

BEFORE THE IDAHO BOARD OF TAX APPEALS

PAUL HERBERT FLAGLER LIVING TRUST,	)	
	)	
Appellant,	)	APPEAL NOS. 24-A-1228 and
	)	24-A-1229
v.	)	
	)	FINAL DECISION AND ORDER
BANNOCK COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Bannock County Board of Equalization modifying appeals of the valuations for taxing purposes on properties described by Parcel Nos. RPRPOAK000900 and RPRPOAK001400. The appeals concern the 2024 tax year.

These matters came on for hearing December 9, 2024, in Pocatello, Idaho, before Board Member Doug Wallis. Paul Flagler appeared at hearing for Appellant. Bannock County Assessor Anita Hymas represented Respondent.

Board Members Leland Heinrich, Kenneth Nuhn, and Doug Wallis join in issuing this decision.

The issues on appeal concern the market values of two (2) vacant residential parcels.

The decisions of the Bannock County Board of Equalization are affirmed.

FINDINGS OF FACT

Parcel No. RPRPOAK000900 (Appeal #24-A-1228)

The original assessed land value of this .09 acre lot was \$42,660, which was reduced by the Bannock County Board of Equalization (BOE) to \$34,660, with \$34,000

attributable to the land and \$660 to other improvements. Appellant contends the correct value is \$24,000.

For purposes of this decision, this subject property will be referred to as Lot 9.

Parcel No. RPRPOAK001400 (Appeal #24-A-1229)

The original assessed value of this .09 acre lot was \$42,120, which was reduced by the BOE to \$34,120, with \$34,000 attributable to the land and \$120 to other improvements. Appellant contends the correct value is \$24,000.

For purposes of this decision, this subject property will be referred to as Lot 14.

The subject properties are vacant lots situated along the same street in a mobile home park located in Pocatello, Idaho. Both lots are improved with small amounts of paving, and Lot 14 is further improved with a 420 square foot canopy. The mobile homes sitting on the subject lots are assessed separately as personal property.

Appellant's primary concern centered on the increases in subject's respective assessed values, which increased from \$22,452 to \$42,660¹ for Lot 9 from 2022 to 2024, and from \$23,659 to \$42,120² for Lot 14 over the same period. In questioning subjects' escalating values, Appellant shared assessment data for three (3) other lots Appellant owns in nearby counties, which showed lesser rates of increase, including one (1) that has remained unchanged since 2021. Appellant further contended the utility of the subject lots was limited due to their small sizes, noting there is only enough space on the respective lots for a single-wide mobile home. In all, Appellant viewed the recent escalation in subjects' assessed values as excessive.

¹ This figure reflected in Appellant's Exhibit A represents the original 2024 assessed value of Lot 9, prior to the reduction ordered by the BOE.

² This figure reflects the original 2024 assessed value of Lot 14.

Respondent explained that in preparation for the BOE hearing, an error was discovered regarding how the land valuation schedule was applied to the subject lots. After correcting the error, Respondent concluded a land value of \$34,000 for each subject lot, so for purposes of equity throughout the mobile home park, requested the BOE reduce subjects' assessed values accordingly. To demonstrate equity in the park, Respondent provided a land value map showing a consistent land value of \$34,000 for lots similar in size to subjects.

Respondent first shared that Appellant purchased subject Lot 14 along with a 1972 model single-wide mobile home for \$52,500 in late 2023. Respondent additionally offered information on three (3) recent lot sales. Sale No. 1 was a .08 acre lot purchased in October 2023 for \$49,445. After applying a time adjustment to reflect pricing levels on January 1, 2024, and removing values attributable to outbuildings, Respondent determined a residual value of \$50,187, or \$14.79 per square foot for the land. Sale Nos. 2 and 3, both located in subjects' mobile home park, concerned a .11 acre lot purchased in November 2022 for \$32,500 and a .13 acre lot sold in April 2023 for \$45,000. Respondent calculated residual adjusted land prices of \$34,775, or \$7.50 per square foot, for Sale No. 2 and \$47,025, or \$8.37 per square foot, for Sale No. 3. Respondent emphasized subject's land values, each at \$34,000, or \$8.72 per square foot, were equitable with similarly sized lots in the mobile home park and were also less than all three (3) adjusted land prices yielded by the sales analysis.

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 sales comparison approach, the cost approach, and the income approach comprise the three (3) primary methods for estimating the market value of real property. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using the sales comparison approach, which approach in basic terms compares recent sales of similar properties to the subject property, with adjustments made for differences in key property characteristics.

Appellant's focus was on the increases in subjects' assessed values the prior couple years, particularly compared to the lesser increases of other lots Appellant owns in different counties. Though Appellant's concerns are understandable, a comparison of assessed values is not a recognized method of valuation and is not regarded as the most reliable indicator of current market value. Even ignoring this, the assessment data shared by Appellant did not demonstrate the increases in subjects' land values were excessive, even though the referenced parcels are located in different counties with markedly

different markets. Not only have subjects' land values remained static³ for 2023 and 2024, the same as the referenced lots, but subjects' assessed land values of \$34,000 each are the lowest in the data set. In all, the Board was strained to correlate the assessment information shared by Appellant to the conclusion the subject parcels are overvalued.

Subjects' land values were further supported by Respondent's sales data, particularly the two (2) lots located in subjects' mobile home park. The lots were .11 and .13 acres in size, with adjusted residual land prices of \$34,775, or \$7.50 per square foot, and \$47,025, or \$8.37 per square foot, respectively. The subject lots are assessed at a slightly higher rate of \$8.72 per square foot, as is to be expected because the sale parcels are larger, which, as suggested by the principle of economies of scale, should carry a lower valuation rate per square foot.

In addition to Respondent's sales analysis, it was not lost on the Board that Appellant's purchase of subject Lot 14 and a 1972 mobile home in late 2023 for \$52,500, exceeds the current combined assessed values of the lot and the mobile home. Though not conclusive evidence of its current market value, the mobile home is currently assessed at \$16,070, which, when combined with the \$34,120 assessed value of Lot 14, calculates to a combined assessed value of \$50,730. Given this, and the timely sales information from subjects' immediate neighborhood, the Board found subjects' current valuations reasonable.

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. Given the record in this matter, the Board did not find the burden of proof satisfied. Respondent's sales data,

³ Though the land value of Lot 9 remained unchanged at \$34,000 for the 2023 and 2024 assessment years, the value of the other improvements decreased from \$860 in 2023 to \$660 in 2024.

along with Appellant's recent purchase of Lot 14, were found to represent the best indicators of subjects' current market values in this instance. As such, the Board will affirm the decisions of the Bannock County Board of Equalization.

FINAL ORDER

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

DATED this 21st day of January, 2025.