

BEFORE THE IDAHO BOARD OF TAX APPEALS

LARRY AND LINDA YERGLER,)	
)	
Appellants,)	APPEAL NO. 24-A-1251
)	
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. RPG00000056750A. The appeal concerns the 2024 tax year.

This matter came on for hearing November 20, 2024, in Wallace, Idaho, before Board Member Kenneth Nuhn. Appellants Larry and Linda Yergler were self-represented. Shoshone County Assessor Jerry White represented Respondent.

Board Members Leland Heinrich, Kenneth Nuhn, and Doug Wallis join in issuing this decision.

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

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

FINDINGS OF FACT

The assessed land value is \$105,387, and the improvements' value is \$421,624, totaling \$527,011. Appellants contend the correct total value is \$376,103.

The subject property is a .54 acre parcel located in Pinehurst, Idaho. The parcel is adjacent to Pine Creek and sits in a narrow mountain canyon. The property is improved

with a 2,158 square foot 2015 residence with three (3) bedrooms and two (2) bathrooms. Approximately 1,383 square feet of the residence are finished. The property also includes a 1,250 square foot attached garage and a 144 square foot shed.

Appellants described subject's area as having "smaller, older homes, mostly in need of repair." Appellants stated there are only roughly ten (10) newer homes, subject being one, but opined the number of older, smaller homes devalues subject's neighborhood, therefore making subject less desirable and lowering its value. Appellants described several "blight issues" which could hinder sales in the neighborhood, including the presence of manufactured homes. Appellants also shared subject's street is narrow, roughly twenty (20) feet wide, and approximately 10% of subject's land is unbuildable because it is rocky, uneven, and covered with weeds. Overall, Appellants argued the assessment does not adequately consider subject's or the neighborhood's less desirable characteristics and requested subject's land valuation be lowered to \$76,000.

Appellants additionally shared limited information concerning eleven (11) 2023 sales within two (2) miles of subject. Only address, sale date, and price were shared; no property details were disclosed. The properties sold from June to December with sale prices between \$225,000 and \$399,000.

Respondent noted a -10% adjustment was applied to subject's land value to account for topography issues but no neighborhood adjustment was made. Respondent stated neighborhoods are utilized as a trending tool in mass appraisal, and opined that even a fee appraiser would look farther than Appellants' opinion of the boundaries of subject's neighborhood—which comprised of three (3) to four (4) streets near subject's—for comparable sales. Respondent shared neighborhoods are typically large, such as a

whole city or a subdivision. Respondent also argued if subject's neighboring properties deflated subject's value, such would be evident in the sales data. Respondent also clarified that all disclosed, at-market sales are utilized in mass appraisal, but specific sales are chosen to demonstrate subject's value when an appeal is filed based on comparability to demonstrate subject was valued fairly and accurately with similar properties. Respondent shared trending is generally used in assessment because it is not feasible to visit and appraise each individual property every year.

Respondent also shared information on three (3) sales to support subject's assessment. Sale No. 1 was a .19 acre property improved with a 1,331 square foot fully-finished 2023 residence with three (3) bedrooms and two (2) bathrooms as well as a 460 square foot attached garage. The property sold in May 2023 for \$425,000.

Sale No. 2 was a 1.04 acre property improved with a 1,825 fully-finished 2015 residence with three (3) bedrooms and two (2) bathrooms as well as a 528 square foot garage. The property sold in September 2023 for \$529,900.

Sale No. 3 was a .23 acre property improved with a 2,520 square foot fully-finished 1970 residence with four (4) bedrooms and one and one-half (1½) bathrooms as well as a 484 square foot garage and a 120 square foot shed. The property sold in August 2023 for \$415,000.

In comparison, subject is a .54 acre property improved with a 2,158 square foot 2015 residence with 1,383 finished square feet, three (3) bedrooms, and two (2) bathrooms as well as a 1,250 square foot garage and a 144 square foot shed. Its 2024 assessed value is \$527,011.

Appellants shared many concerns with Respondent's sales, arguing none were comparable to subject. Regarding Sale Nos. 1 and 2, Appellants shared the properties were outside city limits, on the other side of a mountain, and were "located in a newer, more upscale subdivision" with "wide paved roads and beautiful views." Appellants noted Sale No. 3 is located in a golf course neighborhood which, in Appellants' opinion, is more desirable than subject's. Appellants shared the streets are wider than in subject's neighborhood and the sale residence has a basement. Though no data was provided, Appellants stated this neighborhood has some of the highest valued residences in Pinehurst.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest or, as applicable, a property's 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, 2024, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

"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 Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach is commonly used in the valuation of a residential property. In general terms, the approach examines recent sales of similar property and considers the differences in property characteristics between subject and the sale properties.

Appellants did not conduct a traditional valuation analysis in support of a change to subject's value, but did provide limited information on eleven (11) sales within Appellants' definition of subject's neighborhood. Where the Board could not determine which properties, if any, were comparable to subject, the Board placed little weight on Appellants' sale properties in its determination of subject's market value.

Appellants also described the immediately proximate area as subject's neighborhood, noting the few streets around subject have mostly older, smaller homes and opining this devalues subject's newer home. The Board agrees the presence of older or otherwise inferior improvements can affect a property's value, but no market evidence was provided which would demonstrate the effect, if any, in subject's area.

Overall, much of Appellants' argument focused on attempting to discredit the comparability of Respondent's sales. Appellants shared the properties were in superior neighborhoods with wider roads and better views. The Board understood the concerns regarding comparability, but Respondent's sales analysis comprised the only meaningful market evidence in the record.

Like Appellants, Respondent did not conduct a traditional valuation analysis. Respondent provided information on three (3) sales, but no adjustments were made to account for differences between subject and the sale properties. This made it difficult for

the Board to correlate subject's value with the mostly smaller residences which varied in age from eight (8) years newer to forty-five (45) years older than subject. Despite the differences, as stated above, the sales were the only substantial market information in the record.

In accordance with Idaho Code § 63-511, the burden is with Appellants to establish subject's valuation is erroneous by a preponderance of the evidence. The burden of proof was not met in this instance. Appellants did not provide any meaningful market evidence which would suggest subject is overvalued. The Board will affirm the decision of the Shoshone County Board of Equalization accordingly.

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, AFFIRMED.

DATED this 3rd day of February, 2025.