

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF MEL) APPEAL NO. 13-A-1148
WIENCKOWSKI TRUST from a decision of the)
Kootenai County Board of Equalization for tax year) FINAL DECISION
2013.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 28, 2013, in Coeur d'Alene, Idaho before Board Member Linda Pike. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Mel Wienckowski appeared at hearing for Appellant. Assessor Mike McDowell, and Appraisers Darin Krier and Rindie Clairmont appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. B2999000023A.

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

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

FINDINGS OF FACT

The assessed land value is \$100,800, and the improvements' valuation is \$194,270, totaling \$295,070. Appellant requests the improvements' value be reduced to \$174,270, with no change in the value of the land, totaling \$275,070.

The subject property is a 1.002 acre parcel located near Bayview, Idaho. Subject is a second tier waterfront property with views of Lake Pend Oreille. The parcel is improved with a 3,896 square foot residence constructed in 1984. Other improvements include an attached 506 square foot garage and a detached garage with 484 square feet.

Subject was reappraised for the current tax year as part of the county's regular appraisal cycle. Included in that effort was an onsite inspection. During the inspection Respondent

discovered some improvements which had not been previously noted in subject's property records. The improvements consisted of several stone and concrete walls installed during 2002 and 2003 in an effort to control erosion around subject's foundation. Using the Marshall & Swift cost manual, Respondent calculated replacement values for the newly-discovered improvements as follows:

<u>Wall Type</u>	<u>Square Feet</u>	<u>Value Rate</u>	<u>Value</u>
Natural stone erosion	1,785	\$12.50	\$22,312
6" concrete retaining	425	\$12.50	\$5,312
Keystone block	360	\$13.50	\$4,860

After determining the base replacement costs for the above improvements, Respondent applied a local cost modifier and a depreciation factor to arrive at the combined assessed value of approximately \$20,000.

Appellant questioned why the improvements were not assessed in previous years despite Respondent's inspection of the property in 2004 and 2007. The improvements were finished in 2003. For them to suddenly appear on subject's 2013 assessment was viewed by Appellant as dubious. Appellant requested the newly-added improvement values be removed from subject's assessment, or in the alternative, that their total assessed value be reduced by 50%.

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. 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.

Appellant’s primary concern centered on Respondent adding certain improvements to subject’s property record. The stone and concrete walls were installed during 2002 and 2003. Appellant questioned why the assessed values of the walls were first added during Respondent’s 2012 inspection and not during the prior 2004 and 2007 inspections.

Respondent did not know why the improvements were not captured in subject’s previous assessments, but explained the improvements were noticed during the course of the most recent inspection and thus were added to subject’s assessment. After applying a local cost modifier and depreciation, Respondent determined a current value of roughly \$20,000 for the newly-discovered improvements. The Board finds no error in Respondent’s efforts to accurately reflect and assess subject’s physical property characteristics.

“In determining the value of property for taxation purposes the assessor may and should consider cost, location, actual cash sale value and all other factors, known or available to his knowledge, which affect the value of the property assessed, to the end that the property of each taxpayer will bear its just proportion of the burden of taxation.” *Abbot v. State Tax Comm’n*, 398 P.2d 221, 225, 398 P.2d 221, 225 (1965). In other words, Respondent is required to factor into its analysis all known facts about a property which affect value. As applied here, the rock and concrete walls are factors which affect subject’s value, even if Appellant had no such intent at the time the improvements were installed. As such, they should be included in the assessment.

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. That burden was not satisfied in this particular instance. Appellant did not provide value evidence to support reducing the value Respondent attributed to the stone and concrete walls. Indeed, Appellant did not disagree with the improvement values, but rather objected to the fact they were first added about ten (10) years after being installed. The Board understands Appellant's concerns on this issue and agrees it is unfortunate the improvements were not captured during prior inspections. Nevertheless, the improvements contribute value so they must be included in subject's assessment.

Based on the above, the decision of the Kootenai County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 5th day of March, 2014.