

BEFORE THE IDAHO BOARD OF TAX APPEALS

BRIDGETT KAYSER,)	
)	
Appellant,)	APPEAL NO. 14-A-1056
)	
v.)	FINAL DECISION
)	AND ORDER
BONNER COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RPD00000322430A. The appeal concerns the 2014 tax year.

This matter came on for hearing September 24, 2014 in Sandpoint, Idaho before Hearing Officer Travis VanLith. John Hansen represented Appellant at hearing. Assessor Jerry Clemons 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 unbuildable waterfront parcel.

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

FINDINGS OF FACT

The assessed land value is \$157,500, and the improvements' valuation is \$4,500, totaling \$162,000. Appellant contends the correct land value is \$87,500, with the improvements' value to remain at \$4,500, totaling \$92,000.

Both parties described subject as being an unbuildable, waterfront "picnic lot" located in Dover, Idaho. Some of the parcel is situated below the Pend Oreille River's high

water mark. Improvements on the subject parcel include a boat dock. Appellant also owns the developed parcel which is situated uphill (upbank) from subject and across a small dead end roadway. The subject parcel is one (1) of four (4) waterfront parcels accessed by the dead end road which also serves the four (4) residences that go with the waterfront parcels.

Appellant presented information on nearby or adjoining "property assessment comps". Also offered was information on one (1) sale and some assessments of unbuildable, waterfront lots located a little over three (3) miles downstream. Associated with the downstream property, the building site was situated across a state highway and railroad tracks from its associated picnic lot. This property sold in June of 2013 for \$160,000. Appellant noted these picnic lots located downstream received more negative adjustments than were applied to the assessment of subject. Respondent contended the picnic lots downstream were not comparable to subject. This was stated to be due in part to their lack of legal deeded access, as well as differences in the adjoining or nearby property uses. Appellant countered that the subject parcel was near a main railroad line with several trains a day, while the picnic lots downstream merely abutted a branch line used only a couple times a week.

Respondent presented information on four (4) waterfront sales in 2013 which were all located in subject's immediate neighborhood. One (1) sale was next to subject and had the same residence and unbuildable waterfront lot combination. The other sales were buildable sites located next to subject or only a couple lots distant. From the sales

Respondent first determined a base waterfront value for the neighborhood. For the subject parcel and its three (3) similarly situated neighbors, the picnic lots were downgraded for size and received a further negative adjustment from the base value for being unbuildable (-55%).

In determining the base waterfront land value, Respondent deducted the assessed values of improvements where present and any other land to determine the waterfront residual. Only one (1) of the sales involved the residual calculation. Appellant contended the process for determining a land residual value from a sale price was inappropriate and inaccurate.

The four (4) sales indicated the following front foot values: \$1,619, \$2,795, \$4,709 and \$4,821. Subject was assessed at \$1,575 per front foot. The \$1,619 sale rate was associated with the unbuildable picnic lot that abutted subject. The sale rate of \$2,795 was the one (1) sale that was connected with a larger frontage. The other three (3) sales had a similar frontage to subject, though were slightly larger. Respondent expressed how normally the valuation of picnic lots is made difficult by a lack of recent nearby sales. But in the case of subject's appraisal, there were multiple timely sales in the immediate vicinity, including the parcels to either side of subject.

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, 2014 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.

This is essentially a land value question where there is no dispute on the value contribution of the boat dock improvements. The subject property is first a waterfront property. It is also an unbuildable site, what is commonly termed a picnic lot. The site was found to have relatively good access and characteristics except the more usable portion is somewhat small.

The appraisal of land like the subject property is accomplished with reference to and analysis of recent sales of comparable property. Normally the availability of good comparable sales for picnic lots is limited, making for a relatively challenging valuation. Like Respondent, the Board finds the availability of good comparable sales was not a special issue in this case. There were four (4) recent, waterfront sales all located in subject’s immediate vicinity. One (1) of the sales included a picnic lot almost identical to subject. That is not to say a fair consideration of the sale price information was not still a challenge and at least partially subjective.

In contrast with Respondent's consideration of the above referenced sales, Appellant asked the Board to consider information from the assessments of other property and a sale that included a picnic lot located about three (3) miles down river. A consideration of assessed values is not a recognized appraisal method or technique. Though a comparison can be made with the subject, an assessed value is not a comparable sale and it is not considered to be good evidence of market value. In evaluating the sale of the lot located down river, it was timely and comparable, but the sale was not found to be a better comparable for subject in comparison to the more proximate sales. Appellant did not present any appraisal adjustments to the sale for differences between the selling property and the subject parcel.

The subject waterfront was highly similar to the comparable sales presented by Respondent. These sales were found by the Board to be the best comparable sales available in the record. Respondent made a negative 55% adjustment for the fact subject was unbuildable. This appeared reasonable given the information in record. Appellant presented a different valuation of subject which also considered some market sales information. Appellant's appraisal was not found to be a more accurate estimate of market value. Nor did Appellant's case otherwise prove error in Respondent's 2014 assessment of subject. On the key adjustment for unbuildable, Appellant did not present a different adjustment factor.

In appeals to this Board, the burden is with Appellant to prove error in the county valuation by a preponderance of the evidence. Idaho Code § 63-511. That burden was

not met. Therefore, the decision of the Bonner County Board of Equalization will be affirmed.

FINAL ORDER

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

DATED this 26th day of December, 2014.