

BEFORE THE IDAHO BOARD OF TAX APPEALS

CHARLES SMYSER,)	
)	
Appellant,)	APPEAL NO. 14-A-1034
)	
v.)	FINAL DECISION
)	AND ORDER
VALLEY COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RPM00700060060. The appeal concerns the 2014 tax year.

This matter came on for hearing October 15, 2014 in Cascade, Idaho before Board Member Leland Heinrich. Appellant Charles Smyser was self-represented. Assessor June Fullmer appeared for Respondent.

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

The issue on appeal concerns the market value of a rural improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$111,969, and the improvements' valuation is \$34,089, totaling \$146,058. Appellant contends the correct land value is \$50,000, with no change to the improvements' value, totaling \$84,089.

Subject is a .12 acre parcel improved with a 700 square foot residence. The residence is a railroad car from 1940, converted into a dwelling. The subject residence

includes two (2) bedrooms, one (1) bathroom, and a 548 square foot deck. The property is located near Payette Lake in McCall, Idaho.

Appellant described subject as a unique property. Subject was characterized as a fifth tier parcel with no view of the lake, no amenities, and no beach access. Appellant argued the 2014 increase in assessed land value was not justified given the lack of view and distance from the lake.

Appellant's independent fee appraiser provided a sales analysis and offered testimony at hearing. The sales analysis considered information regarding six (6) bare land sales from 2012 and 2013 for comparison with subject. All but one (1) of the sales were in subject's general area. Lot sizes ranged from .10 to .23 acres. Sale prices were between \$45,000 and \$90,000, or \$5.50 and \$19.68 per square foot. Sale No.1 was described as being a second tier lot with a partially filtered lake view. Sale No. 2 was an elevated lot which included a common area with a private beach and use of boat dock, and Sale No. 3 was characterized as not comparable due to its location. Lastly, Sale Nos. 4, 5 and 6 were all described as good third tier lots. These lots were said to be very similar to subject's land attributes. These three (3) bare land sales sold for \$55,000, \$50,000 and \$45,000, respectively.

After applying time adjustments between 5% and 25%, as well as other appraisal adjustments for physical differences compared to subject, adjusted sale prices ranged from \$8.72 to \$13.77 per square foot. The analysis concluded a land value of \$50,000 or \$10 per square foot for subject.

Respondent offered three (3) 2013 improved sales and one (1) vacant land sale in support of subject's valuation. Sale No. 1 concerned a 988 square foot residence constructed in 1970, which sold for \$180,500. Sale No. 2 involved a 852 square foot residence. This property sold in April 2013 for \$224,000. Sale No. 3 included a 1,008 square foot residence constructed in 1978, which sold for \$148,100. Respondent's final sale was a .10 acre vacant lot which sold for \$90,000, with a time adjusted value of \$94,609.

Respondent adjusted the sale prices for physical differences between the sale properties and subject, such as square footage, central heating, fireplace count, deck area, garage size, neighborhood, net land adjustments, condition and age, quality of construction, general purpose buildings and functionality. An upward 1.9% per month time adjustment was also applied. Adjusted sale prices were between \$97,470 and \$238,057.

Respondent further represented Sale No. 1 was unique like subject, as it was described as "yurt-like". Sale No. 2 was also described as being similar to subject. With adjusted sale prices of \$185,458 and \$238,057, these two (2) sales were given the most weight in Respondent's analysis. Appellant argued Sale No. 3 was most similar to subject, because it lacked a view of the lake, the same as 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.

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. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach was employed by both parties in this case.

Appellant’s primary concern was the value attributable to subject’s land; particularly the one-year value increase from \$53,705 to \$111,969. Appellant questioned why subject’s assessed land value was so high considering it did not have a lake view. Appellant described subject as being somewhere between a fourth and fifth tier property.

Appellant provided the Board with a good amount of market data, including an analysis done by an appraiser supported by six (6) bare land sales which occurred during 2012 and 2013. Adjustments were made for differences compared to subject to arrive at a land value conclusion of \$50,000 for subject. Respondent contended the sales provided

by the appraiser were inferior to subject, as they were located much further from the lake.

Respondent also provided the record with market information. Three (3) improved sales were submitted, along with one (1) bare land sale. The improved sales were all adjusted for differences compared to subject. Adjusted sale prices were between \$97,470 and \$238,057.

On the issue of land value, all but one (1) sale price was considerably lower than subject's assessed land value. As detailed in the record, subject is not a lakefront property and does not enjoy a view of the lake, even though it is situated somewhat near the lake. The sale with the highest land value was Respondent's Sale No. 1 with a view of the lake.

In appeals to this Board, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Idaho Code § 63-511. In this particular instance, Appellant satisfied the burden of proof. We find the value attributable to subject's land is higher than the sales support, especially considering the lack of certain lake views and amenities. We also find subject has some positive attributes, being located near the lake. Therefore, we did not find the \$50,000 land value request fully supported. Respondent's improved sales were the only improved properties provided in record and therefore will be afforded some weight. Based on the evidence before us, the Board will set subject's land value at \$75,000 with no change to the improvements' value of \$34,089, for a total assessed value of \$109,089. The decision of the Valley County Board of Equalization is modified accordingly.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease in value of the land to \$75,000, with no change in the improvements' valuation of \$34,089, resulting in a total assessed value of \$109,089.

IT IS FURTHER ORDERED that 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 3rd day of March, 2015.