subject property was converted in 2022 for the current assessment year. This resulted in a sizeable increase in valuation because the assessed value had lagged behind the market for several years while the assessor's office was working through the software transition.

Respondent shared its valuation strategy in subject's area is to assign a base value to a property's first acre, then add value for additional acreage. For 2023, Respondent applied a base rate of \$46,000 to the first acre of every parcel in subject's market area, with each additional acre valued at a declining rate starting at \$10,400 per acre. Subject's roughly nineteen (19) additional acres were assessed at approximately \$5,000 per acre, noted by Respondent to be one of the lowest rates available in the area.

In more direct support of subject's assessed value, Respondent offered two (2) groups of sales data. The first group consisted of three (3) bare land sales located in the Thunder Mountain Ranch subdivision south of Lava Hot Springs. The sale lots varied in grade from 15% to 29% and had only partial-year access via a dirt road. None of the sale

properties had access to water, sewer, or electricity, and public services like fire and ambulance were not available.

Sale No. 1 was an 11.81 acre parcel which sold for \$134,000 in November 2021. Respondent applied a 2% per month time-adjustment factor to reflect pricing levels on January 1, 2023, which yielded a time-adjusted sale price of \$171,520. Sale No. 2 concerned a 21.90 acre tract purchased for \$240,000 in September 2022 with a time-adjusted price of \$259,200. Sale No. 3 was the December 2022 sale of an 18.90 acre parcel for \$170,000 with an adjusted price of \$173,400. Respondent stressed subject's overall land value of \$0.14 per square foot was notably less than the adjusted price rates of the sales, which ranged from \$0.21 to \$0.33 per square foot.

Respondent's second group of sales was likewise comprised of three (3) vacant land sales from Thunder Mountain Ranch. These parcels were more moderately sloped, ranging in grade from 12% to 17%. Similar to subject, none of the sale properties had year-round access, utilities, or access to public services. Sale No. 1 was a 5.6 acre parcel which sold for \$79,230¹, or \$0.32 per square foot, in June 2022. Sale No. 2 concerned a 3.9 acre parcel with an October 2022 sale price of \$65,720, or \$0.39 per square foot. Sale No. 3 was the \$79,300, or \$0.52 per square foot, purchase of a 3.5 acre lot in February 2022. Respondent again emphasized subject's land value at \$0.14 per square foot was comfortably below the price rates of these smaller acreage parcels.

Appellant challenged the comparability of Respondent's sale properties based primarily on their Thunder Mountain Ranch location. According to Appellant, parcels in the subdivision enjoy maintained roads, common areas, and other amenities. Appellant

¹ It was unclear whether the prices reported by Respondent for this group of sales were actual sale prices or time-adjusted sale prices, as both price figures were the same on Respondent's sales table.

also claimed properties in the subdivision have access to utilities, including many with access to a community well. In Appellant's view, subject's location was vastly inferior to Respondent's Thunder Mountain Ranch sale properties.

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, 2023, 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 value of residential property is commonly estimated using the sales comparison approach, which in simple terms compares recent sales of similar properties to the subject property and makes appraisal adjustments for key differences in property characteristics.

Appellant's central argument was that insufficient consideration was given to subject's negative characteristics, including the lack of legal access, difficult topography, and the unavailability of utilities. Though the Board agrees the market value of a parcel would undoubtedly be negatively impacted if it lacked legal access, the status of subject's access is murky at best. According to Appellant, subject's deed does include language regarding ingress and egress rights, but the same language does not appear in the deeds of those properties situated between subject and the nearest public road. However, as no documentation was provided in this regard, the Board was unable to properly evaluate the issue. As it currently stands, subject's deed states the property has access, so in the absence of evidence to the contrary, there is no basis to conclude otherwise.

Appellant also relied heavily on a prior decision from this Board involving two (2) vacant parcels in subject's subdivision which concluded the properties in dispute were overvalued due to several factors. As subject shares many of the same attributes as the properties in that decision, Appellant reasoned the same rationale should apply to subject, so petitioned the Board to reach the same conclusion with respect to subject's valuation.

While the Board appreciates Appellant's position, it is problematic for several reasons. First, a final decision of the Board is not precedent setting. It is a stand-alone decision concerning the market value or exempt status of solely the property, or properties, under appeal. The Board's jurisdiction does not extend to any property not under appeal, nor does it extend to other assessment years. Here, Appellant requested subject's base value be set at \$32,000, with an 18% upward adjustment to account for market appreciation. Not only would it be improper to use a value from a previous year as the starting point for evaluating current market value, but the \$32,000 value conclusion

in the decision was for 2021, so it is two (2) years old and does not capture the unprecedented market activity since that time and the corresponding effect on values.

Even if Appellant's proposed methodology was permissible, it would still be inappropriate to rely on the Board decision referenced by Appellant. Though the parcels involved in that 2021 decision shared commonalities with the subject property in terms of location, topography, and difficult access, the primary foundation for the Board's value conclusion was the purchase price of those parcels a couple years prior and the lack of other sale properties regarded as comparable. In the case at bar, the subject property was not recently purchased, nor has any parcel in the subdivision been recently purchased. Therefore, it is necessary to search for sales data outside subject's subdivision. Appellant, however, offered no recent sales or other market information to support a valuation of \$37,760 for subject's 20.4 acres.

Respondent, on the other hand, offered information on six (6) vacant sales from the general area in support of subject's assessed value. All the sale properties were noted to share similarities with subject such as difficult access, lack of utilities, steep topography, and no public services. Overall, the sale parcels ranged from 3.5 to 21.9 acres in size and in time-adjusted sale price from \$65,720 to \$259,200, or from \$0.21 to \$0.52 per square foot. Admittedly, such a large variance in sale price suggests a notable degree of dissimilarity between the sale properties, and it was not entirely clear how the reported price rates directly correlated to subject's assessed value. That being said, Respondent's sales represented the only market data in the record, so they featured prominently in the Board's consideration of subject's market value.

Pursuant to Idaho Code § 63-511, Appellant bears the burden of proving error in subject's assessed value by a preponderance of the evidence. The Board did not find the burden of proof satisfied in this case. Appellant's reliance on a prior decision by this Board concerning two (2) different parcels in subject's subdivision was misguided, as no precedential effect attaches to a decision of the Board and it, therefore, cannot be applied to other properties or across multiple assessment years. And given the absence of any competing value evidence to that offered by Respondent, the Board found no good cause to disturb subject's current valuation.

Based on the above, 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 18th day of March, 2024.