

BEFORE THE IDAHO BOARD OF TAX APPEALS

NICHOLAS GYORE,	)	
	)	
Appellant,	)	APPEAL NO. 24-A-1181
	)	
v.	)	FINAL DECISION AND ORDER
	)	
NEZ PERCE COUNTY,	)	
	)	
Respondent.	)	
	)	
_____	)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Nez Perce County Board of Equalization denying an appeal of the valuation for taxing purposes on property described by Parcel No. RPL17400100060. The appeal concerns the 2024 tax year.

This matter came on for hearing October 23, 2024, in Lewiston, Idaho, before Board Member Kenneth Nuhn. Appellant Nicholas Gyore was self-represented. Nez Perce County Deputy Prosecutor Nance Ceccarelli 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 Nez Perce County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$64,000, and the improvements' value is \$562,465, totaling \$626,465. Appellant does not dispute the land value but contends the total value is \$575,000.

The subject property is a 3,518 square foot two (2) story 1995 residence situated on .26 acres in the Valley Vista Heights subdivision in Lewiston, Idaho. The residence includes 1,946 finished square feet above grade and 1,572 square feet below grade, of which 1,300 square feet are finished. Of the five (5) bedrooms and three (3) bathrooms, two (2) bedrooms and one and one-half (1½) bathrooms are above-grade level, and the remaining three (3) bedrooms and one and one-half (1½) bathrooms are below-grade. The residence includes an attached three (3) car garage.

Appellant's central argument was that subject was purchased in an arm's-length transaction in July 2023 for \$575,000, and the purchase price is the best representation of market value. Appellant shared that upon receipt of subject's original 2024 assessment, of about \$653,000, the assessor's office was contacted, and arrangements were made for an appraiser to view the property. After completing the site visit and revaluation of subject, the assessor's office reduced the assessment to approximately \$626,000. Appellant expressed concern the assessed value was still more than \$50,000 higher than subject's purchase price less than six (6) months prior to the relevant lien date. In Appellant's view, the definition of "fair market value" was satisfied with the arm's-length purchase of subject, so Appellant questioned why the assessed value did not match.

In support of the value claim, Appellant supplied information about four (4) sales from the last half of 2023, as well as two (2) separate Comparative Market Analysis (CMA) reports prepared by different local real estate agents; one (1) with an evaluation date of March 28, 2023, and the other dated September 26, 2024.

Sale Nos. 1 and 2 involved residences on subject's street. Sale No. 1 concerned a 3,774 square foot residence on .32 acres which sold for \$594,900 in August 2023. It

was noted this residence enjoys unobstructed views. Sale No. 2 regarded a 2,768 square foot residence that also enjoys unobstructed views on .27 acres which sold for \$498,000 in July 2023. Sales No. 3 and 4 both closed in late December 2023. Sale No. 3 involved a 3,616 square foot residence with unobstructed views on .30 acres of land for \$523,000. Sale No. 4 regarded a 2,800 square foot home on .41 acres with mountain views for \$420,000. Few details about the comparable properties were shared, though it was noted subject does not have unobstructed views like three (3) of the four (4) comparable sales.

The March 2023 CMA offered information on three (3) active listings, one (1) pending sale, and four (4) sales which occurred between November 2022 and March 2023. The three (3) active listings and pending sale included residences built between 1994 and 2002 ranging from 2,396 square feet to 4,303 square feet situated on parcels between .28 acres and .70 acres. Adjustments were made to listing prices for differences between the listed property and subject for shop, gross living area, and lot size, among others, resulting in adjusted listing prices from \$505,000 to \$604,000.

The four (4) sale properties' prices were also adjusted for differences when compared to subject. The first sale property from the 2023 CMA regarded a 3,518 square foot residence built in 1991 with four (4) bedrooms, three (3) bathrooms, and a three (3) car garage on .32 acres. It sold for \$525,000 in March 2023. An adjustment was made for number of bedrooms, which brought the adjusted sale price to \$535,000. Sale No. 2 involved a 2,840 square foot home built in 2003 with four (4) bedrooms, three (3) bathrooms, a two (2) car garage, and a 480 square foot shop on .28 acres. This property sold in March 2023 for \$567,000. Adjustments were made for gross living area, number of bedrooms, and the shop, for an adjusted sale price of \$587,000. Sale No. 3 regarded

a 3,078 square foot five (5) bedroom, three (3) bathroom residence built on .26 acres in 1997 that also had a three (3) car attached garage. No adjustments were made to the sale price from November 2022 of \$580,000. Sale No. 4 regarded a 4,292 square foot five (5) bedroom, three (3) bathroom home with a three (3) car garage situated on .29 acres and built in 2005. This sale occurred in November 2022 for \$740,000. Adjustments for gross living area, age and a pool resulted in an adjusted sale price of \$622,000.

The CMA dated September 2024 highlighted three (3) sold properties and three (3) active listings. The three (3) sales occurred between May and June 2024. The residences ranged from nearly 2,800 square feet to about 3,500 square feet, with parcel sizes between .27 acres and .30 acres and sale prices from \$456,000 to \$795,000. Adjustments were made for differences in living area, condition, and garage size, resulting in adjusted sale prices from about \$498,000 to \$725,000.

Regarding the 2024 CMA submitted by Appellant, Respondent argued the sales included were all untimely, as they occurred after the January 1, 2024, lien date. And with regard to the 2023 CMA, Respondent pointed out that all of the comparable sales were single-level residences with basements in a different parcel type classification than subject, so they were not used in Respondent's studies.

Respondent stated that due to the findings made during the inspection, adjustments were made to subject's record, and a corrected assessment was issued. In support of the corrected assessed value, Respondent offered two separate analyses: a cost analysis and a sales analysis.

The cost approach used source data from the Oregon Cost Manual. After including a site value of \$64,000 and allowing for depreciation of the dwelling, garage, and other improvements, Respondent arrived at a value of \$626,467.

In the sales comparison analysis, six (6) sales which sold between September 2022 and October 2023 were submitted. All but Sale No. 3 involved residences with a basement. Adjustments for lot size and classification, age, gross living area, and basement square footage, as well as garage and other improvements, were made to each comparable sale. Respondent noted market research for the area did not indicate any need for time adjustments over the nearly two (2) year period when the sales occurred, so none were applied. A summary of the sales comparison is as follows:

<u>Sale No.</u>	<u>Sale Date</u>	<u>Sold Price</u>	<u>Residence Square Footage</u>	<u>Lot Size</u>	<u>Adjusted Sale Price</u>
1	Apr-23	\$530,000	2,992	.33 acres	\$649,042
2	Mar-22	\$580,000	2,648	.24 acres	\$671,899
3	Mar-22	\$436,000	1,870	.17 acres	\$630,206
4	Sep-22	\$442,000	3,384	.32 acres	\$577,497
5	Oct-23	\$560,000	3,660	.23 acres	\$671,984
6	Jun-23	\$425,000	3,874	.37 acres	\$562,839

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.

Both parties provided sales information to substantiate their respective value claims, which efforts were appreciated by the Board. Appellant provided two (2) different CMA's, one (1) of which highlighted sales occurring in May and June of 2024, as well as active listings as of September 2024. Though the information was appreciated, the relevant date of valuation in this appeal is January 1, 2024, thus information about sales after this date are untimely and should not be used because they are unknowable at the time of assessment. As such, the 2024 data was not afforded any weight. Regarding the active listings in both CMAs, listing prices are not considered a reliable source from which to derive market value as they may or may not represent the eventual sale price. This data was also not considered.

Appellant's central argument was subject's assessed value should match the recent purchase price. While the Board understands Appellant's argument, complete reliance on a single sale is not considered sound appraisal practice. A determination of market value necessarily requires consideration of multiple recent arm's-length sales, not just a single transaction. There are any number of individual factors which may influence a particular sale price, so it is necessary to consider a single sale against the backdrop of the broader marketplace. In this case, Appellant did provide information on eight (8) sales from mid-November 2022 through late-December 2023, four (4) of which were provided in the 2023 CMA. The sales prices were adjusted for gross living area, lot size, and shop dimensions, among other differences. The adjusted prices for these sales ranged from \$535,000 to \$622,000. Respondent addressed these sales noting they were all single-level residences with basements, and some were in a different parcel type class than subject.

The other four (4) sales for which Appellant provided information were not directly compared to subject. The Board noted two (2) of the sales were on subject's street, sold for \$594,900 and \$498,000, respectively, within a month of subject's July 2023 purchase. These sales were found by the Board to be the most compelling of the submitted sales.

Turning to Respondent's analyses, the Board appreciated Respondent's cost approach analysis as a "self-check," but afforded it little weight, as thirty (30) years of depreciation is difficult to evaluate accurately. Looking to the sales analysis, Respondent offered six (6) sales in the same parcel type classification as subject. However, net adjustments for Respondent's sales ranged from about 16% on the low end to over 44%. With such large adjustments necessary, despite being in the same parcel type

classification, the Board was strained to find the comparability to subject. It was also unclear to the Board why Respondent did not use any of the recent sales on subject's street in its analysis.

Notably, Respondent's presentation included the fact that "sales **did not** indicate a need for time adjustment over the 2 year period" (emphasis in original), thus explaining that even the sales from September 2022, nearly sixteen (16) months prior to the relevant lien date, did not require any time adjustments. The Board found this point and the two sales on subject's street within a month of subject's purchase strong evidence that subject is overvalued.

As provided in Idaho Code § 63-511, Appellant carries the burden of establishing subject's valuation is erroneous by a preponderance of the evidence. The Board finds this burden was met in this instance. Subject's recent purchase along with the additional sales on subject's street were the best value evidence in record. While sale prices were not adjusted for direct comparison to subject, the sales bracketed subject's purchase price. The remaining data in the record did not substantiate the value claimed by Respondent, and Respondent's own research indicated there was no need for time adjustments. For the aforementioned reasons, the Board finds the July 2023 purchase price of \$575,000 is its most probable market value and will reverse subject's assessment accordingly.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Nez Perce County Board of Equalization concerning the subject parcel be, and the same hereby is, REVERSED to reflect a decrease to \$575,000 with \$64,000 attributable to the land and \$511,000 to the improvements.

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 4th day of February, 2025.