

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JOSEPH) APPEAL NO. 13-A-1124
PAYNE from a decision of the Bonneville County)
Board of Equalization for tax year 2013.) FINAL DECISION
) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing November 14, 2013, in Idaho Falls, Idaho before Board Member David Kinghorn. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Appellant Joseph Payne appeared at hearing. Assessor Blake Mueller and Appraiser Peggy Dale appeared for Respondent Bonneville County. This appeal is taken from a decision of the Bonneville County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP03N38E045233.

The issue on appeal is the market value of a residential property

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

FINDINGS OF FACT

The assessed land value is \$23,172, and the improvements' valuation is \$113,630, totaling \$136,802. Appellant requests the total value be reduced to \$68,401.

The subject property is a ten (10) acre parcel located in Idaho Falls, Idaho. The parcel is improved with a 1,188 square foot residence constructed in 2012.

Appellant did not necessarily disagree with subject's assessed value, however was concerned about the possible detriments and impacts of being situated near an operational gravel pit. Further, Appellant wished to ascertain whether subject was being assessed equally amongst other properties situated in close proximity to gravel pits or other

"negative" operations. Appellant suggested other property owners received a reduction in assessed value due to the fact they were in close proximity to a gravel pit. Appellant requested clarification on this matter, as well as possible relief if it was determined adjustments are routinely granted for such detriments.

Appellant explained subject was constructed in 2012, with a cost of approximately \$120,000. Appellant suggested the property would sell for somewhere between \$136,000 and \$146,000. Subject is assessed at \$136,802.

Respondent presented four (4) sales of properties which were also constructed in 2012. The sale properties were located in rural subdivisions and were noted to be on much smaller lots compared with subject. Sale prices were between \$89 and \$98 per square foot.

The County provided a large amount of sales data regarding other properties situated in close proximity to gravel pit operations or landfills. Respondent explained only one (1) residential area has received a reduction for 2013, due to the fact it was located near a much larger gravel pit operation. It was also mentioned that sales have not been evaluated in this larger operation area in recent years to determine if prices have been affected by the operation. Respondent stated at this time, a reduction in subject's value was not supported by sales.

In support of subject's assessed value, Respondent provided information on 18 sales considered to be comparable to subject. The sale residences were similar to subject in terms of square footage, age, and construction grade, though all of the lots were

considerably smaller than subject. Sale prices ranged from \$129,000 to \$155,000, or between \$84 and \$105 per square foot of living area; the average being \$94 per square foot. Subject was assessed at \$96 per square foot. It was suggested subject was assessed higher because the parcel was 10-acres in size versus the smaller sale lots.

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.

For purposes of taxation, Idaho Code § 63-205 generally requires taxable property be assessed annually based on its market value on January 1 of the applicable tax year; January 1, 2013 in the current case. Market value is defined in 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.

Appellant's concern was not subject's assessed value, but whether there was equal assessment treatment amongst properties situated in close proximity to an operational gravel pit. Appellant testified subject's residence was built in 2012 for a cost of approximately \$120,000. Further, it was stated the most probable sale price for subject would fall somewhere between \$136,000 and \$146,000.

Respondent explained only one (1) area in the entire county had received a 10% reduction for close proximity to an active gravel pit operation. At this time, Respondent noted sales did not suggest a reduction in assessed value should be granted in subject's area.

In support of subject's assessed value a wide variety of sales data was provided. The first set of sales included properties built in 2012. Sale prices were between \$89 and \$98 per square foot for properties situated on small city lots. These lot sizes were deemed not comparable to subject's ten (10) acres. Respondent suggested this demonstrated why subject had a higher price per square foot assessed value.

"[T]here are three primary methods of determining market value: the cost approach . . . the income approach . . . and the market data (sales comparison method) approach, in which value of the assessed property is ascertained by looking to current open market sales of similar property." Merris v. Ada County, 100 Idaho 59, 63 (1979); IDAPA 35.01.03.217. The Board did not find where Appellant used any of these approaches to determine market value. We understand Appellant's concerns regarding the detriments of being situated near a gravel pit operation, and what impact it could have on property value. However, at this time we did not find evidence warranting a decrease in value. Respondent explained other properties were not receiving a reduction in value for gravel pit proximity, with the exception of one (1) area which was situated near a much larger gravel operation.

Respondent's detailed analysis supported subject's assessed value, and Appellant's

own admission that subject appeared to be assessed correctly, further demonstrated there was no mistreatment or error in the value.

FINAL ORDER

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

DATED this 5th day of March, 2014.