

BEFORE THE IDAHO BOARD OF TAX APPEALS

DANIEL AND JANET EVANS,)	
)	
Appellants,)	APPEAL NO. 16-A-1002
)	
v.)	FINAL DECISION
)	AND ORDER
BONNER COUNTY,)	
)	
Respondent.)	
_____)	

AGRICULTURAL EXEMPTION APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization denying a claim of exemption for taxing purposes regarding property described by Parcel No. RPP0441010000DA. The appeal concerns the 2016 tax year.

This matter came on for hearing September 20, 2016 in Sandpoint, Idaho before Board Member Linda Pike. Appellants Daniel and Janet Evans were self-represented. Assessor Jerry Clemons represented Respondent.

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

The issue on appeal concerns whether the subject property qualifies for exemption pursuant to Idaho Code § 63-602K as property actively devoted to agricultural use.

The decision of the Bonner County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$86,138. Appellants contend subject qualifies for the agricultural exemption and should be valued accordingly.

The subject property is a 5.27 acres of land situated in Ponderay, Idaho. Prior to 2015, subject was part of a larger 21.6 acre parcel owned by Appellants and two (2) other

family members. The parcel was used to raise hay crops and feed cattle. As such, this parcel had been granted an agricultural exemption in prior years and assessed accordingly.

In early 2015, the family split the mother parcel, thereby creating the smaller subject parcel. A quitclaim deed, wherein Appellants were named as the grantee, was filed with the Bonner County Recorder on May 14, 2015. Appellants testified the subject property was and continues to be used for agricultural pursuits.

Upon discovery of the deed filing, Respondent removed the agricultural exemption for the subject parcel. Respondent argued the change in ownership required a new agricultural exemption application be filed, and such application must have been filed by April 15, 2016. Because Appellant did not file an application by April 15, the exemption was removed.

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.

The issue is whether Appellants were required to file an application for an agricultural exemption by April 15, 2016 in order to qualify for exemption for the 2016 tax year. We find no application was required.

All property in the state is subject to assessment and property taxation, unless an

express exemption exists. Idaho Code § 63-601. One such express exemption is the agricultural exemption, which provides special valuation treatment for assessment and taxation purposes to qualifying land. Idaho Code § 63-604 provides in pertinent part,

- (1) For property tax purposes, land which is actively devoted to agriculture shall be eligible for appraisal, assessment and taxation as agricultural property each year it meets one (1) or more of the following qualifications:
 - (a) The total area of such land, including the homesite, is more than five (5) contiguous acres, and is actively devoted to agriculture

The subject property is 5.27 acres and there was no dispute the parcel was used for agricultural purposes on the relevant assessment date of January 1, 2016. See Idaho Code § 63-205. The agricultural exemption itself is found in Idaho Code § 63-602K, which exempts the speculative portion of value of agricultural land.

Respondent did not contest subject's size or use, but instead argued Appellants were required to file an application by April 15 of the current tax year in order to receive the agricultural exemption. We disagree.

Idaho Code § 63-602 is the controlling statute regarding application for property tax exemptions, which provides in relevant part,

- (3) All exemptions from property taxation claimed shall be approved annually by the board of county commissioners or unless otherwise provided:
 - (a) Exemptions pursuant to sections . . . 63-602K for land of more than five (5) contiguous acres . . . *do not require application or approval by the board of county commissioners.* (Emphasis added).

The statute is clear and unambiguous in not requiring an application for parcels more than five (5) contiguous acres which are actively devoted to agriculture. Such is the case here with the subject property. Therefore, Appellants were not required to file an

agricultural exemption application for the subject property.

Based on the above, the Board will reverse the decision of the Bonner County Board of Equalization.

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, REVERSED. The subject property is to be valued for assessment purposes as land actively devoted to agriculture, which value Respondent will calculate accordingly.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

DATED this 19th day of December, 2016.