

BEFORE THE IDAHO BOARD OF TAX APPEALS

FREDERICK T. CRASE FAMILY TRUST,)	
)	
Appellant,)	APPEAL NO. 18-A-1219
)	
v.)	FINAL DECISION
)	AND ORDER
PAYETTE COUNTY,)	
)	
Respondent.)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Payette County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. 069000050150. The appeal concerns the 2018 tax year.

This matter came on for hearing November 8, 2018 in Payette, Idaho before Board Member Leland Heinrich. Trustee Frederick Crase appeared at hearing for Appellant. Assessor Sharon Worley represented Respondent.

Board Members David Kinghorn, Leland Heinrich and Kenneth Nuhn join in issuing this decision.

The issue on appeal concerns the market value of an improved residential property.

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

FINDINGS OF FACT

The assessed land value is \$45,500, and the improvements' value is \$102,750, totaling \$148,250. Appellant agrees with the value of the improvements, however, contends the correct land value is \$26,155, for a total value of \$128,905.

The subject property is a .97 acre rural residential lot located in the Wild Ridge Estates subdivision outside New Plymouth, Idaho. The property is improved with a single-level 1,129 square foot residence constructed in 2002. Other improvements include an attached two (2) car

garage and a small general purpose outbuilding.

Appellant questioned why subject's current land assessment roughly doubled from the prior year despite no changes being made to the property. Appellant contended the current valuation did not adequately consider detriments associated with subject's particular location within the subdivision. It was noted subject sits in a gulch which runs through portions of the subdivision. As a result subject does not have any distant views, whereas properties situated along the ridge enjoy views of the mountains and surrounding valley. Appellant also reported reception and connectivity difficulties related to wireless technologies such as poor cell phone coverage and no high-speed internet availability, due to the gulch location. Appellant commented due to these issues subject's land value should be less than properties situated higher on the ridge. Respondent remarked the available sales data did not identify a price premium for a view property in subject's particular neighborhood.

Respondent agreed subject's land value increased notably for 2018, however, explained due to a lack of sales in the area, the prior assessed land values had remained static since at least 2012. Then in 2017, a vacant lot sale from subject's subdivision suggested land values in the development were below market levels. Similar to subject, the sale lot was situated in a gulch and did not have views of the surrounding vista. The .55 acre lot sold in December 2017 for \$15,500. Respondent spoke with the purchaser who reported an additional \$3,500 was spent to level the lot so it could be developed, and another \$25,000 was spent to install the well and septic amenities. Adding these site costs to the sale price, Respondent calculated an adjusted price of \$44,000. Subject's land value is \$45,500, which Respondent argued was supported by the nearby sale.

Respondent also provided information on three (3) additional vacant lot sales. However, because they were located more than ten (10) miles from subject, Respondent's analysis afforded little consideration to this additional sales data.

Respondent further offered information on three (3) improved sales located a couple blocks from subject. The sale properties resembled subject in terms of lot size, construction grade, condition, bedroom and bathroom count, and single-level design. Sizes of the sale residences were all within roughly 250 square feet of subject, though subject's residence is somewhat newer. All three (3) sales transpired in late 2016, with sale prices ranging from \$155,900 to \$169,300. Respondent adjusted the sale prices to account for physical differences between subject and the sale properties, which were noted to be minor. The adjusted prices ranged from \$155,683 to \$164,725. Subject's total assessed value is \$148,250.

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 the testimony and documentary evidence submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2018 in this case. On appeal, this case therefore presents a retrospective value question. 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. The three (3) approaches for determining market value include the sales comparison approach, the cost approach, and the income approach. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using the sales comparison approach.

Appellant contended subject's land was inequitably assessed compared to other lots in the subdivision located higher up, or on top of, the ridgeline. In Appellant's view, subject's gulch location negatively impacted the parcel's market value. While the Board understands Appellant's concerns regarding subject's challenges, market data demonstrating an actual impact on value to justify and quantify a value adjustment was not provided. Without market data support any adjustment could be arbitrary. In this case, Respondent offered testimony that the available market data did not indicate a price premium for properties situated on a ridge versus properties located in a gulch in subject's specific area. As there was no evidence provided in the form of recent market data to support an adjustment due to subject's location, the Board was unpersuaded to make an adjustment on this basis.

Respondent's value case was developed using recent sales from subject's subdivision. For subject's assigned land value Respondent offered information from a December 2017 sale of a vacant lot. The \$15,500 sale price was adjusted upward by adding the purchaser's total cost to level the building site and install well and septic amenities. The Board does not necessarily agree these development costs contribute to the property's market value on a dollar-for-dollar basis, as it is a well-established principle that cost does not necessarily equal value. That being said, the 2017 lot sale, recent costs, and Respondent's accompanying analysis were found to represent the best evidence of subject's land value in this case.

The Board also found subject's total market valuation was well supported by the improved sales information provided by Respondent. The sale properties closely approximated most of subject's key physical features, and most importantly the sale properties were located in subject's subdivision. The high degree of similarity between subject and the sale properties was further evidenced by the low net adjustment percentages in Respondent's sales comparison adjustment grid, which ranged from -2% to +4%. With an adjusted price range from roughly \$156,000 to \$164,000, subject's assessed value of \$148,250 is reasonable and supported.

In appeals to this Board, the burden is Appellant's to demonstrate error in subject's assessed valuation by a preponderance of the evidence. Idaho Code § 63-511. Given the evidence presented in this matter, we did not find the burden of proof satisfied. Appellant's value position was not supported by the sales data provided into the record in this matter. Accordingly, we did not find sufficient cause to disturb subject's current assessment.

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

FINAL ORDER

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

DATED this 29th day of January, 2019.

IDAHO BOARD OF TAX APPEALS