

BEFORE THE IDAHO BOARD OF TAX APPEALS

JEFF WENDLAND,)	
)	
Appellant,)	APPEAL NO. 14-A-1018
)	
v.)	FINAL DECISION
)	AND ORDER
JEROME COUNTY,)	
)	
Respondent.)	
)	
)	
)	

COMMERCIAL LAND APPEAL

This appeal is taken from a decision of the Jerome County Board of Equalization (BOE) denying the protest of valuation for taxing purposes of property described by Parcel No. RP08S16E362250A. The appeal concerns the 2014 tax year.

This matter came on for hearing September 25, 2014 in Jerome, Idaho before Board Member Leland Heinrich. Appellant Jeff Wendland was self-represented. Assessor Rick Haberman represented Respondent.

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

The issue on appeal concerns the market value of an unimproved rural commercial tract.

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

FINDINGS OF FACT

The assessed land value is \$108,906. At hearing, Appellant amended the value claim to \$65,100.

The subject property is a vacant 4.34 acre commercial tract located to the south side of Interstate 84, in or near Jerome, Idaho.

Appellant described subject as having no utilities and being located in an undeveloped

area. Appellant viewed the location of subject as being in a “hole” and less desirable in comparison to property on the north side of the interstate.

Appellant provided information on the sale of a 12-acre parcel located adjacent to the subject property. This property sold for \$180,000 in July 2014. Using the indicated sale price rate of \$15,000 per acre, Appellant concluded subject should be valued at \$65,100 for its 4.34 acres. Respondent remarked this particular sale took place well after the effective date of valuation, January 1, 2014.

Respondent offered information on six (6) sales for comparison to subject. Some of the sales took place in 2014. Several of the sale properties were purchased by the county. Sale No. 1 was a vacant 2.68 acre lot which sold for \$122,500, or \$46,052 per acre, in October 2013. Sale No. 2 was a vacant 2.53 acre commercial lot which sold for \$141,104, or \$55,772 per acre, in March 2014. This property was purchased by the county. Sale No. 3 was a vacant 3.59 acre lot which sold for \$175,000, or \$46,746 per acre. Sale No. 4 was a vacant eight (8) acre site which sold for \$340,266, or \$42,500 per acre, in November 2013. Sale Nos. 5 and 6 were vacant commercial properties located in town. Each sold for \$450,000. One (1) was .95 acres which sold in 2011, and the other was 4.34 acres which sold in April 2014.

Appellant argued all of Respondent’s sales were dissimilar, where the sale properties were in well-developed locations compared to subject’s location on the other side of the interstate.

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 must be estimated through recognized appraisal methods and techniques. There are three (3) generally accepted appraisal methods for determining market value: 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). Both parties relied on a sales comparison approach to value. The sales comparison approach looks to recent sales of comparable property.

Appellant provided a consideration of one (1) 2014 sale of a neighboring property. The property sold for \$15,000 per acre. While we appreciate the information and the comparability of this property to subject, the sale date and related information is well beyond the January 1 assessment date. Therefore the information cannot be considered in this appraisal question. There is no way the information could have been known by an informed buyer and seller on January 1, 2014.

Respondent's analysis of market value looked to vacant commercial land sales. The sale dates ranged from 2011 into 2014. For the same reason expressed above, we cannot rely on the 2014 sale information. The sale prices, considered on an average price per acre, were all higher than the indicated value rate in subject's assessment which was \$25,094 per acre.

In the appraisal of subject, it would have been preferable to have sales located on the same side of the interstate as subject, location being such an important factor. However there were no timely sales of such bare commercial land, so a fair appraisal review must look at the available sales in record.

The Board understood and was sensitive to Appellant's concerns regarding the location of subject, however we found no timely market value evidence to support a lower value conclusion. Respondent's analysis presented the only recent sales information in record to support an estimate of subject's value. Subject's assessment was found to be at a substantially lower price per acre than was evidenced by all of Respondent's timely sales.

In appeals to this Board, the burden is with Appellant to prove error in the assessed value determined by the county by a preponderance of the evidence. Idaho Code § 63-511. The burden of proof was not satisfied in this instance. Appellant did not offer timely market value evidence to support the requested value of \$65,100.

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

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of

the Jerome County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 25th day of November, 2014.