

BEFORE THE IDAHO BOARD OF TAX APPEALS

SHANNON PAGE,)	
)	
Appellant,)	APPEAL NO. 15-A-1254
)	
v.)	FINAL DECISION
)	AND ORDER
BOISE COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Boise County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP054000228460. The appeal concerns the 2015 tax year.

This matter came on for hearing October 22, 2015 in Idaho City, Idaho before Hearing Officer Cindy Pollock. Appellant Shannon Page was self-represented. Chris Juszczak represented Respondent.

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

The issue on appeal concerns the market value of a vacant residential parcel.

The decision of the Boise County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$110,548. Appellant contends the correct land value is \$58,370.

The subject property is an unimproved five (5) acre parcel located in the Pine Tree Ranch area of Garden Valley, Idaho. Subject was described as having nice views of the surrounding area. Appellant also noted subject has electricity available, however, does not

have water rights nor a well.

Appellant offered several sets of data in support of reducing subject's value. The first was a comparative market analysis (CMA) prepared by a local realtor. The CMA included six (6) unimproved sales from 2014. Lot sizes ranged from 2.65 to 4.96 acres and sale prices were between \$45,000 and \$84,500, or between \$8,467 and \$24,853 per acre. Three (3) of the sales were located in the Northridge Terrace Lakes subdivision, which Appellant regarded as superior to subject's development due to the golf course, tennis, and pool amenities available. Appellant also noted most of the sale properties were timbered parcels, whereas subject is not.

Appellant also provided information regarding five (5) active listings. Three (3) of the properties were put on the market in 2015, while the remaining two (2) had been on the market since 2014 and 2012. The lots ranged in size from 4.24 to 5.98 acres. Asking prices were between \$65,000 and \$99,000, or from \$14,840 to \$16,891 per acre.

Appellant additionally provided an independent fee appraisal report concerning the subject property. The appraisal considered five (5) sales and two (2) active listings. The sales ranged in size from 2.02 to 10.39 acres and sale prices were between \$42,000 and \$115,000, or between \$8,468 and \$35,870 per acre. After making adjustments for differences between subject and the compared properties, the appraisal concluded a value of \$65,000 for subject as of October 20, 2015.

Appellant further provided information regarding four (4) large acreage sales from 2014 and 2015. The two (2) sales from 2015 involved 4.96 and 10.39 acre parcels which

sold for \$42,000 and \$115,000, respectively. The 2014 sale lots were 6.51 and 10.81 acres in size with respective sale prices of \$76,000 and \$87,375.

Finally, Appellant explained subject had been on the market since early 2014 with no offers received. In February 2014, subject was listed for sale with an asking price of \$79,000. The asking price was reduced in 2015 to \$61,500.

Respondent contended Appellant's sales should not be used to determine subject's value because the sale properties were located outside subject's particular development. Respondent characterized subject's area as unique in the Garden Valley area, though specifics were not provide. Respondent maintained only sales from the immediate development should be considered. In this regard, Respondent offered two (2) 2013 sales and one (1) from 2014. Respondent remarked there had not been any large acreage sales in the area for several years, so the sale properties offered involved one (1) acre lots. Sale prices ranged from \$30,000 to \$48,000, or an average of \$40,706 per acre. Subject was assessed roughly \$22,000 per acre.

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.

The three (3) primary methods for determining market value are the income approach, the cost approach, and the sales comparison approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential lots are typically valued using the sales comparison approach and both parties offered relevant information in this regard.

Appellant provided a fee appraisal report concerning subject with an effective date of valuation of October 20, 2015. The value conclusion was reached using sales and active listings from 2015. Normally, an independent appraisal of the subject property would be weighted heavily in the Board's analysis, however, because the value conclusion and the information used to develop said value conclusion occurred after the January 1, 2015 assessment date, the Board is unable to rely on this particular value evidence. The same holds true for the other sales and listing information from 2015.

What remains of Appellant's value evidence are seven (7) sales and three (3) listings, including subject's listing. The sale lots ranged in size from 2.65 to 10.81 acres and sale prices ranged from \$45,000 to \$84,500 or from \$7,586 to \$24,853 per acre. The listings involved lots between 4.24 and 5.0 acres with 2014 asking prices ranging from \$70,000 to \$79,000, or from \$15,800 to \$16,981 per acre. Subject was assessed roughly

\$22,000 per acre.

Respondent argued because subject's development is unique in the Garden Valley area, only sales from the subdivision should be considered. Due to a lack of larger acreage sales, Respondent relied on three (3) sales involving one (1) acre lots. Two (2) of the lots sold in mid-2013 for \$30,000 and \$45,000 and the remaining lot sold in 2014 for \$48,000. Appellant challenged the comparability of the sale lots because they were notably smaller than subject and were timbered.

The Board agrees location is a key property attribute and should feature prominently in a sales comparison approach. Location, however, is not the only factor affecting value. Size is also often an important attribute. Appellant's value evidence focused mostly on size while Respondent's focused strictly on location. The result was widely divergent value conclusions between the parties. Considering all the evidence, however, suggests subject's value is likely somewhere between the parties' respective value claims. In addition to the sales data, the Board also considered subject's listing information. While listings alone are not regarded as conclusive evidence of value, listings can indicate an upper range of value. In 2014, subject was listed for \$79,000, or nearly \$16,000 per acre, which fits squarely within the range of value demonstrated by the timely larger acreage sales and listing information.

Idaho Code § 63-511 requires Appellant prove error in subject's assessed value by a preponderance of the evidence. We find the burden of proof satisfied in this instance. Respondent's analysis focused singularly on location with little to no regard for other key

property attributes or value indicators; including subject's lengthy listing time. Also, it was not clear how Respondent accounted for subject being a five (5) acre parcel, whereas the sale lots were one (1) acre in size. Overall, the Board found the weight of the evidence supported a value reduction.

Based on the above, the decision of the Boise County Board of Equalization is modified to reflect a land value of \$85,000.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Boise County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$85,000.

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.

Idaho Code § 63-3813 provides under certain circumstances that the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 1st day of February, 2016.