

BEFORE THE IDAHO STATE BOARD OF EQUALIZATION

In the Matter of the 2023)	
Operating Property Ad Valorem)	
Valuation of)	DOCKET NO.1-080-108-032
)	
HOLLY ENERGY PARTNERS, LP)	DECISION
Petitioner.)	
)	
)	
)	
)	

HOLLY ENERGY PARTNERS, LP (Petitioner) filed a timely protest of the value of its operating property asserting that Petitioner should receive the same reduction that a railroad would receive under the federal Railroad Revitalization and Reform Act of 1976 (also known as the “4-R Act”).

DISCUSSION OF THE CASE AND FINDINGS

Petitioner’s property is operating property as defined in Idaho Code § 63-201(16). Operating property is assessed annually by the Tax Commission pursuant to Chapter 4, Title 63, Idaho Code. The burden of proof is on the taxpayer challenging staff’s appraisal to show that they are entitled to relief. *See* IDAPA 35.01.03.407.09.e; *PacificCorp v. Idaho State Tax Comm’n*, 153 Idaho 759, 767, 291 P.3d 442, 450 (2012); Idaho Code § 63-409(2).

Petitioner asked for their assessed value to be reduced by the same amount that it would be reduced under the federal 4-R Act if Petitioner were a railroad. The 4-R Act requires states to use ratio studies to test whether commercial and industrial property has been assessed at a level that is more than five percent below the ratio of market value at which the railroads were assessed and to grant railroads relief if commercial and industrial property is found to be below 95%. In May 2023, the Idaho Supreme Court held that Idaho’s constitutional uniformity requirement allows

owners of all operating property to ask for the same relief that railroads receive under the 4-R Act. *Idaho Power Company v. Idaho State Tax Commission*, 530 P.3d 672 (2023).

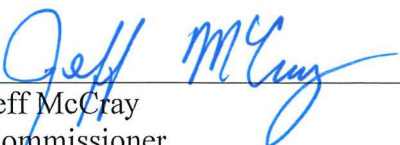
Tax Commission staff prepared a report applying the same methodology to all operating property in Idaho as is applied to the railroads. This report uses ratio studies based on the commercial and industrial property values in the counties where the railroad (or in this case, Petitioner's property) is present to determine whether a reduction should be granted under the 4-R Act. The Board took up this issue generally on August 14, 2023, and decided to grant the reductions shown in Tax Commission staff's report for all operating properties in Idaho. However, staff's analysis shows that some operating properties receive no reduction under the 4-R analysis because, in the case of those properties, no ratio studies showed that the level of assessment for commercial and industrial property was less than 95% of market value in the counties where those properties are present. Such is the case for Petitioner, no reduction to the assessed value is merited under the 4-R Analysis.

CONCLUSION AND DECISION


We, the Idaho State Tax Commission, sitting as the State Board of Equalization, accept the recommended value of \$14,515,946, as contained in the Tax Commission property tax staff's appraisal report, and apply no reduction under the 4-R analysis. The board hereby assesses \$14,515,946 to be the taxable value of Petitioner's operating property.

DATED this 25th day of August 2023.

IDAHO STATE TAX COMMISSION



Jeff McCray
Commissioner



Jared Zywygart
Commissioner



Janet Moyle
Commissioner

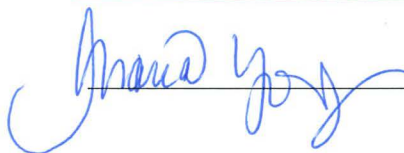
CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of August 2023, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

JEFFREY R COHEN, CMI
INDUSTRIAL VALUATION SERVICES
PO BOX 92108
AUSTIN TX 78709

Receipt No.

7019 2970 0000 3044 0778

A handwritten signature in blue ink, appearing to read "Anna Yoo", is written over a horizontal line.