

BEFORE THE IDAHO BOARD OF TAX APPEALS

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| RICHARD HAZEN, |) | |
| |) | |
| Appellant, |) | APPEAL NO. 15-A-1229 |
| |) | |
| v. |) | FINAL DECISION |
| |) | AND ORDER |
| TWIN FALLS COUNTY, |) | |
| |) | |
| Respondent. |) | |
| _____ |) | |

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Twin Falls County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. RPB72510065407A. The appeal concerns the 2015 tax year.

This matter came on for hearing November 3, 2015 in Twin Falls, Idaho before Hearing Officer Travis VanLith. Appellant Richard Hazen was self-represented. Gerry Bowden represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of an unimproved residential parcel.

The decision of the Twin Falls County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$72,218. Appellant contends the correct land value is \$49,760.

The subject property is 10.6 acre vacant parcel, with 3.99 acres being valued as farmland at \$8,531, and the remaining 6.6 acres valued as residential land at \$63,687.

Subject is located in Buhl, Idaho.

Appellant characterized the area of Buhl as a depressed market. Appellant helped develop a subdivision adjacent to subject and noted 10 of the 24 lots have not sold. The current asking prices of the lots are \$17,000, which Appellant explained was less than development costs for the lots. Even at \$17,000 per lot, only two (2) to three (3) lots are selling each year.

Appellant provided sales from the Multiple Listing Service for building lots in the area which sold between October 2013 and September 2014. Appellant sorted the sales in a couple different ways to support the requested value. Distressed sales were included, as Appellant concluded they comprised a significant portion of the market in the area. The sales ranged between .5 and 9.9 acres in size, with the majority of the sales being under 5 acres. Sale prices were between \$12,000 and \$155,000. For comparison, subject is 10.6 acres with an assessed value of \$72,218. In Respondent's view, Appellant's sales are not comparable as they contain noticeably smaller acreage. Appellant testified if subject were put on the open market the asking price would be \$59,000.

Respondent considered subject as developmental ground because of its large acreage. As such, Respondent focused on sales of parcels that could be subdivided and developed. Appellant countered subject is not being used as development ground and it likely will be sold as a single-family property. Appellant did concede technically subject could be subdivided, however, this was not the plan with prices as low as they currently are.

Respondent offered information on two (2) sales located in the neighboring town of Filer for comparison to subject. Sale No. 1 was a vacant 6.66 acre lot which sold in October 2013 for \$76,500. After adjustments for differences from subject for size, location and time, an adjusted sale price of \$78,241, or \$11,748 per acre was determined. Sale No. 2 was another vacant 6.66 acre lot which sold in February 2014 for \$80,000. After the same adjustments as above, the adjusted sale price of \$69,466, or \$11,496 per acre was determined. Using the average adjusted sale price per acre of \$11,622 and applying it to the residential 6.66 acres of subject, Respondent derived a value of \$77,403. After further analysis of subject, Respondent determined a lower base table should be used to value subject's residential acreage. Applying the lower table, Respondent requested a reduction of value to \$62,471, with the agricultural portion of the land to remain at \$8,531, for a total assessed value of \$71,002.

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 taxable property be assessed at market value annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, 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.

Market value is estimated according to recognized appraisal methods and techniques. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. Both parties relied on a sales comparison approach to value.

Appellant provided a list of twelve (12) 2014 sales to compare to subject. While we appreciated the sales information, direct comparisons to subject were not made. The largest acreage sales were one (1) 9.3 acre parcel which sold for \$40,000, and two (2) 4.99 acre properties which sold for \$25,000 each. We do not find where Appellant’s sales can be developed like subject. The Board fails to see the comparability as there were no details regarding the likeness of the sales compared to subject.

Respondent's analysis of market value looked to only vacant land sales which could be developed. The two (2) sales were located in the next town, however were said to be comparable in size and likeness. In the appraisal of subject, it would have been preferable to have sales located in subject’s immediate area, however we found the potential use and size of Respondents land sales to be most similar to subject.

Using a lower land table Respondent requested subject’s residential land value be reduced to \$62,471.

The Board finds Respondent's analysis was the best information in record to support

an estimate of subject's value. Per Idaho Code § 63-511, in appeals to this Board, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Appellant did not meet this burden, however, we do find sufficient cause to lower subject's assessed value to that offered by Respondent. Accordingly, the Board will modify the decision of the Twin County Board of Equalization to reflect a total assessed value of \$71,002.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Twin Falls County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED this 12th day of February, 2016.