

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF) APPEAL NO. 13-A-1077
THOMAS AND REBECCA ARNOLD from a)
decision of the Custer County Board of) FINAL DECISION
Equalization for tax year 2013.) AND ORDER

VACANT LOT APPEAL

THIS MATTER 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. Appellant Rebecca Arnold appeared at hearing. Deputy Assessor Tracy Barrett and Appraiser Jeremy Dixon appeared for Respondent Custer County. This appeal is taken from a decision of the Custer County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP000950000010A.

The issue on appeal is the market value of a vacant residential building lot.

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

FINDINGS OF FACT

The assessed land value is \$213,530. Appellants request the land value be reduced to \$165,000.

The subject property is a vacant 2.28 acre residential lot located in the Crooked Creek subdivision in Stanley, Idaho.

Appellants contended subject was not assessed consistent with nearby properties. Assessed values of ten (10) properties located in subject's general area were provided. The properties ranged between 1.72 acres and 19.5 acres with assessed values between \$0.24 and \$2.19 per square foot. Photographs depicting the nearby properties' views, as

well as subject's views, were provided. It was suggested subject does not enjoy the same views as the comparison parcels, yet is assessed higher than those with superior views. Most of the referenced properties were located outside subject's subdivision. Appellants argued, however, the properties were located nearby and therefore should be valued similarly.

Appellants described subject as having a restricted building envelope and also a road easement which further reduces the usable size of the parcel. Appellant calculated the usable portion of the 2.28 acre lot at 1.78 acres. It was argued the current assessed value rate of \$2.15 per square foot should be applied against the usable area, resulting in a value of \$166,704.

Respondent explained in Custer County, neighborhoods were developed and that sales are used in each area to develop the assessed values within that area. For subject and its area, Respondent provided information on seven (7) sales which took place between 2007 and 2012. It was noted recent sales in subject's area were limited and thus the older sales information was considered. However Respondent focused mainly on the most recent sales thought to be most comparable to subject. The first sale was a bare two (2) acre lot which sold in September of 2011 for \$230,000, or \$2.64 per square foot. The next sale mentioned was a vacant .97 acre lot which sold in February 2010 for \$90,000. Lastly, information on an improved sale situated on .96 acres was provided. This property sold for \$120,000 in August 2012. It was described as being improved with a cabin in poor condition which needed to be torn down.

Respondent explained that although subject is encumbered with various easements, there was insufficient market value information to measure any impact on value.

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 at market value on January 1. Idaho Code § 63-201 defines market value as,

“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.

Appellants pointed to the assessed values of properties in subject's area. They contended neighboring properties with better views had lower assessed values. There are three (3) primary methods for determining market value: the cost approach, the income approach, and the market data (sales comparison) approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Appellants did not provide for our review any analysis consistent with one of these appraisal methods. We found the comparison of assessed values was not good evidence of subject's January 1, 2013, market value.

Appellants also contended subject had some negative attributes. One of these was

the presence of road easements on two (2) sides of the lot, as well as the lot backing up to a state highway. Lastly, it was noted subject had a relatively small building envelope. Respondent explained its consideration of past sale information did not demonstrate properties with road easements sold for less. Therefore, Respondent did not make an adjustment for this property characteristic in subject's assessment.

Respondent explained the land value study was prepared from the reported sales information. The available sales occurred from 2007 to 2012. Respondent mostly focused on three (3) more recent sales to support subject's assessed value. These lots ranged in size between .57 and 2 acres. Their sales prices, as bare land or calculating a land residual, were between \$1.57 and \$6.01 per square foot. Subject is assessed within this price rate range, at \$2.15 per square foot.

The Board did not find error in subject's assessed value, which assessment was found to be supported by the sales information in record. Appellants failed to offer a market based appraisal in support of their value claim. Nor did Appellants prove error in subject's current assessment. The burden of proof in this matter, per Idaho Code § 63-511, was not met. Under that burden, Appellants must show error by a preponderance of the evidence. For the foregoing reasons, the decision of the Custer County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Custer County Board of Equalization concerning the subject parcel be, and the same

hereby is, AFFIRMED.

DATED this 14th day of January, 2014.