

BEFORE THE IDAHO BOARD OF TAX APPEALS

TERRY AND MELINDA STEVENS,)	
)	
Appellants,)	APPEAL NO. 15-A-1222
)	
v.)	FINAL DECISION
)	AND ORDER
BONNER COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP024070000090A. The appeal concerns the 2015 tax year.

This matter came on for hearing October 27, 2015 in Sandpoint, Idaho before Board Member David Kinghorn. Appellants Terry and Melinda Stevens were self-represented. Jerry Clemons 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 Bonner County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$52,500. Appellants contend the correct land value is \$35,000.

The subject property is an unimproved five (5) acre parcel situated in the Liberty Heights 1st Addition subdivision in the Clark Fork area. Subject’s development consists of twelve (12) similarly sized lots, each of which were assessed at the same value.

Appellants described subject as being effectively land locked because access to the parcel is only by permission from the owner of an adjoining parcel. Appellants explained a neighbor installed a private gate on the easement which grants access to multiple parcels in the development. As a result of the locked gate Appellants reported fire protection services are not available to subject, which prevents Appellants from securing financing to improve the property. Respondent acknowledged the issue with the locked gate, however, submitted a letter from the Bonner County Road and Bridge department which stated there was another public road available to provide access to subject. As such, Respondent contended an access adjustment was not needed.

Appellants offered two (2) sales in support of reducing subject's value. One (1) concerned a five (5) acre lot in subject's development which sold in July 2014 for \$55,000. The other involved a 5.52 acre parcel located outside subject's subdivision with a reported sale price of \$100,000. Appellants noted these sale properties were also included in Respondent's analysis, however, contended the latter sale needed to be adjusted downward because it enjoyed superior amenities.

Appellants also referenced assessed values of an adjoining subdivision and questioned why values in the other development were not consistent with values in subject's subdivision. The other development consists of four (4) parcels, all of which were assessed lower than parcels in subject's subdivision. Respondent explained an internal error led to the divergent values between subject's subdivision and the adjoining development. Respondent remarked values in the other subdivision should mirror values

in subject's development.

Respondent provided information concerning four (4) sales from 2014. Sale Nos. 1 and 2 were regarded as most similar to subject in terms of size and location. These sales were also referenced by Appellants. Sale No. 1 was a five (5) acre lot from subject's subdivision, which sold for \$55,000. Sale No. 2 involved a 5.25 acre parcel located roughly one-half (½) mile from subject. The property sold for \$100,000. The remaining sales were located some distance from subject. Sale No. 3 was a 4.3 acre lot which sold for \$65,000. Sale No. 4 involved an improved 16.95 acre property which sold for \$289,000. After extracting the value attributable to the improvements, Respondent calculated a residual land value of \$166,010.

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.

Market value is estimated according to recognized appraisal methods and techniques. The three (3) primary methods of determining market value include the cost approach, the income approach, and the sales comparison approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

Appellants pointed to lower assessed values in an adjoining subdivision and requested subject be similarly valued. While the Board understands Appellants concerns in this regard, a comparison of assessed values is not a recognized appraisal approach. Further, Respondent explained values in the other development should mirror those in subject's subdivision, however, an error led to the lower values in the other subdivision.

Appellants also described subject as being land locked with no legal access to the property. Indeed, one (1) access route has been blocked by a private locked gate, however, according to the Bonner County Road and Bridge department, subject does have access via another public road. As such, the Board did not find an adjustment for this factor was warranted.

Both parties did provide sales information for the Board's consideration. The Board did not weigh heavily Respondent's Sale Nos. 3 and 4 due to their distance from subject and the fact Sale No. 4 involved an improved property. What remains are the two (2) sales offered by both parties. Sale No. 1 was located in subject's subdivision, and was regarded by both parties as an appropriate comparable. The property sold for \$55,000. The other property, located approximately one-half (½) mile from subject, sold for \$100,000.

Appellants contended the sale price needed to be adjusted to account for the superior amenities enjoyed by the sale property, however, did not identify such amenities, nor indicate what adjustments would be appropriate.

Per Idaho Code § 63-511, Appellants bear the burden of proving error in subject's valuation by a preponderance of the evidence. In this case, the burden of proof was not satisfied. The two (2) most comparable sale properties sold in excess of subject's current value. The properties sold for \$55,000 and \$100,000, or roughly \$11,000 and \$19,000 per acre. Subject was assessed for \$52,500, or \$10,500 per acre, which is reasonable given the evidence presented. In short, the Board did not find error in subject's value.

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

FINAL ORDER

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

DATED this 9th day of February, 2016.