

**STATE BOARD OF EQUALIZATION
OPEN MEETING
MINUTES OF MEETING HELD AUGUST 15, 2023**

In attendance: Commissioners Tom Katsilometes, Jeff McCray, Janet Moyle, and Jared Zwygart; Maria Young, Phil Skinner, George Brown.

Commissioner Katsilometes, Chairman for the State Board of Equalization, reconvened the State Board of Equalization for 2023 (Board) at 9:00 a.m. August 15, 2023.

The first item of business is the Railroad Revitalization and Regulatory Reform Act (4-Rs) Report. It was resolved yesterday unless anyone had comments about that action. There were no comments.

Commissioner Katsilometes said before discussing the agricultural land compliance report, the Board will discuss the agenda. The Board may amend the agenda because some of the issues have been resolved. Phil Skinner, Lead Deputy Attorney General and Advisor to the Board, was recognized and said at minimum, the Board needs to amend the agenda to pull four of the hearings off: PacifiCorp had a hearing scheduled for the afternoon of Thursday, August 17, 2023, and Idaho Power and three others were scheduled for Monday, August 21, 2023. Their only issue was the 4-R issue. They've all emailed the secretary and said that considering the decision of the Board yesterday, they no longer need a hearing. The other thing the Board may consider, given that the 4-R question is resolved, after the Syringa hearing on Thursday morning, there will be no more hearings. The Board could conclude all business on Friday, August 18, 2023. Currently, all final action items required to conclude the Board of Equalization are scheduled for Friday August 25. Given that these hearings have been withdrawn, the Board can discuss whether they want to amend the agenda to move all those action items to this Friday, August 18, 2023, and essentially conclude all the business of the Board this week. At minimum, the Board is advised to remove those scheduled for a hearing that have withdrawn their requests.

Commissioner Katsilometes asked if Mr. Skinner will have time to write all the decisions if the Board concludes business on Friday, August 18. Mr. Skinner said he'd have more time to draft them all if the decisions remain on August 25; however, if the Board chooses to conclude this Friday, the 18th, he will make it happen. Commissioner Zwygart said he doesn't see why the Board cannot reconvene on August 25 and finish everything then. That allows the attorney's time to write those decisions.

Commissioner Moyle asked if the Board must convene on the fourth Monday in August. Mr. Skinner said he's still researching that. The way the statute reads now, the Board must convene on the second Monday and adjourn on the fourth Monday. We've always wondered whether it was intended that the Board must adjourn on the fourth Monday, or by the fourth Monday. Commissioner Katsilometes said, in the past, they have adjourned earlier than the fourth Monday. Commissioner McCray asked that, to get everything in place, they adjourn on August 28, 2023. Concluding business prior to that is another question.

Mr. Skinner said the agenda currently has the Board concluding all business on Friday, August 25, 2023, and still convening on Monday, August 28, 2023, to finish anything that remains, then adjourn. Mr. Skinner asked if they just want to remove those hearings and leave everything else?

Friday, August 25, 2023, the Board will convene, and approve the centrally assessed properties, all the different categories, and all the decisions, then recess and convene again on August 28, 2023, to finalize anything that remains before adjourning.

Commissioner McCray motioned they amend the agenda to remove Idaho Power, PacifiCorp, Avista, Lucky Peak, and Arrowrock appeals they have withdrawn then recess after Friday, August 18, 2023, until Friday, August 25, 2023, to complete all the action items and then the final Monday, August 28, 2023, reconvene to finalize any remaining business and adjourn. Commissioner Zwygart seconded the motion. All Commissioners voted in the affirmative and the motion passed.

Commissioner Katsilometes recognized Alan Dornfest, Property Tax Policy Bureau Chief, to present the comparison report, ratio study, and agricultural land compliance report. Mr. Dornfest presented the ratio study. The Board received a report dated August 10, 2023, that he prepared. That is a summary of the review they completed. They complete ratio studies for five primary categories in every county in which there are sufficient sales. They found, this past year, that 37 of those categories in 25 different counties were not in compliance. In those cases, based on rules and procedures, they reviewed those counties' work this year, to ensure they've improved conditions and come into compliance. In every single case, they were lower than the 90% threshold required by Tax Commission Rule 131. The follow-up study is the report that was presented to the Board.

Mr. Dornfest detailed those counties, in the report, that were out of compliance and explained the process used. They all now meet the standard. The Consulting Appraisers then visit those locations to review processes and to ensure there isn't something else happening. Given everything, Mr. Dornfest's staff verify the legitimacy of the assessments and the confidence intervals in the study he's presented to the Board. Mr. Dornfest thanked Matt Virgil and all the Consulting Appraisers who did the work in the counties so he could interpret the results when they were finished. He appreciates them for all their hard work in getting all this data together in a timely fashion.

Matt Virgil, Consulting Appraiser Supervisor, was recognized to present the agricultural land compliance report. He said they began doing analyses on agricultural land in 2018, to make sure the levels of assessment are being applied in each county based on the category in use: irrigated, non-irrigated, grazing, etc. It mirrors the process for ratio studies. Over time, there isn't much volatility because there is a five-year rolling average. When all counties came into compliance, the threshold of level of assessment was 90% to 110%. They've used that level of assessment for agricultural land, as in the ratio studies. Once the counties attained those levels in range, over time, there's been very few counties out of compliance. This year, there were only two counties out of compliance. Those counties came into compliance and that report is presented to the Board. Mr. Virgil explained the minor shifts in the agricultural land assessments, indicating their active involvement around ag land. Previously, there was no procedure for monitoring but due to this Board, they've begun regular reviews.

Mr. Dornfest was recognized and said the electronic version of the abstract information has been provided to the Board in summary form. Today, that was updated based on research that resulted from comments and questions by a Board member. Additionally, two categories were then discovered to have values and those are errors in three counties. Those will be updated to reflect the changes in the abstract values once those are resolved. He apologized for not discovering this earlier.

Commissioner McCray noted this Board has discussed, in previous meetings, having county assessors appear in person to update the Board on their county's values. George Brown, Property Tax

Administrator, was recognized to respond. Mr. Brown said the majority of assessors are prepared to answer the phone, right now. That was the first step they took. Property Tax staff contacted them all and many indicated their wish to be a part of this process. This year, there haven't been the discrepancies there were in the past, whether due to streamlining, or getting ahead of issues before they became issues, it wasn't necessary to call an assessor; although, they are prepared if this Board should deem it necessary. Mr. Brown feels that is a good way to go forward, unless there is something serious. Commissioner McCray commented that participation leads to a level of engagement, so even if there isn't something major, he still feels there is benefit in having them participate in the process because, as the Board of Equalization, we are in partnership with the assessors. Allowing them their opportunity, 10 minutes or so, to report on what is going on in their county, he feels there is benefit to that whether there is an issue or not. His request is that during the Assessor's Conference, we make it a request going forward, that we would like that participation. Mr. Brown asked if he is envisioning that they appear on the schedule, for 10 minutes? Commissioner McCray, Commissioner Moyle, and Commissioner Zwygart all said yes. Commissioner McCray said it can be electronic, so not everyone is expected to travel to Boise, but they will have an opportunity to share what is happening within their county and the values in the different categories. Then if there are specific questions, those can be asked at the time.

Mr. Brown said there was a positive response from most assessors to be more involved. He doesn't think it's a bad idea to have all 44 assessors appear. Maybe this is the opportunity, this year, since the Assessor's Conference is in a few days, he can bring this up to them officially. The Board can require their presence, but he doesn't think that's necessary. He believes asking them to be available will be enough. He believes they will participate. Mr. Dornfest said in the past, assessors were present to give their reports. Mr. Brown asked when the Board would like the assessors to appear. The Board would like the assessors to appear during the first week of the Board of Equalization. Mr. Brown will let them all know.

Commissioner Katsilometes noted the Board will reconvene tomorrow at 9:00 a.m. Mr. Skinner noted that tomorrow's agenda includes discussion and deliberation by the Board on appeals for which no hearing was requested. The non-utility generators have an issue with value in addition to the 4-R adjustment discussed and voted upon Monday, August 14, 2023. He encouraged the Board to review the revised assessments and discuss that tomorrow.

There being no further business, Commissioner Katsilometes recessed the Board until 9:00 a.m. on Wednesday, August 16, 2023.

Maria Young
Secretary

Tom Katsilometes
Chairman of the Idaho State Board of Equalization