

BEFORE THE IDAHO BOARD OF TAX APPEALS

THOMAS FOOTE,)	
)	
Appellant,)	APPEAL NO. 16-A-1140
)	
v.)	FINAL DECISION
)	AND ORDER
ADAMS COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Adams County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP001310030040A. The appeal concerns the 2016 tax year.

This matter came on for hearing October 11, 2016 in Council, Idaho before Hearing Officer Travis VanLith. Appellant Thomas Foote was self-represented. Assessor Stacy Dreyer 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 Adams County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$131,916, and the improvements' value is \$346,622, totaling \$478,538. Appellant agrees with the value of the improvements, however, contends the correct land value is \$75,000, for a total value of \$421,622.

The subject property is a residential parcel located in the King's Pines Estates III subdivision near McCall, Idaho. The property is improved with a residence and an

outbuilding, the details of which were not shared. Uniquely, the subdivision is situated in both Adams County and Valley County, with subject sitting on the Adams County side.

Appellant outlined several characteristics argued to diminish subject's value. The first concerned subject's topography. The building site sits on an elevated area on the northern portion of the lot, while the utilities run along the southern border, notably downhill from the building site. Appellant noted this topography issue affected only a few lots in the western corner of the development. Because of the distance and the steepness of the hill between the residence and the utility easement, Appellant reported having to install booster pumps to pump the water up the hill, and also spent \$12,000 to install a utility pole to extend electricity to the residence. Subject was also specially impacted with respect to the type of septic system required. The property is covered by a thin layer of soil which sits atop a bed of basalt. As a result, a special septic system needed to be installed which was more costly and came with higher maintenance costs than a more standard system. Appellant believed no other lots, not even adjacent Lot 3 discussed below, required a special septic system.

For value evidence, Appellant offered information concerning the sale of Lot 3 located adjacent to subject. In May 2016, the lot was on the market with an asking price of \$74,900. Appellant purchased Lot 3 in August 2016 for \$69,500. At the time of purchase, no utilities had been installed on the lot. Because Lot 3 shared many similar physical characteristics with subject's underlying lot, Appellant contended the recent purchase was strong evidence of subject's land value.

Respondent explained there had been no vacant lot sales in subject's subdivision

since January 2014 when Lot 2 sold for \$145,000. Due to the lack of recent sales in subject's development, Respondent looked to land sales from the broader area. Based on these sales, Respondent determined land values needed to be increased by 15% for 2016. Subject's land value increased from \$114,710 to \$131,916.

In further support of subject's land value, Respondent time adjusted the above-referenced sale of Lot 2 to the January 1, 2016 assessment date. Respondent applied a downward adjustment of .5% per month for 2014 and an upward time adjustment of .25% per month for 2015. The result was a time-adjusted sale price of \$140,389.

Respondent additionally provided a history of lot sales from subject's subdivision stretching from 2005 to 2014, including the purchase of the subject lot in August 2009 for \$120,000. The eight (8) sale prices illustrated the trajectory of the market during that time frame, with increasing sale prices between 2005 and 2007, followed by a precipitous decline in 2009. The sales in 2012 and 2014 pointed to an increasing market. Respondent noted none of lots sold below \$100,000, which in Respondent's view made the mid-2016 purchase price of \$69,500 for Lot 3, an outlier.

Lastly, Respondent provided some current listings for lots in subject's immediate area. Asking prices ranged from \$119,000 to \$159,000. Respondent again pointed out Lot 3 appeared to be an outlier compared to other listed lots.

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).

As emphasized above, the controlling date of valuation in this appeal is January 1, 2016. The question before us concerns the market value of the subject property as of that date. This necessarily requires a consideration of market data from prior to January 1st. Appellant’s information regarding the sale of adjacent Lot 3, however, was from well after the effective date of valuation. The Board was also concerned with the relatively low sale price itself, which appeared to be a statistical outlier compared to every other sale and listing of comparable property provided in the record. As such, the Board was unpersuaded and unable to rely solely on this sale to reduce subject’s land value as requested.

Idaho Code § 63-511, places the burden on Appellant, as the party bringing the

appeal, to demonstrate error in subject's valuation by a preponderance of the evidence. Based on the evidence submitted, the Board did not find the burden of proof satisfied. Appellant's market data for the disputed land value was untimely. Respondent's sales information, though somewhat dated in certain respects, was focused on subject's immediate area. None of the sale properties referenced sold or were listed below \$100,000. As such, the Board did not find sufficient evidence to support the value requested by Appellant.

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

FINAL ORDER

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

DATED this 2nd day of March, 2017.