

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF WOOD ) APPEAL NO. 13-A-1029  
RIVER PROPERTIES, INC. from a decision of the )  
Blaine County Board of Equalization for tax year ) FINAL DECISION  
2013. ) AND ORDER

**VACANT LAND APPEAL**

THIS MATTER came on for hearing October 3, 2013 in Hailey, Idaho before Hearing Officer Cindy Pollock. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. President Harry Rinker appeared at hearing for Appellant. Assessor Valdi Pace and Appraiser Jim Williams appeared for Respondent Blaine County. This appeal is taken from a decision of the Blaine County Board of Equalization (BOE) modifying the protest of valuation for taxing purposes of property described by Parcel No. RP002590010020.

**The issue on appeal is the market value of an unimproved residential parcel.**

**The decision of the Blaine County Board of Equalization is affirmed.**

FINDINGS OF FACT

The original assessed land value was \$1,500,000. The BOE reduced subject's land value to \$1,300,000. Appellant requests the assessed value be reduced further, to \$800,000.

The subject property is a 10.33 acre unimproved residential parcel located in the Golden Eagle Ranch Phase II subdivision development in Ketchum, Idaho. Phase II consists of 27 lots of varying sizes, situated around several small lakes. Subject is located adjacent to a lake in the rear of the subdivision, away from the highway.

Appellant questioned subject's roughly 58% increase in assessed value since 2012. Appellant explained subject had been listed on the market for several years, with no buyers. At time of hearing, it was listed with an asking price of \$795,000. Respondent noted the asking price in June 2013 was \$1,950,000, and was only recently reduced to the current price level.

Respondent offered support for subject's value in three (3) ways. The first was to provide a list of assessed values concerning five (5) other lots in subject's development. The larger parcels were assessed at \$1,300,000 like subject, while the smaller roughly 6-acre parcels were assessed at \$1,000,000. In Respondent's view, subject was assessed equitably with other lots in the subdivision.

Respondent also submitted three (3) sales from 2012, and subject's early 2013 listing for \$1,950,000. Sales No. 1 and No. 2 were adjacent lots which sold as a single package. The total sale price was \$2,300,000, of which the buyer attributed \$1,300,000 to the 13.85 acre Sale No. 1 and the remaining \$1,000,000 as the price paid for the smaller 5.83 acre Sale No. 2. Sale No. 3 involved a 2.4 acre lot with a price of \$542,500. It was noted Appellant was the seller in all three (3) sales.

Appellant contended Sale No. 1 was vastly superior to subject due to its physical attributes. Appellant noted the lot included a creek and waterfall feature. The parcel was also improved with a stone bridge. Appellant indicated if the lot had sold on its own the price would have likely been as much as \$1,800,000. Respondent agreed and argued the buyer was the beneficiary of a price discount due to the multi-lot transaction.

Respondent further provided three (3) active listings from the development. The listings involved parcels of roughly a three (3) acre size. On January 1, 2013, listing prices were between \$495,000 and \$995,000, or from \$146,884 to \$294,379 per acre. For comparison, subject's list price on that date was \$1,950,000, or \$188,771 per acre. In Respondent's view, subject's asking price fit nicely within the range of other active listings. Subject's current asking price at \$76,990 per acre, on the other hand, appeared to Respondent to be an outlier.

## 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 at market value on January 1 of the applicable tax year. Market value is specially 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.

The issue is whether subject's current assessed land value of \$1,300,000 represented market value as of January 1, 2013. The Idaho Supreme Court has identified three (3) primary methods for determining market value: the cost approach, the income approach, and the market data (sales comparison) approach. See *Merris v. Ada County*, 100 Idaho 59, 63 (1979).

Appellant's value evidence centered on subject's asking price leading up to the Board's hearing in this matter. According to Appellant, subject has been on the market for several years, and due to the lack of interest, the asking price was reduced. Respondent noted the reduction occurred during mid-2013 and that subject's January 1, 2013 asking price was \$1,950,000.

Respondent presented assessment information, sales data, and current listing sheets in support of subject's current value. While the assessment and listing sheets provide some interesting data, neither of these on their own, represent conclusive market value evidence.

Recent comparable sales, on the other hand, are considered competent or good market value evidence. The sales in this case were all from subject's own subdivision, so there were little to no issues with location adjustments. The sales all occurred during 2012, which means they represent recent and timely market value evidence. The primary concern was that it was not clear how Respondent specifically considered the sales to arrive at subject's value. No direct comparisons between the sales and subject were offered, nor did Respondent detail how the physical differences between subject and the sales were considered. Nonetheless, the three (3) sales were found to represent the best market value information offered in this case.

Despite some gaps in Respondent's appraisal as presented, it was judged by the Board to be a superior valuation to that offered by Appellant. Further, pursuant to Idaho Code § 63-511, the burden is on Appellant to prove error in subject's assessed value by a preponderance of the evidence. In this instance, that burden was not met. Appellant relied on subject's latest asking price, which was well after the time of assessment date. The pricing evidence was not found to be market value evidence sufficient to overturn the assessed value determined by the BOE. No other errors in subject's assessment were demonstrated or noticed. Accordingly, the Board will affirm the decision of the Blaine County Board of Equalization.

#### FINAL ORDER

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

DATED this 7<sup>th</sup> day of January, 2014.