

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF CANYON) APPEAL NO. 13-A-1062
COUNTY ASSESSOR (AMOS) from a decision of)
the Canyon County Board of Equalization for tax) FINAL DECISION
year 2013.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 7, 2013 in Caldwell, Idaho before Board Member Leland Heinrich. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Chief Deputy Assessor Joe Cox, Chief Appraiser Brian Stender and Appraiser Roger Craig appeared at hearing for Appellant Canyon County Assessor. John and Cynthia Amos appeared for Respondent. This appeal is taken from a decision of the Canyon County Board of Equalization (BOE) modifying the protest of valuation for taxing purposes of property described by Parcel No. 304211100.

The issue on appeal is the market value of an improved residential property.

The decision of the Canyon County Board of Equalization is reversed.

FINDINGS OF FACT

The BOE-assessed land value is \$81,630, and the improvements' valuation is \$319,500, totaling \$401,130. Appellant-Assessor requests the land value be increased to \$89,700, and the improvements' value be increased to \$351,100, totaling \$440,800. The subject property's original total assessed value was \$440,800, which was reduced by the BOE to \$401,130.

The subject property consists of 4.97 acres improved with a 2,926 square foot residence built in 2003. The parcel is further improved with some outbuildings and other concrete improvements. The combined assessed value of these improvements is \$110,700. The subject property is located in a rural residential subdivision near Nampa, Idaho.

Appellant contended the BOE's decision to reduce subject's total assessed value by

roughly 9% was arbitrary and unsupported by current market data. Appellant further commented that because only those property owners in subject's development who appealed were granted a value reduction, the BOE's decision created inequity. According to Appellant, the BOE's decision was partly based on the Idaho Transportation Department's (ITD) plan to construct a multi-lane highway adjacent to subject's subdivision. Appellant acknowledged values may be impacted once the highway project is completed, however, as of January 1, 2013, the project had not been started. Appellant further noted that according to ITD, there is no dedicated funding for the project for at least the next five (5) years. In Appellant's view, the BOE erred in reducing values based on the possibility that values may be impacted at some point in the future due to the pending highway project.

Respondent-Taxpayer argued the BOE's decision was proper because the highway project will negatively impact values. While not aware of the pending highway project when subject was purchased, Respondent noted that such information would have to be shared with any future buyer of the property. In Respondent's view, completion of the highway was not necessary because values have already been tainted.

In support of its value position, Appellant offered ten (10) improved sales from rural subdivisions similar to subject's. Sale Nos. 1, 2, and 3 were located in subject's development. They approximated subject in terms of lot size, age, and square footage. Appellant noted, however, Sale No. 1 was not finished when it sold in July 2012 for \$399,000. Sale prices for this group ranged from \$325,000 to \$414,000. After making value adjustments for physical differences between subject and the sale properties, Appellant determined adjusted sale prices between \$436,200 and \$473,200, or from \$119 to \$148 per square foot.

The next group, Sale Nos. 4, 5, 6, 7, and 8, were located in subdivisions situated roughly one (1) mile from the subject development. The lots were roughly one (1) acre in size. The residences were generally similar to subject in terms of age and size, though some came with a swimming pool or spa improvements. After adjusting for differences compared to subject, Appellant calculated adjusted sale prices between \$406,155 and \$515,400, or between \$133 and \$169 per square foot.

The final sales, Nos. 9 and 10, were located in a subdivision approximately five (5) miles away. Both sale lots were a little larger than one (1) acre. Sale prices were \$342,000 and \$315,000 for Sale No. 9 and 10, respectively. Adjusted sale prices were \$479,100 and \$462,500, or \$169 and \$161 per square foot.

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 taxable property be assessed annually at market value on January 1 of the relevant tax year. The definition of market value is provided in Idaho Code § 63-201:

“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.

Appellant provided ten (10) sales for comparison with subject. The sales occurred during

2012 and mostly concerned properties within roughly one (1) mile of subject; including three (3) from subject's subdivision. Adjustments were made for physical differences between subject and the sale properties. Adjusted sale prices were between \$406,155 and \$515,400 or from \$119 to \$169 per square foot. The BOE decision lowered subject's assessed value from nearly \$151 to \$109 per square foot.

Respondent did not offer sales information, however, maintained the BOE's decision was proper. According to Respondent, the pending highway project has already negatively impacted values. Appellant countered there is no funding for the portion of the project near subject for at least the next five (5) years. As such, Appellant contended there was no basis for lowering values before the highway installation is complete. Under the circumstances, the Board concurs.

While it is quite possible subject's value will be materially impacted by the nearby highway once it is constructed, or when construction is more imminent, Respondent provided nothing evidencing an affect on current values. A special adjustment now for the rather distant future highway project would be premature and subjective. The time for adjustment is when prices in subject's area have actually been impacted. From the evidence in record, it does not appear that time has yet arrived.

In appeals to this Board the burden is on Appellant to prove error in subject's assessed value by a preponderance of the evidence. See Idaho Code § 63-511. In this particular instance, the Board finds that burden was satisfied. Appellant provided ten (10) sales and made adjustments for differences compared to subject. The sale properties fairly represented subject in terms of age, size, and quality of construction. Other differences were accounted for in Appellant's sales grid analysis. There was no discernable price difference between those sales

located near the proposed highway and those located further away. In other words, the market data did not suggest the proposed future highway improvements have impacted values in subject's area. Overall, the sales information was found to support the higher value requested by Appellant.

Accordingly, the decision of the Canyon County Board of Equalization is reversed, thereby increasing subject's land value to \$89,700 and the improvements' valuation to \$351,100, totaling \$440,800.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Canyon County Board of Equalization concerning the subject parcel be, and the same hereby is, REVERSED to reflect an increase in subject's total value to \$440,800.

DATED this 17th day of January, 2014.