

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF) APPEAL NOS. 13-A-1075
SSVQP, INC. AND THOMAS AND REBECCA) & 13-A-1076
ARNOLD from decisions of the Custer County)
Board of Equalization for tax year 2013.) FINAL DECISION
) AND ORDER

VACANT LOT APPEALS

THESE MATTERS came on for hearing September 26, 2013, in Challis, Idaho before Board Member David Kinghorn. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Rebecca Arnold appeared at hearing for Appellants. Deputy Assessor Tracy Barrett and County Appraiser Jeremy Dixon appeared for Respondent Custer County. These appeals are taken from decisions of the Custer County Board of Equalization denying protests of valuation for taxing purposes of two (2) properties described by Parcel Nos. RPE00520000070A and RPE00520000040A.

The issue on appeal is the market value of two (2) vacant, residential building lots.

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

FINDINGS OF FACT

Appeal No. 13-A-1075 - Parcel No RPE00520000070A (Lot 7)

The assessed value of this .62 acre lot is \$182,150. Appellant requests the value be reduced to \$135,600.

Appeal No. 13-A-1076 - Parcel No. RPE00520000040A (Lot 4)

The assessed value of this .62 acre lot is \$182,150. Appellants request the value be reduced to \$103,000.

Both subjects are single-family building lots located in Meadow Tracts Subdivision

in Stanley, Idaho. These two (2) appeals were consolidated for hearing and decision purposes as both parties presented one (1) set of evidence for both lots.

Appellant's value claim for Lot 7 was based on that lot's June 2013 purchase price for \$135,600. Respondent explained where the sale took place well beyond the January 1, 2013 appraisal date, the sale information was not used in its analysis.

Subject Lot 4 was described as having an impeded view compared to other parcels in the area. Appellants noted these other lots had lower assessed values. Appellants declared there was a 22 foot wide access/utility easement along the north and east side of Lot 4, which was suggested to involve 24% of the lot. Appellants contended these property characteristics should be considered and reflected through a decreased assessed value. Respondent explained there were no access easements for Lot 4 reflected on the original approved and recorded plat. Therefore the assessment of Lot 4 had not been adjusted by the County.

Appellants provided if the current assessment rate of \$6.74 per square foot was applied to Lot 4's "useable" space, the resulting value would be \$138,462.

Appellants provided assessed values of six (6) properties in subjects' area. The land sizes of the referenced lots ranged from .25 acres to 1.18 acres, with the indicated assessment rates between \$0.64 and \$4.91 per square foot. Appellants suggested the information showed inequities among assessed values in subjects' area.

Respondent reported the above six (6) properties referenced by Appellants were assessed differently from one another for a variety of reasons. Some of the parcels consisted of swampy land, some had water issues, and others had building restrictions.

Respondent deemed the lots were not comparable to subjects.

Respondent explained information on only nine (9) sales had been reported in subjects' area. All nine (9) sales were considered in the land value study used to appraise subjects. The sales took place between 2008 and 2011. Respondent mainly focused on six (6) sales which were dated from 2010 and 2011. One (1) bare land sale took place in March 2010 with a sale price of \$190,000, or \$9.70 per square foot. The remaining sales were all improved parcels. After abstracting the improvement values, land residuals indicated between \$82,150 and \$239,190 per site. The parcels ranged in size between 6,833 and 64,033 square feet. Subjects' .62 acre size equates to about 27,000 square feet.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires all property be assessed annually on January 1 at market value; January 1, 2013 in these cases. Market value is defined in Idaho Code § 63-201 as follows:

“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.

There are three (3) generally accepted appraisal approaches for determining market value: the income approach, the cost approach, and the market or sales comparison approach. See *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Bare land, especially residential property, is commonly appraised through the sales comparison approach, i.e. through a comparison to recent, proximate sales of similar property.

The subject Lot 4 was purchased in May 2013 for \$135,600. As noted above, the effective date of valuation in these matters is January 1, 2013. The sales comparison approach relies on direct comparisons to *recent* sales. Sales occurring after the effective date of valuation or January 1st in these instances, are generally not used for direct comparison purposes. Consequently the Board did not consider the post valuation date information in determining subjects' current market values.

Appellants provided assessment records of properties located in the vicinity of the subject lots. It was claimed there were inconsistencies with the assessed values. Comparisons of assessed values however, is not a recognized appraisal approach. The analysis and information in itself did not provide good evidence of subjects' market values.

The Board understands Appellants' concerns regarding the easement, however, as Respondent noted, there is no recorded plat showing such easement. The recorded plat in record was that offered by Respondent wherein the easement is not reflected. The Board found there was insufficient evidence to support making a 24% reduction in land size, and the corresponding value adjustment, as requested by Appellants.

Respondent considered sales of properties in subjects' appraisal area. Within the record, these sales were the only timely market value evidence presented for the Board's

consideration. The County's consideration of the sales information was found to be supportive of subjects' assessed values. Subjects' assessments bore a reasonable relationship to the best market value evidence in record. We did not find good evidence that subjects were over-assessed or otherwise improperly assessed. Pursuant to Idaho Code § 63-511, an appellant has the burden to prove an assessed value is erroneous by a preponderance of the evidence. The Appellants here did not present valid market value evidence in support of their respective value claims, nor was any other error demonstrated. Consequently the burden or proof was not met in either case. For the expressed reasons, the decisions of the Custer County Board of Equalization will be affirmed.

FINAL ORDER

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

DATED this 14th day of January, 2014.