

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF BRIAN ) APPEAL NOS. 13-A-1078,  
SOPATYK from the decisions of the Lemhi ) 13-A-1079, and 13-A-1080  
County Board of Equalization for tax year 2013. )  
) FINAL DECISION  
) AND ORDER

**RESIDENTIAL PROPERTY APPEALS**

THESE MATTERS came on for hearing October 3, 2013 in Salmon, Idaho before Board Member David Kinghorn. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Appellant Brian Sopatyk appeared at hearing. Assessor Jenny Rosin and Appraisers Raymond Muscarella and Ted Neyman appeared for Respondent Lemhi County. These appeals are taken from three (3) decisions of the Lemhi County Board of Equalization denying protests of valuation for taxing purposes of properties described by Parcel Nos. RPF00520000160A, RPF00520000180A, and RPF0052000011AA.

**The issue on appeal concerns the market values of three (3) unimproved rural residential lots.**

**The decisions of the Lemhi County Board of Equalization are affirmed.**

FINDINGS OF FACT

Parcel No. RPF00520000160A (Appeal No. 13-A-1078)

The assessed value of this .216 acre parcel is \$3,387. Appellant requests the land value be reduced to \$630.

Parcel No. RPF00520000180A (Appeal No. 13-A-1079)

The assessed value of this .184 acre parcel is \$2,885. Appellant requests the land

value be reduced to \$536.

Parcel No. RPF0052000011AA (Appeal No. 13-A-1080)

The assessed land value of this .347 acre parcel is \$5,442. Appellant requests the land value be reduced to \$1,012

The subject properties are three (3) adjacent residential lots located in Gibbonsville, Idaho. Due to zoning restrictions in the town, improving lots less than one (1) acre in size is prohibited. Subjects are each less than one (1) acre, and in fact are less than one (1) acre combined. Appellant regarded subjects as much less desirable than a comparable buildable lot. Appellant contended a 50% discount should be applied to nonbuildable lots, which Appellant indicated was a similar rate applied by other counties in Idaho.

Appellant examined five (5) assessments of improved residential parcels. After removing the assessed improvement values and \$4,500 for onsite improvements, Appellant calculated an average assessment rate of \$5,662 per acre. Appellant then cut the rate in half due to subjects' unbuildable status, and calculated the respective value requests.

Respondent concurred that subjects are unbuildable because of their small size, however, disagreed with applying a blanket 50% adjustment to buildable lot values. Rather, Respondent looked to sales involving unbuildable lots in the county. In all, fourteen (14) such sales were offered. Sale prices were between \$0.33 and \$0.81 per square foot. Two (2) of the sales were located in Gibbonsville, one (1) of which was the parcel which sold for \$0.81 per square foot. Subjects were assessed for \$0.36 per square

foot.

Respondent also provided assessment information for several properties located in subjects' general area. It was noted each of the lots were assessed at \$0.36 per square foot. Since subjects were assessed at the same rate, Respondent contended there was no disparate treatment of subjects compared to other similar Gibbonsville parcels.

### 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 property be assessed annually on January 1 at market value; January 1, 2013 in this case. Market value is defined in Idaho Code § 63-201, as follows:

“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.

There are three (3) generally accepted appraisal approaches for determining market value: the income approach, the cost approach, and the sales comparison approach. See *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Appellant explained subjects were unbuildable lots and their assessed values

should therefore be discounted. Appellant advocated a 50% downward adjustment to account for subjects' unbuildable status.

Appellant offered assessment records of five (5) improved residential parcels. Appellant removed the assessed improvement values to arrive at the land assessments on a per-acre basis. Appellant then deducted \$4,500 to account for onsite utilities, like sewer, electricity, and water. The resultant land values were reduced by 50% and an average rate of \$5,836 per acre was calculated. Appellant applied this rate in determining the respective subject value claims.

Respondent countered that a blanket 50% adjustment for unbuildable parcels was not supported. Instead, Respondent provided information regarding fourteen (14) unbuildable lot sales. Sale prices ranged from \$0.33 to \$0.81 per square foot. Subjects were assessed at \$0.36 per square foot.

Respondent further submitted assessment records for a handful of lots located in Gibbonsville. It was noted each of the lots were equally assessed at \$0.36 per square foot. In Respondent's view, subjects were fairly and equitably assessed based on the available market data.

In all, the Board found Respondent's value position better supported. Appellant used land assessment information concerning other parcels to support a reduction in subjects' values. Comparisons of assessed values however, is not a recognized appraisal approach. Respondent, on the other hand, relied on sales of unbuildable lots. An assessment rate of \$0.36 per square foot was applied to subjects and all other similar type

lots in the area. The Board did not find Appellant's value evidence sufficient to disturb subjects' assessed values. Appellant failed to meet the burden of proving error in subjects' assessed values by a preponderance of the evidence as required by Idaho Code § 63-511.

Based on the above, the decisions of the Lemhi County Board of Equalization are affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Lemhi County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED.

DATED this 3<sup>rd</sup> day of January, 2014.