SUPREME COURT OF IDAHO

Riverside Development Co. v. Vandenberg

137 Idaho 382 (2002) · Decided June 6, 2002

SUMMARY

The Idaho Supreme Court affirmed ad valorem tax valuations of Riverside Development Company's unsold subdivision lots for tax years 1996 through 1998. The court held that the assessor appropriately considered the lots' actual and functional use and properly valued them using individual retail values rather than an aggregate wholesale valuation. The court also held that Riverside failed to show by clear and convincing evidence that the assessor's valuations were manifestly excessive, arbitrary, or otherwise erroneous.

CASE DETAILS

COURT	Supreme Court of Idaho
WRITING FOR THE COURT	Walters, Justice; Trout, Chief Justice; Schroeder, Justice; Kidwell, Justice; Eismann, Justice
JURISDICTION	Idaho
DECIDED	June 6, 2002
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a district court judgment upholding county property-tax assessments on the appellant's unsold subdivision lots for tax years 1996, 1997, and 1998.
STANDARD OF REVIEW	The assessor's valuation is presumed correct, and the taxpayer bears the burden of proving by clear and convincing evidence that relief is warranted. Relief is available when the valuation is manifestly excessive, fraudulent, oppressive, arbitrary, capricious, erroneous, or discriminatory, and the Court may reverse or modify administrative findings that prejudice substantial rights through statutory or constitutional violations, excess of authority, unlawful procedure, or clear error. Factual findings are reviewed for support by competent and substantial evidence, while legal issues receive free review.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	Riverside Development Company v. Vandenberg, Idaho Tax Commission, Kootenai County Commissioners

TOPICS

property tax | state and local tax | administrative law | standard of review | appellate procedure

PRACTICE AREAS

property taxation | administrative law | appellate procedure

QUESTIONS PRESENTED

1. Whether the Assessor considered the actual and functional use of Riverside's unsold subdivision lots as required by Idaho Code section 63-208.
2. Whether the Assessor's individual retail-value assessment of the unsold lots was impermissibly excessive or otherwise erroneous for ad valorem tax purposes.

HOLDINGS

1. The Assessor's valuation complied with Idaho Code section 63-208 because the actual and functional use of Riverside's lots was considered, and the district court's finding that the lots were used as single-family residential lots was supported by substantial, competent evidence.
2. The Assessor properly valued Riverside's unsold lots individually using the retail values of comparable lots, and Riverside failed to prove by clear and convincing evidence that the assessments were manifestly excessive, arbitrary, capricious, erroneous, discriminatory, or otherwise prejudicial to substantial rights.

KEY QUOTATIONS

> *"The value of property for purposes of taxation determined by an assessor is presumed correct, and the burden of proof is on the taxpayer to show by clear and convincing evidence that the taxpayer is entitled to the relief claimed."* (384)

> *"Although Mr. Morse provided additional methods of valuation, the district court concluded that RDC failed to present clear and convincing evidence to show that the valuation utilized by the Assessor was incorrect."* (385)

FACTUAL BACKGROUND

Riverside Development Company purchased land in Post Falls, Idaho, intending to develop it into 463 residential lots. During the relevant assessment years, Riverside owned between 53 and 62 unsold, unimproved lots that had streets, sidewalks, utilities, and subdivision descriptions. The Kootenai County Assessor valued each unsold lot using the retail value of comparable lots, while Riverside argued that the lots should be valued in the aggregate at a wholesale or developer's-discount value.

PROCEDURAL HISTORY

Riverside Development Company challenged the Kootenai County Assessor's valuations before the Board of Equalization. The Board affirmed the assessments; the Board of Tax Appeals affirmed the 1996 assessment, and the district court reviewed the 1996 appeal from the Board of Tax Appeals and the 1997 and 1998 appeals directly from the Board of Equalization. After a court trial, the district court upheld the Assessor's valuations, and Riverside appealed to the Idaho Supreme Court.

DISPOSITION

affirmed

CASES CITED

- Greenfield Village Apartments, L.P. v. Ada County, 130 Idaho 207, 209, 938 P.2d 1245, 1247 (1997)
- Merris v. Ada County, 100 Idaho 59, 64, 593 P.2d 394, 399 (1979)