

BEFORE THE IDAHO BOARD OF TAX APPEALS

DEA HAIGHT,)	
)	
Appellant,)	APPEAL NO. 19-A-1097
)	
v.)	FINAL DECISION
)	AND ORDER
SHOSHONE COUNTY,)	
)	
Respondent.)	
)	
_____)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Shoshone County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPE00500120170A. The appeal concerns the 2019 tax year.

This matter came on for hearing October 15, 2019 in Shoshone, Idaho before Hearing Officer Cindy Pollock. Attorney G.W. Haight appeared at hearing for Appellant. County Assessor Jerry White 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 property.

The decision of the Shoshone County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$23,648, and the improvements' value is \$7,890, totaling \$31,518. Appellant contends the total assessed market value should be less than \$20,000, with \$0 value attributable to the improvements.

Subject is a .20 acre parcel improved with a residence built in the early 1900's. The property also has a small shed and some paving. The property is located in Wardner, Idaho.

Appellant maintains the value attributed to subject's improvements is erroneous.

Appellant explained the residence has been vacant for over ten (10) years. It was claimed the improvements have a negative contributory value, as the residence is uninhabitable and does not have a foundation. Everything in the residence was said to have zero value as the elements have destroyed all the items. Appellant reported it is unsafe to even enter the residence to retrieve personal items. It was reported the residence is set to be demolished as demanded by the local municipality. At the time of hearing, it was unknown whether the residence was still standing. The notice of intent to demolish was issued to Appellant on March 1, 2019 and gave Appellant sixty (60) days to remove personal property items and to vacate the property.

Respondent reported the residence was valued at \$7,500, which value was referred to as a placeholder value. This practice was described as leaving a value in place for the possibility of rebuilding the same building envelope by leaving one (1) wall or a portion of the structure still in place. Respondent offered testimony that if the residence was fully torn down, a new building footprint would need to be smaller to comply with code restrictions which have changed regarding setbacks. Respondent recognized subject has been vacant and has deteriorated, however, noted the existing building envelope does contain some value, and per law must be assessed.

The record was left open after hearing to allow the parties an opportunity to provide more detailed information on whether some portion of the residence could be left in place to grandfather the existing footprint and to report if the residence still even existed. Respondent provided a 2017 Memorandum Decision and Order from the district court regarding the subject property. The court ordered Appellant to repair the subject property within six (6) months of the

date of the decision. Appellant rebutted this and countered by the time the court's order came out, the residence had deteriorated beyond hope of repair. Even with the parties' additional information it was not clear whether the residence, or a portion of it, still stands on the property.

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 in fee simple interest, 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, 2019 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.

Respondent explained the subject improvements were not being assessed as a livable residence, however the structure's footprint was said to possess value and to be assessed accordingly.

We understand Appellant has been in litigation regarding the subject property. Respondent provided a court order dated in June 2017 which laid out detailed instructions

regarding the subject being repaired and remedied. Appellant testified subject had deteriorated beyond repair by the time the court decision was rendered. On October 19, 2019, the date of this Board's hearing, it was affirmed by Appellant notice had been received from the Municipality of Wardner on March 1, 2019, which indicated subject was set to be demolished.

It appears before us there is no dispute that subject's residence has no value as a livable residence. Both parties' attested to the improvements' extensive deterioration. What is at issue is whether the building envelope or footprint of the old improvements contributes some value to the overall site. The record was left open for evidence on whether the current footprint could be used to reconstruct a similarly sized residence. This would evidently involve using at least one (1) or more of the current walls in the new construction. Otherwise, due to changes in setback requirements, a similar sized residence could not be constructed on the property. The Board found the submitted post-hearing information did not fully address the issue.

In conclusion, the Board finds where subject's residence lacks a proper or modern foundation, the likelihood of using or benefitting from the same footprint is highly unlikely. Further, nothing in record indicated a reconstruction of the residence was likely to take place, or for that matter, could even take place. As of the January 1, 2019 assessment and valuation date, we find the subject residence was very deteriorated and most likely heading for demolition. As such, the Board does not agree that the building envelope potential or argument alone, offered good support for the value assigned to the subject improvements. We did not find good support in record that the residential improvements contributed several thousand dollars in value to subject. The paving looked usable in the photographs and the record did not show the small shed was unusable. Together with some token value on the residence a small

contributory value of the overall improvements seems reasonable.

In accordance with Idaho Code § 63-511, the burden is with the Appellant to establish Respondent's valuation is erroneous by a preponderance of the evidence. The Board finds the burden was met in this case to a degree. Allocating a zero value to all the improvements was not supported, however the value of \$7,890 suggests a value attributable to the old residence which we hold was unsupported in the record before us. For the reasons expressed, the decision of the Shoshone County Board of Equalization will be modified to reflect a total subject market value of \$24,648, representing only a small value attributable to the small shed and small paved area.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Shoshone County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease to \$24,648 (land allocation \$23,648, improvements allocation \$1,000).

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 Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above ordered value for the current tax year shall not be increased in the subsequent assessment year.

DATED this 30th day of December 2019.

IDAHO BOARD OF TAX APPEALS