

BEFORE THE IDAHO BOARD OF TAX APPEALS

THOMAS YAKE,)	
)	
Appellant,)	APPEAL NO. 16-A-1057
)	
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. RP00310000023BA. The appeal concerns the 2016 tax year.

This matter came on for hearing September 21, 2016 in Sandpoint, Idaho before Board Member Linda Pike. Appellant Thomas Yake was 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 the market value of an improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$413,910, and combined value of the improvements is \$29,830, totaling \$443,740. Appellant agrees with the improvement values, however, contends the correct land value is \$313,910.

The subject property is a 1.351 acre parcel with 164 front feet on Lake Pend Oreille in Sagle, Idaho. Subject is improved with a residence and boat dock.

Appellant described subject as a steep lot with unstable soils and difficult access to the waterfront. It was explained the prior owner had removed some large trees in an effort to improve the view. The result, however, was instability in certain portions of the lot. Appellant stated a lot of work and expense would be necessary to shore up the issues with the lot.

For value evidence, Appellant referenced a bankruptcy sale of a property situated a couple lots from subject. The sale included three (3) lots with combined water frontage in excess of 300 feet. Appellant explained the property was sold to satisfy a business debt. Reference was also made to an affidavit of the attorney involved in the case which stated the sale price represented full market value. The property sold several years ago for roughly \$1,500 per front foot. In Appellant's view, the sale property was highly comparable to subject in terms of topography and location. Respondent noted the sale was distressed and argued because the property was liquidated to satisfy a debt, it should not be considered a reliable indicator of value.

Appellant also provided information concerning a sale which occurred in September 2015. The sale property, located in Bottle Bay, was a .64 acre unimproved waterfront lot with 172 front feet on the lake. The property sold for \$269,000, or approximately \$1,564 per front foot. Respondent testified the buyer reported the sale was between family members. As such, Respondent contended the sale was not arm's-length and should be disregarded. Appellant countered with a letter from a local realtor which stated the parties were unrelated.

Appellant further referenced several active listings in subject's immediate area. Details concerning the individual properties and the respective asking prices were not shared, nor did Appellant indicate when the properties were put on the market.

Respondent explained steep and unstable topography is common in subject's area and therefore a special adjustment for such was not warranted. Respondent provided information concerning four (4) sales from 2015. Sale No. 1 was regarded as most similar to subject in terms of topography, location, and waterfront characteristics. The property, which had 100 front feet on the lake, sold for \$275,000, or \$2,573 per front foot. Sale No. 2 was located farthest away, however, was noted to share similar topography and waterfront characteristics with subject. The property sold for \$595,100, or \$2,947 per front foot after removing improvement values. Sale No. 3 involved a smaller .225 acre parcel with 75 front feet on the lake. The property sold for \$215,000, or \$2,805 per front foot. Sale No. 4 was characterized as superior compared to subject on many key value characteristics. The property, which enjoys 200 waterfront feet, sold for \$2,250,000, or \$6,083 per front foot, after removing improvement values. Based on the sale prices, Respondent concluded subject's assessed land value of \$413,910, or \$2,445 per front foot was reasonable and fair.

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, 2016 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. There are three (3) approaches to value, the sales comparison approach, the cost approach, and the income approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The parties both provided information typically utilized in a sales comparison approach, which is often the method relied on to estimate the market value of residential property.

Appellant referenced information concerning a bankruptcy sale from a few years ago, as well as some listings of properties located near the subject parcel. Details of the referenced properties were scant and it was not clear how they compared with subject other than being situated in a similar location. Due to the overall lack of details, the Board did not rely on this information.

Appellant did, however, provide one (1) timely sale for the Board’s consideration. The sale property had similar front footage as subject and was located in the general Sagle

area. While the sale information was appreciated, the Board was ultimately unable to consider the sale in its analysis because the parties offered conflicting evidence regarding whether the property was a family sale. Regardless of whether the sale was arm's-length, however, the sale price appears to be somewhat of an outlier compared to the sale price information presented by Respondent, which represented the remaining waterfront sales in the general area for 2015.

Respondent's sales information was better received by the Board. Respondent provided details concerning the each of the sale properties, including photographs. With the exception of Sale No. 4, which Respondent acknowledged was superior, the sale properties generally compared well with subject. Sale prices ranged from \$2,573 to \$6,083 per front foot. Subject, by contrast, was assessed for \$2,445 per front foot, which appears reasonable given the evidence presented.

In appeals to this Board, pursuant to Idaho Code § 63-511, the burden is with the Appellant to establish Respondent's valuation is erroneous by a preponderance of the evidence. The burden was not satisfied in this instance. Respondent's sales information was superior to that offered by Appellant. Further, as subject's assessment rate is lower per front foot than any of Respondent's sales, the Board does not find sufficient support to grant the relief requested by Appellant.

Based on the above, we will affirm 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, AFFIRMED.

DATED this 13th day of December, 2016.