

**STATE BOARD OF EQUALIZATION
OPEN MEETING
MINUTES OF MEETING HELD AUGUST 15, 2025**

In attendance: Commissioners Paul Woods, Jeff McCray, Janet Moyle, and Jared Zwygart. Nathan Nielson and Christina Nelson, Deputies Attorney General. This meeting was open to the public and many guests attended online.

Commissioner Woods, Chairman for the State Board of Equalization, reconvened the State Board of Equalization for 2025 (Board) at 9:00 a.m. August 15, 2025.

Commissioner Woods said the first order of business before the Board is consideration of a modification to the agenda for the remaining days of the Board of Equalization. He recommends for consideration to: move today's Action Item #3, Docket 0-847-746-048 PacifiCorp to Monday, August 25, 2025; move Action Item #4, Idaho Hydroelectric (Hydro) Companies to Monday, August 25, 2025; move Action Item #5, Equalization of Centrally Assessed Values to Monday, August 25, 2025, remove Action Item #6, Irrigation Exemption; remove August 18 – 22, 2025: The Board will not convene as there is no business to conduct. Commissioner Woods asked if there are any questions. Regarding the removal of Action Item #6, the Irrigation Exemption, he said the rationale is that when the Board takes up action to equalize the Centrally Assessed values in Action Item #5, in that the adjustments for the Railroad Revitalization and Regulatory Reform (4-R) Act and the irrigation exemptions are included as a component of the Equalization of Centrally Assessed Values.

Commissioner Zwygart moved to modify the agenda as explained. There was no discussion. Ms. Young conducted a roll call vote. Commissioner McCray, aye; Commissioner Moyle, aye; Commissioner Zwygart, aye. The agenda is modified.

Commissioner Woods said the next item on the agenda is to **Present, Review, Approve, and Equalize County Assessments and Abstracts**. He called on Alan Dornfest. Jerott Rudd, Operating Property Bureau Chief said Mr. Dornfest had a teleconference this morning and may not be finished. George Brown, Property Tax Division Administrator, left to ask Mr. Dornfest to appear.

Commissioner Moyle was recognized and said she'd previously asked for information from staff to review and she hasn't yet received it. It goes along with what they're doing today. She asked if that can be presented with today's presentation. Her request was for a document showing county's residential category ratios as compared to ratios with their commercial categories.

Before the Board is the action item to consider the county assessments and abstracts. Commissioner Woods recognized Alan Dornfest, Property Tax Policy Bureau Chief, for his presentation. Mr. Dornfest said he has nothing to add to the information given to the Board several days ago. There was a correction to the abstract information in Bannock County and one other. Ben Seloske, Property Tax Policy Research Analyst, submitted the information to the Board yesterday. Both were very minor. Ms. Young was able to display the note for Mr. Dornfest. Bannock County notified the Property Tax Division of an error in the assignment of increment value, and they have corrected this by moving the amount from increment value to base value on categories 1 and 20. Bonner County's values were corrected to accurately reflect the most recent reports which affected categories 68 and 71. There are no other changes and the Division heard of no other changes from the

Assessors and nothing further has been discovered. Mr. Dornfest recommends the Board approve the Abstracts with the corrections they received yesterday.

Commissioner Moyle addressed her request for more information. She acknowledged staff have been busy. She told Mr. Dornfest she'd asked for a document to show relationships in each county between residential ratios and commercial ratios. She hasn't received that documentation for this year. She doesn't want to hold things up, but in coming years, she requests that information be included with the documentation provided to the Board for their consideration. Mr. Dornfest said they did an informal review of that information. He didn't realize it was a request to be a formalized process. There were very few cases that had significant differences. He said they don't do anything called a "residential study" nor do they do a "commercial study." Those two groupings are divided into two subcategories: Improved Residential and Vacant Residential, Improved Commercial and Vacant Commercial. There are five categories in all, with the last being Manufactured Housing. They are planning to do comparisons, in the future, between all of those categories and provide that as a report to this Board because that becomes the law beginning January 1, 2026. Studies for next year will show those comparisons, but they will not show a combined residential. If that's adequate, they will provide that in the future. Commissioner Moyle said that will be fine.

Commissioner Moyle commented that as they listened to the counties, they heard several times that there were categories they hadn't reviewed. It makes her nervous that they're equalizing values that haven't been reviewed in a long time. She encourages counties to remember their statutory duty is to keep every category up to market value every year. She asked consulting appraisers to add that as a task. They're doing a good job, but it sounds as though there's room for improvement. Mr. Brown was recognized and said he talked to some of the Assessors who reported that. He asked what was happening and was told that it wasn't that they hadn't looked at those categories, it was that they didn't get the data. When they say "we haven't looked at it" they mean they didn't have anything to look at and weren't comfortable moving anything without data. They've had a long discussion about that with them because if there are only two or three sales, it isn't enough to make a market. But it's still an indication, if they're consistent, that it needs to move up [in value], whether they have the sales to justify a ratio study or not. He thinks that some of the training with the Consulting Appraisers, and everyone else at the Tax Commission regarding Assessors offices is that they must be an expert on the market and there are times they must trend, knowing the market's going up even though there isn't enough data to show a valid ratio study. They still know it's going somewhere and at some point, if it's years, what is the county next to them doing? Look at other data sources or go further back. He just wanted to say that because he doesn't think they're not looking at anything at all. He thinks they meant they don't have something to look at that's data specific. They tend to be spooky about moving something without hard data. He just wanted to share that he did have that conversation right after their presentations. Commissioner Moyle said she appreciates that and thinks adding it to the education is beneficial. She would also like to say that she's a little disconcerted about the fact that they have a hard time even going outside their counties for sales. This is a state and that's where those local cost modifiers come in. Education is important and she thanked Mr. Brown for asking.

Commissioner Moyle moved to approve the recommendations of staff to approve the abstracts and valuations presented by staff in order to equalize county assessments. Ms. Young conducted a roll call vote. Commissioner McCray, aye; Commissioner Moyle, aye; Commissioner Zwygart, aye. The motion passes.

There are no other agenda items, but Commissioner Woods said when the Board takes up action again on August 25, 2025, when they accept the Centrally Assessed Values, the adjustments for the

irrigation exemption and the 4-R Act will be included. The Board was given the 4-R report on Monday of this week. Mr. Dornfest will be present remotely on Monday, August 25, 2025. If there are any questions regarding the 4-R adjustments today, please ask them. They won't take any action on the 4-R because they don't need to but he's here if there are questions. Commissioner Moyle asked where to find the report. Ms. Young offered a document title.

Commissioner Moyle asked why there isn't a policy about the 4-R adjustments, saying if they're going to give a 4-R adjustment, why aren't the County Commissioners advised of that prior to the adjustment have the opportunity to have either their Assessor make the decision on whether they're going to accept the adjustment or have the Assessor go back and adjust the properties to be in a little more compliance with what the 4-R would be. That is something she'd like to discuss in future years. She's always wondered why the County Commissioners haven't had the opportunity to be aware that there will be an adjustment and for them to discuss that with the Assessor, because it affects each individual county. Commissioner Woods appreciates the comment. He understands the issue and with the change in legislation, the 4-R, going forward will be just railroads. The challenge is that the analysis is done as a group, so the county causing the issue is difficult to determine. Mr. Dornfest was recognized to respond and said he agrees with that explanation: they're talking about combinations, not individual counties. Beyond that there is a distinct difference between the medians, the statistics used for determining whether the property is at market value or not, and the weighted mean they're required to use by most of the court cases related to 4-Rs. He advises that in many instances even if they had a case where a railroad was only in one county, they could do what Commissioner Moyle is suggesting. It could create a much worse scenario for the taxpayers in that county because one is parcel based, and one is value based. All it takes is a couple of high-value properties to end up with a 4-R adjustment; whereas, you may have thousands of properties that are perfectly correct, and they could be messed up. He suggested that advising the county to make adjustments to prevent one could create an alternate problem that might be worse. Commissioner Woods asked when the 4-R calculations are completed: before the county Board of Equalization? Mr. Dornfest said those are done in real time on current values. It's not a lookback study like the others so they'd not be able to do those studies. The Tax Commission has the power to reconvene county boards of equalization so it could be done, but they don't generally finalize those until July, after the county boards of equalization. Mr. Dornfest said usually, they deal with companies like Union Pacific that cover many counties. There would be no way to pick out one or two of those counties. Commissioner Moyle said they could discuss weighted mean versus mean and the way the Tax Commission looks at them.

There being no further business, Commissioner Woods recessed the Board until 9:00 a.m. on Monday, August 25, 2025.

Maria Young
Secretary

Paul Woods
Chairman of the Idaho State Board of Equalization