

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF BRIAN) APPEAL NO. 13-A-1081
SOPATYK from a decision of the Lemhi County)
Board of Equalization for tax year 2013.) FINAL DECISION
) AND ORDER

MIXED-USE PROPERTY APPEAL

THIS MATTER 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 Appraiser Raymond Muscarella appeared for Respondent Lemhi County. This appeal is taken from a decision of the Lemhi County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP99000004027MA.

The issue on appeal centers on the market value of a three (3) acre rural property.

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

FINDINGS OF FACT

The land values on this parcel total \$48,745. Appellant requests the total land value be reduced to \$7,500.

The subject property totals roughly 26.222 acres in size and is located in or near Gibbonsville, Idaho. Twenty-two (22) acres were assessed as mineral land for a total of \$550, and three (3) acres were assessed under the market value standard as a rural residential tract at \$48,195. The remaining 1.222 acres was assessed in a waste category with zero value.

The subject property is improved with an airstrip and firebreak, as well as, roadways and bridges. At least one (1) of the roads was somewhat recently re-established and widened to allow an airplane to land.

Appellant argued the 3-acre component in subject's assessment was mis-categorized as residential property. Appellant explained the land is only used in support of the larger mining operation, not for any residential purpose. The airstrip use represents the most convenient way for Appellant to manage and maintain a mining business. Appellant's \$7,500 value claim derived from an amount recently paid to a contractor to widen one (1) of the roads to allow for airstrip use and to install a firebreak on subject.

Respondent explained subject's recent valuation history was the result of a Board of Tax Appeals decision pertaining to subject's 2009 property tax assessment. Since the decision for 2009, Respondent has classified subject according to the finding in the Board's prior decision. The only change made for the current 2013 tax year was the application of an updated land value table. Instead of the \$10,500 per acre rate used in 2009, the current rate for parcels between two (2) and four (4) acres is \$16,065 per acre. The new land value schedule was developed from more recent sales than those used in the prior 2009 schedule.

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 case presents a question of market value. 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.

The appraisal question is what was the January 1, 2013, market value for the rural three (3) acres improved with an airstrip. The parties differed in how they approached that independent value, i.e. the value for the three-acre portion. Respondent looked to recent sales of other small acreage rural tracts, albeit not ones with airstrips.

Idaho Code § 63-205 requires all taxable real property be assessed annually at market value on January 1st of the relevant tax year. 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.

Appellant argued the three-acre portion was categorized incorrectly and therefore, the assessed value was erroneous. According to Appellant there is no residential use associated with the property. Appellant uses the airstrip as a tool for managing the mining operation.

While the Board understands Appellant’s position regarding the residential classification, Appellant did not provide a more suitable classification or assessment category. More importantly, Appellant did not show that changing the category designation would result in a different market value than that determined by Respondent. Land categories, for listing property on assessment rolls, are broad descriptors for a general

class of properties, but they are not sufficient on their own to dictate market value. The touchstone in fairly valuing the three-acre segment for assessment purposes is the property's market value, not its category.

The three-acre portion of subject is improved with an airstrip. There is no special category for this property type in the ad valorem labeling system. Some alternative categories include commercial, or agricultural. Neither of these uses, however, squarely fits with subject's actual use. Given the limited choices, the Board is strained to find a more appropriate category than that assigned by Respondent.

The Board notes neither the airstrip improvements, nor the bridges that support the airstrip, were assessed as contributing to value. The County did not exempt these improvements, but merely found the property's market value was in the land area associated with the airstrip. From the thin record on this point, it appears that most of the land sales for small acreages near townsites like Gibbonsville sell for residential or recreational purposes. These were the sales considered by the assessor in developing the current land schedule applied to subject's three (3) acres.

Appellant's value claim was significantly aimed at a change of category and not the market value conclusion reached by Respondent. Therefore, Respondent's value evidence need not be detailed further. Appellant has not offered competing market value evidence and the Board did not otherwise find error in the value determined by Respondent.

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

FINAL ORDER

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

DATED this 27th day of January, 2014.