

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF CANYON) APPEAL NOS. 13-A-1185
PROPERTIES, LLC from decisions of the Twin Falls) thru 13-A-1189
County Board of Equalization for tax year 2013.) FINAL DECISION
) AND ORDER
)

AGRICULTURAL EXEMPTION APPEALS

THESE MATTERS came on for hearing December 5, 2013, in Twin Falls, Idaho before Hearing Officer Travis VanLith. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Owner Gary Nelson appeared at hearing for Appellant. County Attorney Jennifer Bergin, Assessor Gerry Bowden and Appraisers John Knapple and Michael Brown appeared for Respondent Twin Falls County. The appeals are taken from decisions of the Twin Falls County Board of Equalization denying protests of valuation for taxing purposes of property described by the following Parcel Nos. RPT06350130130A, RPT06350130140A, RPT06400130260A, RPT06400130270A and RPT06400130280A.

The issue on appeal is whether land qualifies for a partial exemption from property taxes pursuant to Idaho Code § 63-604.

The decisions of the Twin Falls County Board of Equalization are affirmed.

FINDINGS OF FACT

Following are the county's assessed values, and Appellant's requested values, for the five (5) subject parcels.

<u>Appeal No.</u>	<u>Parcel No.</u>	<u>Assessed Value</u>	<u>Requested Value</u>
13-A-1185	RPT06350130130A	\$910,172	\$35,396
13-A-1186	RPT06350130140A	\$299,913	\$ 1,226
13-A-1187	RPT06400130260A	\$219,965	\$ 838
13-A-1188	RPT06400130270A	\$232,986	\$ 887
13-A-1189	RPT06400130280A	\$400,990	\$ 2,081

Subjects are adjacent lots located within a larger commercial development in Twin Falls, Idaho. Only the assessments of these five (5) parcels were appealed however, where the County found the adjacent lands owned by Appellant were farmed and should be granted the agricultural exemption. Appellant requested subjects be assessed for 2013 as land actively devoted to agriculture, pursuant to the agricultural exemption.

For 2013, Respondent did not find sufficient evidence of qualifying agricultural use. Therefore, the five (5) parcels were assessed at full market value. The remainder of the development was actively devoted to agricultural and was granted the exemption.

Appellant explained subjects were in fallow for the past two (2) years. The plan going forward was to leave about one-third of the development in a rotating fallow plan. Appellant intends to farm subjects in 2014. Respondent contended that typically even fallow ground is worked each year, however, the subject lands were noted to be untouched for the past two (2) years.

Currently, Appellant reported the subject parcels are for sale as commercial property. The only offers received were said to be at \$4 or lower per square foot. Respondent noted one (1) lot in the development had sold, but the sale price was not disclosed. Further, some subject lots sold in early 2014. Again the price information was not disclosed.

Respondent explained the agriculture exemptions were denied because subjects were not actively devoted to agricultural purposes during 2013. Where property in the surrounding area is commercial, and subjects are being marketed as commercial lots, Respondent considered subjects to be commercial and assessed them accordingly.

Information on four (4) commercial lot sales was provided by Respondent. The average

price per square foot of the sales was \$13.48. The sales ranged in size between 1.0 and 1.3 acres, with price rates between \$11.26 and \$18.86 per square foot. One (1) sale was not used in the calculation due to unusual circumstances surrounding the sale and the location being superior to subjects'. Using the three (3) remaining sales, Respondent calculated subjects' commercial land value at \$11.25 per square foot. Adjustments were then made for size, with excess acreage assessed at a lower rate. Other adjustments were made for sidewalks, curbing and gutters.

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 § 63-203 requires all property not specifically exempt by statute be assessed at market value.

The issue presented in this case is whether the certain lands qualify for a partial exemption from property taxes pursuant to Idaho Code § 63-604, i.e. whether the land qualifies as land actively devoted to agriculture.

Idaho Code § 63-604 provides in pertinent part,

(1) For property tax purposes, land which is actively devoted to agriculture shall be eligible for appraisal, assessment and taxation as agricultural property each year it meets one (1) or more of the following qualifications:

(a) The total area of such land, including the homesite, is more than five (5) contiguous acres, and is actively devoted to agriculture which means:

- (i) It is used to produce field crops including, but not limited to, grains, feed crops, fruits and vegetables; or
- (ii) It is used to produce nursery stock as defined in section 22-

2302(11), Idaho Code; or
(iii) It is used by the owner for the grazing of livestock to be sold as part of a for-profit enterprise, or is leased by the owner to a bona fide lessee for grazing purposes; or
(iv) It is in a cropland retirement or rotation program.

From the record, we find subjects were left, from an agricultural standpoint, fundamentally unattended or unmanaged for 2011 and 2012. As Respondent noted, the ground was basically untouched. Per testimony from Appellant, the only thing done on the land was some mowing and weeding. The suggestion or claim that the subject lots were in a rotation or retirement program in 2011 and 2012 was unavailing.

Next, we look to the assessed market values for subjects. Appellant suggested if the agricultural exemption was not granted, then the assessed values per square foot were too high. Appellant stated the only purchase offers received for subjects were \$4 per square foot or lower.

Respondent considered three (3) of four (4) vacant commercial lot sales to determine a median rate of \$13.48 per square foot for vacant land. Respondent then made adjustments to arrive at subjects' assessed values.

“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.

In appeals to this Board, the burden lies with Appellant to prove error in subject's valuation by a preponderance of the evidence. See Idaho Code § 63-511. Appellant did not provide evidence sufficient to prove subjects' land was actively devoted to agricultural use in a qualifying fashion. Nor was error proven in the assessed market values of the subject parcels. Respondent's market values were demonstrated to be based on a consideration of recent,

comparable sales. Appellant did not provide a superior appraisal of the market. Based on the facts in this case, the decisions of the Twin Falls County Board of Equalization will be affirmed.

FINAL ORDER

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

DATED this 25th day of March, 2014.