STATE BOARD OF EQUALIZATION
OPEN MEETING
MINUTES OF MEETING HELD AUGUST 24, 2026

In attendance: Commissioners Paul Woods, Janet Moyle, Jared Zwygart and John Bernasconi, and Jim Rice, Deputy Attorney General. This meeting was open to the public and guests attended online.

Commissioner Woods, Chairman for the State Board of Equalization, reconvened the State Board of Equalization for 2026 (Board) at 9:00 a.m. August 24, 2026.

The first Action Item of the day is to Present, Review, Approve, and Equalize Centrally Assessed Values. Jerott Rudd, Property Tax Operating Property Bureau Chief, was recognized to present the 2026 Operating Property values for certification. He provided documents to the Board and reviewed a summary of the operating property values for 2026. The total operating property value for 2026 is $4,628,241, 587, a 1.16% increase over last year. He asked if there were any questions regarding those values. Commissioner Woods asked that they review by category and discuss significant changes. Telecommunications companies have seen large changes due to fiber optic installations throughout the state. That's also reflected in county values year over year. Commissioner Woods asked if they're just investments in capital; Mr. Rudd said they are investments in broadband fiber. Mr. Rudd said typically, when decreases are observed, they may have divested some assets or have a decrease in cash flows. Commissioner Zwygart noted some nonutility generators that increased more than usual. Mr. Rudd said several companies received a 4-R (Railroad Revitalization and Regulatory Reform Act or 4-R Act) adjustment last year and did not this year due to legislation [HB329] passed last year. Only railroads and rail car fleets can claim 4-R adjustment now.

Commissioner Moyle asked Mr. Rudd to please provide these reports earlier. It would be nice to be able to have questions ready to go opposed to trying to look through this report and come up with questions on the spot. Mr. Rudd said he can provide the reports earlier.

Commissioner Zwygart asked about some new corporations he's noticed and Commissioner Woods commented on some large decreases. Mr. Rudd said a larger decrease (37%) is likely because those companies didn't qualify for the 4-R reduction this year. Commissioner Woods asked about the rail car fleets. Mr. Rudd said they vary from year to year. There are private rail car fleets under $500,000 that often change ownership. The volume varies from year to year so it's common to see fluctuation. He explained that, under state law, all tax revenue generated from private railcar fleets valued at less than $500,000 is allocated each year to the state school income fund. Private rail car fleets of over $500,000 are billed and collected by the county, just like every other operating property. Commissioners continued asking questions about different value changes throughout the report. Commissioner Woods made recommendations for next year's report, so they'll be able to compare values year-over-year. Mr. Rudd said he and his team will be happy to do that and to provide the reports earlier. Part of the reason for providing it as late as possible is that when there are 4-R adjustments, they're generally certified by the Board prior to making the adjustments to value in the report. To the extent they can provide it early, they will. Commissioner Zwygart suggested marking it as "draft."

Mr. Rudd presented the next report that provides a two-year comparison of operating property by county. In 2025, the rate-regulated electrics and the rate-regulated gas distribution companies were

on the report. Normally those values would be in the 2025 column but were adjusted out so that they're comparing apples to apples. The values were approximately a 1.6% increase over last year. Commissioner Woods thanked him for removing those properties, saying it makes things easier. Mr. Rudd said the dips in values are primarily due to the 4-R adjustments that weren't there last year. Next to Union Pacific Railroad, Idaho Power is the next highest property tax value in the state.

Mr. Rudd presented the last report, the 2026 4-R value reduction: there were nine companies mixed between companies and railroad companies. The total 4-R reduction in value is $216,178,000 approximately. Some of these companies received a 4-R adjustment last year and some did not. With the 4-R adjustment, it's based on ratio studies completed by the Property Tax Policy Bureau and it can vary quite a bit from year to year. Commissioner Woods asked about the names of some of the rail car fleet owners noting CIT Equipment Financing, LLC, and Wells Fargo. Commissioner Woods asked for clarification on how the apportionment is allocated to taxing districts. Mr. Rudd said value is apportioned in the same proportions as railroad value, so the railroads identify which rail cars have mileage in Idaho. The state uses the railroad mileage of track to apportion that rail car value throughout the state. Many of the railroad's rail cars are apportioned to the same group of counties ,depending on which railroad they're running.

Commissioner Woods opened the floor to a motion to approve the staff's recommendation for the 2026 operating property values. **Commissioner Zwygart moved to approve staff's recommendation for the 2026 operating property values.** Ms. Young conducted a roll call vote: Commissioner Moyle, aye; Commissioner Zwygart, aye; Commissioner Bernasconi, aye. The motion carried and the 2026 operating property values were approved.

Commissioner Woods moved on to **agenda item number 3**: **Present, Review, Approve, and Equalize County Assessments and Abstracts**. Alan Dornfest, Property Tax Policy Bureau Chief reviewed the corrected abstract presentation. The county decimal point error was corrected, and the numbers are now correct. It did change the statewide numbers that are available in the corrected report distributed to the Board. There were no other corrections. Commissioner Woods appreciates the diligence of Mr. Dornfest and his team. Mr. Dornfest thanked the Board and said he'd spoken to the Assessor and while the error was huge, it was quickly fixed when it was brought to her attention. He recognized Sandy Bowen in the Property Tax Policy unit for her exceptional work in helping to identify the error and narrow it down to which parcels were affected. She worked with the county, and the error was corrected very quickly. There's no reason to make the county feel worse about it; it's a lesson for everyone to cross-check their numbers. That lesson was received well throughout the state.

Commissioner Moyle was recognized for a statement saying that for years, this Board has paid so much attention to the ratio studies. When it comes to equalization, the ratio study is just a litmus test of what is being equalized. She asked Garin Evans, Property Tax Policy Specialist, to provide her with a report showing a side-by-side comparison of residential and commercial categories in each county and the ratios are extremely far apart. The Board must ensure the counties are closer. Commissioner Moyle said that instead of reading the full statement, she'll forward it to Ms. Young for inclusion into the record. (Commissioner Moyle's full statement can be seen at the end of these minutes.)

She highlighted that the counties haven't been given direction about this, but she'd like to notify them now that the Board will be paying attention to the equalization of the categories, not just the passing of the ratio study. She feels that as commissioners they're getting further away from their

jobs of equalizing the categories across the state. The rules emphasize the categories specifically for equalization and they should be closer together. Ratio studies are a compliance tool. She said one of the fundamental responsibilities of the Idaho State Tax Commission is to ensure that property assessments are fair and equalized throughout the state. That responsibility is broader than simply determining whether a county has passed its annual ratio study. For too long she believes they've placed significant emphasis on whether counties fall within an acceptable ratio study range without giving enough attention to the equally important question of whether the different categories of property within the county are being assessed equitably in relationship to one another. Passing the ratio study is important, but passing the ratio study is not the end of their equalization responsibility. Idaho Code section 63-109 is very clear about the commission's responsibility. It provides that the state tax commission shall equalize the assessments and properties throughout the state by categories. The statute further authorizes the commission to increase or decrease the value of a category when the value of that category appearing in such abstract is not just and equal as compared to other categories of property in that county or the value of similar categories of property in other counties. That language is significant. The legislature did not simply direct the commission to determine whether the county as a whole falls within an acceptable statistical range, it specifically directs them to determine and examine those categories of property and the relationship to one another. This means that residential property should not systematically carry a greater percentage of market value than commercial property, nor should commercial property systematically carry a greater percentage than residential properties. The objective is that each category be assessed consistently at market for assessment purposes so that the property tax burden is distributed equitably.

As she looks at some of these this year she can absolutely say these are not equalized. That isn't the standard at which they've asked the counties to be, they've asked them to pass the ratio study. So for this year, she'll probably agree to the staff's recommendation, however, that is not their position as commissioners and she feels that for next year, they need to put those counties on notice that they're going to be looking at that equitability, not just the passage of the ratio study. That's her stance.

Commissioner Woods thanked Commissioner Moyle for her statement. He said it's good to have these conversations, and he isn't sure what Mr. Evans sent to her, but he doesn't think there's anything in her statement with which he disagrees. They need to be at market. The rule is simply to say that there is a standard. Statistically speaking, even though the median is at 93%, the confidence interval is such that that's where the sample is, and that they can't prove they're not at 100%. Just saying that one's at 93% and one's at 97% doesn't mean they aren't at market. Statistically, they can't prove otherwise. It would be wrong to compare one county at 97% for improved residential and one county at 93% improved residential and say they're not equalized.

Mr. Dornfest added that the rule, and Idaho Code section 63-208 includes everything that's in rule with one exception. The rule did not refer to the difference between categories. The law (Idaho Code section 63-208) does and says specifically that compliance requires no more than a 5% difference. He reviewed the report Mr. Evans provided Commissioner Moyle, as well as all their ratio studies, and there is no category they can demonstrate, using confidence intervals as proof that is more than 5% different. Market value creates another issue. Market value is evidenced by one number, 100%. The Commissioner is correct about Idaho Code section 63-109; it talks about any evidence, not just ratio studies. But the question now is that Idaho Code section 63-208, with its specifics about a 10% range within a category with 5% between, is all incorporated with statistical proof in Idaho Code section 63-208, so, it creates a sort of conundrum between the two. The bottom line is if you're asking the question, "can any category be proven not to be precisely, exactly, at 100%", that's a different standard they've never held anyone to. There will be some confidence intervals that don't

overlap 100% but will any fall outside the range set or between categories or within a category in 63-208? No, there will not be. That's a long answer and it complicates things, but basically the confidence interval is the evidence.

Commissioner Zwygart said everyone likely understands his feelings on fair market value, being an accountant, but if you don't do a statistical analysis, how else should they direct staff to bring those closer together. Commissioner Moyle responded that that isn't what she's saying at all. She's saying they shouldn't just look at the ratio studies. Their job is to look at each individual category and if those ratios or intervals are not close enough together, then they're not equalized. If they have a county with commercial at 113% confidence level and their residential is at 93%, that's a far spread and should be closer together. They're not equalized at that point.

Commissioner Woods said the law doesn't allow for that; they need to be within 5%. Mr. Dornfest said when they test that, they look at the ends of the two confidence levels, and without getting too far into the weeds, if there's no more than a 5% difference, then they don't have more than a 5% difference. That's what the law requires. A confidence level that has a very high one end but a lower other end, they have to compare the two ends that are the closest together or they don't have statistical proof of anything. They have no categories, not a single one that they've identified, that has more than a 5% provable difference.

Commissioner Moyle said she agrees with that, but what she's saying is that if there is one category on the low end of that and one category that's on the high end of that, they're not equalized. One category is then carrying a heavier burden than the other category and she would like the counties to get those a little closer together. That is equalization. When you're talking about statistics, she gets the statistics. Equalization is different. Equalization is looking at whether those statistical differences are close enough together. That's difficult in some of the smaller counties. But that isn't what they've been doing. What they've been doing is saying that they've passed the ratio study so they're good to go. That's not equalization.

Commissioner Woods said this is a good conversation. In that example, how would she equalize that? Commissioner Moyle said they'd have to go back to the counties and ask them to – just as the law states – either increase or decrease in certain categories. Whether that happens through trending or something else, the counties need to be equalized. Their job is to make sure that one category is not carrying a heavier burden. They've had these discussions before and that is truly what they're supposed to be doing. Commissioner Woods said he's trying to understand. The ratio study is based on a sample that was produced from sales during a certain period. The sample is of an entire population. Then there are the numbers, say a median at 113% and a median at 93%. His question is how do you know you've approached market? Do you adjust those sample sales? Isn't that sales chasing? Commissioner Moyle said you'd have to do the whole category. That's what the law says. Commissioner Woods said for the rest of the population that might be at 100%, then you're making adjustment off 100% based on that little sample analysis.

George Brown, Property Tax Division Administrator, was recognized and said he's speaking on behalf of his staff. Statistically, it can't be proven that there is disuniformity. There may be a hunch that there's disuniformity outside of 5%. The categories they have statistical capability to measure are all within 5% in each county or they'd report otherwise and the Board would order counties to move. Statistically, provably, there aren't any counties in that situation. Everyone passes that test; no category is more than 5% out from another category in any county. He thinks some of this could be from the fact that what the Board is not asking them to do is prove counties' levels are wrong. His

staff can do that, in some cases. In Ada County, where there are 10,000 or 11,000 sales, if they're at 92%, staff can't prove they're not at 100%, but staff can prove they're not at 92% because they have the statistical capability to do that. But for whatever reason, their level of assessment is at 92% and that passes and if their other categories aren't at more than 97%, or less than 87% within statistical probability, then they pass the standard in rule, and now law. The standard may be in law now; the law was changed, and it's the first time law has referenced ratio studies. There is an open question about whether the ratio study is now the law. Staff can provably show that some counties are not where they should be. They can't prove exactly where they should be, but they can prove they're not where they are. His staff haven't been asked to do that. They can in some counties, but that's not the counties the Commissioner seems to be talking about. In the small counties with only four or five sales, they can't prove anything because there aren't enough statistics. To ask his staff to recommend an adjustment in Custer County, because they only had, say, three sales, doesn't seem appropriate because statistically, they can't prove anything in those counties. His staff have given the Board, statistically, what they can prove with the available information. They can't prove any of those counties are outside of their ratio study limit, and outside of the 5% in between, or they would report that.

Commissioner Moyle said she isn't talking specifically about one county. She's talking about what their job as commissioners is, and that's to equalize, not to ensure the passage of a ratio study. That's a compliance tool. Commissioner Woods said he believes this conversation is good because he wants to ensure this Board of Equalization has a message upon leaving and that it's clear and understandable. There is a rule, but that's not everything. If the application of statistics can be done differently, he can ask staff to do as Mr. Brown suggested, to prove something else, then he needs to provide that direction sooner. He's happy to do that on behalf of the Board. But the reality is math varies by sample size. There are counites with very few sales and they must use of discretion, he thinks that's what Commissioner Moyle is saying and that she isn't arguing for eliminating the use of discretion. In a county where something's at 93% and something's at 113%, and yet they passed the ratio study because of math, his question is what is the right adjustment, because that sample is such a small piece of it. If it just happens that that sample is "whacky" and the rest of the population isn't at 100%, now they're going to have to move up 7%? In his opinion, that will compound the problem. How do you make those adjustments? Commissioner Zwygart said that was his question.

Commissioner Bernasconi asked what is the degree of variability in the confidence intervals? He knows Mr. Brown just said 100, but if everything's at a confidence level of 100, then they're always going to be within 5%. Mr. Dornfest said the variability isn't entirely (but mostly) sample-size related. There's almost no variability in every county. They know the sample of maybe 10,000 sales within a tenth of a percent. In fact, if you wanted to say, "can they prove not market value," you're going to fail Ada County every single time in it's residential. Why? Because 99.8% probably fails because the degree of uncertainty is so tiny; whereas, in a tiny county with five sales, it's going to have a huge variability. So, the margin of error varies. They don't set that going in. They determine the margin of error on the sample they have and in big counties it's nothing. In small counties it's very large. He offers that perhaps they owe Commissioner Moyle a better explanation of what Mr. Evans provided to her. His analysis was correct, but what Mr. Dornfest would like to do is add to that because of the confusion it's created over the 113%: the 113% is not interpretable, in his opinion, the way it's been suggested here that that's a degree of difference between two categories. It's simply not. He thinks they can do a better job of writing up an interpretation, and offers that by way of assistance with that report.

Commissioner Moyle said she doesn't question what staff does. Staff does an amazing job. Staff's job is different than hers as a commissioner. They have a different role. Staff is ensuring the statistics of the ratio study, which is a compliance tool. Her job is to then equalize. How that is accomplished is a good question and something that needs to be explored, but they've never explored that. They've always just taken the ratio study; just taken the tool, and never had a conversation about what they're actually supposed to be doing statutorily. That's why she's opening this door. Commissioner Woods said since they're together as a quorum, this is the time to have that conversation. Commissioner Moyle said she's always questioned, over the years she's been doing this: the counties are passing the ratio studies, and each category is passing the ratio study, but that doesn't mean those categories are then equalized within the counties. They know, and it's talked about at ATI (Associated Taxpayer's of Idaho Annual Conference) how residential is carrying more of a burden than commercial, or commercial is carrying more, and [the Board's] job is to make sure those conversations don't happen because their job is to ensure equalization.

Commissioner Woods said it's still before them today. They can make adjustments today to these abstracts. They can order a category to change. His fear is that if they order a category to change, it's a blunt instrument, it's the whole category that goes up. His concern is that in an attempt to equalize, if the sample produces the number that creates action by the Board, if that sample is just "whacky" and they order everyone up then they've compounded the problem. He doesn't know how to tease out how "whacky" that sample is because what gets their attention is the number, unless there's other information she wants to find to make the decision. Commissioner Woods asked when was the last time someone did their cost tables for residential? Would that be evidence? Commissioner Moyle said that could be evidence, because there's a lot of factors that are played into the appraisal process itself. Commissioner Woods noted the Board's decisions are not appealable.

Commissioner Zwygart said, because he isn't an appraiser, he must rely on staff to make some of these recommendations to him. He looks at the figures and tries to interpret them. He feels the Board then needs to tell staff, to look at "this" also. They must be careful when they make a statement, they need to tell them what to look at, because they can't just raise it up because the dollar amounts are different, if they've already said they're within the margin of error.

Commissioner Moyle said you can't; if there's a county that has residential at 100%, you know that's pretty much market value, but then commercial is at 92%. Now you know that residential is carrying a heavier burden. If you divide that, you then make the adjustment of that commercial at about 8.7% and that would equalize it. Commissioner Woods said that's where he struggles. He's being nitpicky, but he never knows what the whole population is. All he knows is what the sample produced, which is all you'll ever know. He's asking what the other measuring devices are. Commissioner Moyle said that's what she's saying. Once [staff] do their work, the Board looks at that and the way you equalize it is like she said: if you have a residential property that's at 100%, and a commercial at 92%, you divide those, and bring the commercial up by 8.7% in order to equalize that. That's how you do it. That's equalizing. Commissioner Bernasconi said it makes them the same, but he doesn't know if that's actual equalization. You make 100% and 100%, he can grant that. But making them the same is not the same as equalizing them with the tools we have available. He will always trust math. If you move that 92% to 100%, you do two things: first you assume that everyone in the residential was – parcel-by-parcel – all paying exactly what they should. Any change made is a parcel-by-parcel change. You make it across everyone. So, you're saying they're perfect, because they are at 100% within this confidence interval. And because commercial had lower sales, if he's understanding correctly, it had a bigger confidence interval – meaning they don't know that the 92% is really 92%. Which is where their mistake may fall. Maybe they should say it's 87%. Maybe they'd

see equalization more visually if the confidence intervals were banded to see where they overlap, making the truth somewhere in the middle. Maybe that would help it visually make more sense. He has the same fear: if you take commercial – and someone is probably paying 100% in commercial – then everyone for whom they raised: who's paying what they should? He feels he needs to find some confidence that he wasn't punishing someone so [the Board] would feel good that they all said 100% and it's because he doesn't understand it. He's the least experienced here, but he's pretty good with math and has a high confidence in that ability. What tool would exist other than to, say, make them all 100%. He thinks they're wrong differently.

Commissioner Woods asked what if they decide one year and then do a ratio study the next year and it turns out they've overcorrected? Then you start to see a wave of corrections that are oscillating and it can perpetuate itself. Maybe the focus here is on a request to prove, in those situations where the statistics allow that they're not at market, that they'd want to see some process to evaluate that. Because, again, what's the line of evidence? An assessor is supposed to use mass appraisals. We don't chase sales. They're supposed to use the same technique, equally, within the categories, to make sure it's being applied fairly. It doesn't need to be precise, it just needs to show they're equal. The concept of equal is more important than accuracy. They need to be at market, but equally. They can be equally away from market. If there are tools Mr. Brown and his team can use, if the Board asks them to prove something's not at-market, this would be the time to suggest that.

Mr. Brown said he and Mr. Dornfest have been having a conversation for several years about using something besides sales as a proxy in a ratio study. What many states do – rather localities – instead of using sales for proxy, they use an appraisal. The scale is that they don't need to do this in Ada County. They don't need to do this in Kootenai County because there are significant sales. They have exact numbers: in places like that, they're about as close as anyone can be to knowing exactly where they are. The variants are, and he thinks Commissioner Moyle is right to question that – if Ada County's at 93% - Why? Because they can surely be at 99%. Most counties aren't like that. In most counties, they don't have enough sales so you would send appraisers out to do appraisals. Do as many as it takes to get a good sample size. The problems with that are that there is nothing in the law that says they can do it. There's no one to do it. If they had to, and he's fought against it because Mr. Dornfest has suggested using consulting appraisers to do this a few times, but he's afraid that's a slippery slope because if they look at "this" county this year, then next year, they have 34 counties that have hundreds of appraisals, they don't have staff for that. He'd need a whole department with 8 – 10 appraisers and a supervisor. The appraisers would have to be very high-level appraisers because the third part of that is that they would receive push-back on that asking why the state's appraisers are better than the county appraisers and, in some cases, they're not better. The state would have to hire high, and it would be a multi-million-dollar department. Places do it, though, because it works. In places where you don't have access to sales, like in Idaho, you can just send appraisers out that are familiar with that area and literally do appraisals and then you go for the sales. That's the "easy fix" for a ratio study – but they don't have the people to do it. Perhaps it could be done on a contract basis, if it was a one-time thing if there was a big problem in the state they needed to deal with, but there isn't. It's 30 counties every year where they don't have the sales they want, even the ones they have for a ratio study, they don't have a great ratio study. If there are 10 – 15 sales, that's not a great ratio study. If there are 100 sales, that makes a good ratio study. If there's 10,000 sales, that makes a great ratio study. But there aren't even that many properties in some of these counties. It's one way to resolve the issue, but it would potentially require a law change. At a bare minimum, it would require significant resources the Property Tax Division just doesn't have right now. It's a valid way to do it.

Mr. Dornfest added that there are ways to enhance their samples or reduce the margin of error. Mr. Brown is correct that other states, about 18 or 19 of them at least, use the method he described. There are several other methods, too. Ultimately, though, there are two other issues to consider as the Board goes down this path. Ratio studies are done on what they call primary categories. They're not actually providing a study on category 20, or category 12. Yet the Board is asked to equalize category 20 and category 12. A ratio study isn't valid except that the category is included in their bigger study. If the Board really wants information specific to a category, it would even be more involved down the route described by Mr. Brown in that it would be very complex. They used to do studies on more of the specific categories. That caused worse sales numbers and margin-of-error-type problems. That's something to consider; they don't do a study that corresponds with the 60 or so categories that are on the report. They compress things together so they can provide any type of study. The second part of the question is what he began to address a little earlier, and it's a serious one: If the Board wants to ensure that every particular category – or let's say back to the major categories – is at market value, and the Board defines the market value as simply the term 100%, then they will force counties like Ada and Kootenai to fail every time. You'll be ordering adjustments, and maybe that's what you want to do. But 99.8% will fail in Ada County Improved Residential, and probably 99.2% will fail. If the Board thinks that's appropriate to issue adjustments – because 99.2% will probably have a confidence interval – for example in Canyon County, of 99% - 99.4% – and because it's not at 100% it is therefore not at market value. Nationally, this has been grappled with and states approach it differently. He said the IAAO (International Association of Assessing Officers) standard, and while they're not a force of law, says you should grant what they call tolerance. It's the same thing that is in Idaho Code section 63-208 and Rule 131. It isn't in Idaho Code section 63-109 where it says when equalizing, do so by category, not by ratio study category, and it doesn't give any type of tolerance range. The question is whether the Board wants to deal with the large samples and hold them to an extraordinarily tight standard that they can't meet, or deal with the small ones with some compensatory method, like adding appraisals. There are methodologies out there and none will be perfect fits for the state's categories. The Board is asked to remember that in the personal property categories, there are billions of dollars in those and there is no study at all; in the absence of evidence that they're wrong, the state assumes they are right. There are many issues and he isn't denying that. Could they do better? Sure. Could there be more discussions? Sure. But there is no clear one size fits all answers.

Commissioner Woods thanked Mr. Dornfest. He said what he's hearing is that, as Mr. Dornfest and Mr. Brown have said, other states have tried to attack this in different ways. In his mind, they have a Rule and if the Board wants to say it's applied equally, they don't have equal populations in the 44 counties. They're very different. He's less interested in counties where there is a lack of sales and there are large confidence intervals. That's not where the value is. The value is in the more populace counties where the math allows for an application that's more precise. He doesn't think there's a silver bullet that is going to make it right for all 44 counties, but is it right to have something, a rule that broadly works throughout the state cannot work in more populous counties if there aren't additional tests in it. He doesn't know if that's what Commissioner Moyle is suggesting. He's going to have a tougher time in a county with very little data to order them up because he doesn't know if he's making things better or worse. If it's in a county with more data, and you know where things need to be, then making orders to move in that situation seems more practical. Commissioner Moyle said her objective for the coming year would be, and she knows they're focused on what Tax Commission staff should be doing, but the truth of the matter is that there's an assessor portion of this. She thinks the assessors have been focused on the same question: Do we pass the ratio? Well, that's not the only question they should be asking. They should be asking if they're making sure, within their counties, that the residential aren't carrying a heavier burden than the commercial. She

doesn't think that's a question they've all been asking and making sure that is their goal. That's what she wants them to focus on. She wants them to focus on accurate valuation, consistent assessment and equalization among the property categories. Much of that burden doesn't fall on Tax Commission staff, it falls on the individual assessors. She wants the assessors to pay attention because they're going to start focusing on that more than just the passage of a ratio study. She wants to make sure that both questions are being asked, and those questions are being assessed in each of the counties and if the answer is yes, then that's what it is. She isn't proposing they make adjustments, she's just saying their jobs are to equalize, and she doesn't know that's where their focus has been.

Commissioner Woods said their job is to grade the test papers of the assessors. He must assume they all have the best intent and they're all trying to equalize and it's the Board's job to determine whether they did that. They're the regulatory body that makes that assessment. He's open to the conversation about whether a particular case is equalized, he just doesn't know. Commissioner Moyle said she thinks there are things staff could do further. She thinks staff could look at whether the categories that fail are equalized. They're focusing on the passing of the ratio study; they're not focused on whether those are being equalized. She thinks they may be able to develop a system where they can look at it and if they feel a county's within, that's fine. If they feel a county is sliding out, they can bring that to the Board's attention, or if they feel the categories are completely not equalized, they could bring that to the Board's attention. Not just focus on the ratio study.

Commissioner Zwygart said this discussion should probably go on and then staff should be trained, or the Board needs to give guidance and that guidance needs to go to the assessors. He asked if this discussion can continue or it's finished when the Board of Equalization is adjourned? Commissioner Woods said he's not opposed to having an agenda item during the quarterly meeting, if they want to continue the conversation. He asked Commissioner Moyle what she means when she says staff can do more. What more can they do? The Tax Commission provides training on how to do appraisal work, IAAO training, and others, they then turn to the regulator and say they're doing it wrong and now [the Tax Commission] is going to make a recommendation to the Board that something be ordered up. They receive evidence from them in the form of abstracts. The abstracts just provide a gross amount, and they have consulting appraisers in [the counties] working with them. He asked for an example of something they're doing wrong that would require a change in value. Commissioner Zwygart said that's what he was wondering, and maybe at the next quarterly meeting Commissioner Moyle can provide examples of what they need to do differently, because right now it's too new. What should staff be looking at?

Commissioner Bernasconi asked if, when referring to the quarterly meeting, Commissioners Woods and Zwygart are referring to the prior business meeting, because those aren't happening any longer. The question becomes what requires a vote of the commission? That's the open meeting requirement. If Commissioner Moyle wants to talk about a concern and her ideas to resolve it, that doesn't rise to the level of something the Commission would vote on and if it did, they can call a special meeting. In conversation, she can say there's a gap and maybe we talk to the assessors and tell them to tighten this up a little, maybe there's a problem, and that's communication that would rightly come from the oversight commissioner for Property Tax. They can let him know there may be an issue and ask him to review it. There's no vote before the Commission right now. He thinks it was just a statement. Is it appropriate that they just continue this discussion as they find things out? He would like more information to understand Commissioner Moyle's position better. That happens outside the Board of Equalization, unless it's going to stop them from completing official actions. Commissioner Woods thanked him and said his thought was to get to the specifics of Commissioner Moyle's statement. If that's not achievable today, that's fine. In the context of taking action to approve

the abstracts, this is where her statement began. If anyone disagrees with any aspect of Commissioner Moyle's statement, in terms of their jobs to ensure equalization, then it's appropriate here. This is the last day of the Board of Equalization. He said he wants to have the information generated sooner so people are prepared. They don't know what the Board is going to do, but they've at least generated the information. He's trying to understand and make sure that the assessors have a chance to provide the additional information they need to make decisions. He noted Commissioner Moyle has read in her statement, and there's been a robust conversation, and he thinks they can move on. He wants to ensure both assessors and staff aren't left wondering what this conversation was. He wants to continue to drill down on it. In summary, he said the ratio studies are a major tool, but Commissioner Moyle's point is that she'd like to look at some other tools to be effectuated in making sure they reach equalization.

Commissioner Moyle said that's correct. The ratio study is not the equalization part of it. That's her comment and statement. Equalization is different than a ratio study and she wants to make sure the assessors and staff are aware, and that the Board is aware that their job is to equalize, not to just say they passed a ratio study. Commissioner Woods said their job means they are the equalization. The action they're about to take is the equalization and if they, as much as he's a non-voting member can talk about, the voting members can decide to make adjustments. Those adjustments are final; they are orders by category, and they're not appealable. The Board must decide the basis with which they're going to do those. If there's additional information needed to help inform the Board to do that, beyond the ratio study, he'd be happy to augment that, provided they have the resources to do it. They can't generate work beyond the capacity of staff.

With that, he asks for a motion to approve the abstracts evaluation as presented by staff. **Commissioner Bernasconi moved to approve the abstracts and valuation as presented by staff to equalize county assessments.** Ms. Young conducted a roll call vote: Commissioner Moyle, aye; Commissioner Zwygart, aye; Commissioner Bernasconi, aye. The motion carried.

There was no further business to come before the Board, and Commissioner Woods adjourned the 2026 Board of Equalization.

Quoted text of Commissioner Moyle's written statement, as submitted:
"Property Tax Equalization Must Be More Than Passing a Ratio Study

One of the fundamental responsibilities of the Idaho State Tax Commission is to ensure that property assessments are fair and equalized throughout the state. That responsibility is broader than simply determining whether a county has "passed" its annual ratio study.

For too long, I believe we have placed significant emphasis on whether counties fall within an acceptable ratio range without giving enough attention to the equally important question of whether the different categories of property within a county are being assessed equitably in relation to one another.

Passing a ratio study is important, but passing the ratio study is not the end of our equalization responsibility.

Idaho Code Requires Equalization by Category

Idaho Code § 63-109 is very clear about the Commission's responsibility. It provides that:

"The state tax commission shall equalize the assessments of property throughout the state, by categories…"

The statute further authorizes the Commission to increase or decrease the value of a category when:

"…the value of that category appearing in such abstract is not just and equal as compared with the value of other categories of property in that county, or the value of similar categories of property in other counties…"

That language is significant. The Legislature did not simply direct the Commission to determine whether the county as a whole falls within an acceptable statistical range. It specifically directed us to examine ***categories of property and their relationship to one another.***

This means residential property should not systematically carry a greater percentage of market value than commercial property, nor should commercial property systematically carry a greater percentage than residential property. The objective is that each category be assessed consistently at market value for assessment purposes so that the property tax burden is distributed equitably.

Our Rules Reinforce That Responsibility

IDAPA 35.01.03.130 establishes primary categories specifically for equalization testing, including:

- *Vacant residential land;*
- *Improved residential property;*
- *Vacant commercial or industrial land;*
- *Improved commercial or industrial property;*
- *Manufactured housing; and*
- *Agricultural land.*

IDAPA 35.01.03.131 then requires the Tax Commission to conduct studies to assist in the ***"equalization of assessments of property within and among the primary categories."*** *The words* ***"within and among"*** *are important. Equalization is not simply a countywide mathematical exercise. We need to understand whether the tax burden is being distributed fairly among the different classes of property.*

Ratio Compliance Is a Tool — Equalization Is the Goal

Idaho Code § 63-315 requires the Commission to conduct annual ratio studies comparing assessed value with market value. Those studies are an essential part of our work, but they are a tool for identifying assessment equity; they should not become the objective themselves.

A county can appear satisfactory when looking at an overall number while still having meaningful differences between property categories.

For example, if residential property is generally being assessed closer to full market value while commercial property is systematically assessed at a lower percentage of market value, residential taxpayers can bear a disproportionate share of the property tax burden. The reverse would also be true.

Our responsibility should therefore not end with asking:

"Did the county pass its ratio study?"

We should also be asking:

"Are residential, commercial, industrial, agricultural, manufactured housing, and other property categories being assessed fairly and consistently relative to their applicable market-value standard?"

That second question is at the heart of equalization.

Direction Going Forward

Beginning with the next assessment cycle, I want us to place greater emphasis on ***equalization among property categories****, particularly the relationship between improved residential and improved commercial/industrial property.*

County assessors should review their valuation programs with this objective in mind. Where the data demonstrates meaningful differences in the level of assessment between categories, those differences should be examined and, when appropriate, addressed through the normal appraisal and reappraisal process.

This is not about artificially raising one category or lowering another merely to make numbers match. Each property must be valued according to Idaho law and appropriate appraisal methodology. Rather, it is about ensuring that our valuation systems do not produce systematic inequities in which one category of taxpayers consistently carries a greater proportion of market value — and therefore potentially a greater proportion of the tax burden — than another.

Idaho Code § 63-316 further reinforces the Commission's oversight responsibility. When the Commission determines that assessments have not been conducted in accordance with Idaho law and Commission rules governing market value for assessment purposes, the statute provides authority to require necessary changes or corrections.

Our Objective

For the coming year, I want both the Commission and county assessors to look beyond the simple question of whether a ratio technically passes.

Our objective should be:

Accurate valuation. Consistent assessment. Equalization among property categories.

A passing ratio is important evidence that the assessment system is working. But the ultimate measure of success is whether Idaho taxpayers are being treated fairly and whether similarly situated property — across residential, commercial, industrial, and other categories — is carrying an equitable share of the property tax burden.

That is what equalization means, and Idaho Code § 63-109 makes ensuring that equalization a responsibility of the State Tax Commission."

Maria Young
Secretary

Paul Woods
Chairman of the Idaho State Board of Equalization