

**IDAHO STATE BOARD OF EQUALIZATION  
OPEN MEETING  
MINUTES OF MEETING HELD AUGUST 8, 2022**

In attendance: Commissioners Tom Katsilometes, Jeff McCray, Jared Zwygart, and Janet Moyle; Maria Young, George Brown, Phil Skinner, Kathlynn Ireland, Alan Dornfest, Aaron Yost, Allison Dodge, Jerott Rudd, and Brett Jarvis. Tom Arkoosh, Arkoosh Law Offices, Edie Aldridge, Payette County Assessor, joined via teleconference.

Commissioner Katsilometes, the Chairman for the State Board of Equalization, convened the State Board of Equalization for 2022 (Board). Commissioner Katsilometes noted the Idaho State Tax Commission is required by Idaho Code Section 63-108 and 63-405 to convene as the State Board of Equalization. The Board is now in session.

**Procedure for the 2022 Board of Equalization**

Commissioner Katsilometes recognized Phil Skinner, Lead Deputy Attorney General assigned to the Tax Commission and acts as legal advisor to the Board for the duration of the 2022 Board of Equalization. Mr. Skinner reviewed the procedures for this year's Board to ensure the hearings flow smoothly and more effectively. Prehearing Conferences were held to determine the time frames and requirements for each of the hearings. Two appeals have elected to invoke Idaho Property Tax Rule 407.02 which provides that a taxpayer may request a stipulated finding that would result in an appealable decision in lieu of a hearing before the State Board of Equalization. The first is the list of non-utility generator hydro projects that are presenting together. They've indicated they have nothing new to present to the Board of Equalization this year versus what was presented last year. Considering that, they've asked for a decision based on the same information presented last year because their case is already in court, and they'd rather not waste the time of the Board. He will draft a decision this week for the Board's review. Next Friday, August 19, 2022, is when all decisions will be presented and approved. Idaho Power and Avista have combined their appeals, as they have the last two years. They also have a case currently in the Idaho Supreme Court. As with the non-utility generators, they've asked, pursuant to Idaho Property Tax Rule 407.02, to have an appealable decision in lieu of presenting the same arguments and presentation from last year. Mr. Skinner will also draft that decision for the Board's review.

The two hearings before the Board this year are: Lumen Technologies, Inc. Nathan Nielson, Deputy Attorney General assigned to the Tax Commission is representing the Operating Property Tax Staff, and Rick Smith of Hawley, Troxell, Ennis & Hawley, is representing Lumen Technologies, Inc. During the Prehearing Conference, the parties decided to each present for two-and-one-half hours on Tuesday, August 16, 2022, beginning at 9:00 a.m. Rathdrum Power is the last property. Brett Jarvis, Deputy Attorney General assigned to the Tax Commission is representing the Operating Property Tax Staff, and Bruce Cartwright, Kroll, is representing Rathdrum Power. Each party will present for one hour on Wednesday, August 17, 2022, beginning at 9:00 a.m.

The Board is scheduled to convene every morning, which will allow time for any discussion related to matters before them, in accordance with the Idaho Open Meeting Law. Commissioner Katsilometes asked, since the Board will not hear any cases until next week, do they need to convene every morning? Mr. Skinner replied that the agenda indicates they will convene every morning; however, the Board may modify the agenda. Commissioner Katsilometes asked for the boards wishes.

Commissioner Moyle and Commissioner McCray agreed that because the agenda is set, they will convene every day.

### **Status on Appeals**

Commissioner Katsilometes recognized Nathan Nielson, Deputy Attorney General to report on the status of the non-utility generators (NUGs) and Lumen Technologies, Inc. Mr. Nielson indicated there is nothing more than what Mr. Skinner has already presented, related to the NUGs. He noted the Idaho Power and Avista stipulation includes one of Lumen Technologies, Inc.'s arguments. Lumen Technologies shares the uniformity argument claimed by Idaho Power and Avista; therefore, have included that portion of their argument in the stipulation. Lumen Technologies, Inc. will still be heard before this Board on their other issues, though he hopes it will be less than two-and-a-half hours. The NUGs stipulated to an appealable decision and will not have a hearing before the Board.

Commissioner Katsilometes recognized Brett Jarvis, Deputy Attorney General to report on the status of the appeal of Rathdrum Power. Mr. Jarvis said Bruce Cartwright, of Kroll (formerly Duff and Phelps), is the tax representative for Rathdrum Power. He is based in Denver, CO and has a busy schedule; therefore, they expect the Rathdrum Power hearing to last no more than two hours. The issues of appeal are less complex than in the Lumen case. Kyle Rayworth is the state's Appraiser and will present for the Operating Property Bureau.

### **Status Report of Abstracts and Assessments**

Commissioner Katsilometes recognized Alan Dornfest, Property Tax Policy Bureau Chief, to report on the receipt of abstracts of assessments in the counties. Mr. Dornfest said all county abstracts have been received; however, he is still trying to determine what was received from Boise County and Kootenai County, because they were received quite late. Mr. Dornfest said abstracts show the assessed value assigned to each category of property. The goal is to determine if there is reason to believe they're not at market value by category. Mr. Dornfest expects to make his determination today about their completeness, and have the abstract information compiled. His team will send out initial reviews to the consulting appraisers by the end of the week. He will then compile the final report for the Board.

Commissioner Zwygart noted he understood that Boise County had computer issues but asked about Kootenai County. Mr. Dornfest replied they were late submitting their information, but it's been difficult getting reports from them. George Brown, Property Tax Division Administrator said they've had, among other things, significant staffing issues.

Commissioner McCray said he understands the challenges from a timing standpoint, and clarified that Mr. Dornfest is committed to getting the report next week. He'd like to have the report with enough time to review it before voting on August 19. Mr. Brown explained that at his direction, the process was changed this year. Traditionally, they've given the Board a preliminary report containing unvetted information, and the Board typically asks multiple questions about the report, causing a back-and-forth between the Board members, Mr. Brown, and the consulting appraiser. This year, they've taken steps to ensure the Board has a more complete report with explanations. The consulting appraisers are currently gathering the detail for the report. This year, there are tremendous changes with abstract values, especially in residential. When the Board receives the report on Monday, August 15, he hopes most of the questions the Board would typically ask are already answered. That will be better for the Board and better for the Property Tax Division. He believes by doing things this way, the discussions will be specific to any major changes. Commissioner Katsilometes clarified that the Board will receive the report on Monday.

Commissioner Moyle commented that this information makes her reconsider whether to convene every day because she thought the Board would have the abstracts sooner. Commissioner Zwygart clarified that Commissioner Moyle's statement implies there will be nothing to discuss this week. She responded that without the abstract report, that's correct. Commissioner Zwygart asked whether they can modify the agenda to meet Wednesday and Thursday and the following Monday. Commissioner Katsilometes said they can make a motion to rearrange the agenda any way they'd like. Commissioner Moyle asked Mr. Skinner the process for amending the agenda. He replied that once they motion and vote to amend, he and Ms. Young will make the changes and re-post the agenda. **Commissioner Moyle motioned to revise the agenda to meet on Friday morning to answer any questions that have been brought forward.** Commissioner McCray suggested amending the motion to reconvene on Thursday.

**Commissioner Moyle modified her motion: to amend the agenda to reconvene Thursday morning. Commissioner Katsilometes clarified the motion to reconvene the Board on Thursday, and again Monday through Friday next week. Commissioner Zwygart seconded the motion. All Commissioners voted aye, and the agenda was amended.**

There being no further business, Commissioner Katsilometes recessed the Board until 9:00 a.m. on Thursday, August 11, 2022.

Maria Young  
Secretary

Tom Katsilometes  
Chairman of the Idaho State Board of Equalization