IDAHO STATE BOARD OF EQUALIZATION
OPEN MEETING
MINUTES OF MEETING HELD AUGUST 10, 2026

In attendance: Commissioners Paul Woods, Jeff McCray, Janet Moyle, and Jared Zwygart. Jim Rice, Tax Commission Lead Deputy Attorney General, Christina Nelson, Deputy Attorney General, and Maria Young, Tax Commission Management Assistant. This meeting was open to the public and many guests attended online.

Commissioner Woods, the Chairman for the State Board of Equalization, convened the State Board of Equalization for 2026 (Board). Commissioner Woods said Idaho Code Section 63-108 and 63-405 require the Idaho State Tax Commission to convene as the Idaho State Board of Equalization on the second Monday in August. The Board is now in session.

Procedural briefing for the 2026 Board of Equalization

Commissioner Woods reviewed procedures for the 2026 Board of Equalization. The Board will first hear from staff on the equalization reports on the follow-up ratio studies and agricultural land compliance report, the Railroad Revitalization and Regulatory Reform (4-R) Act study, the category value comparison report based on abstracts, and the comparison and summary of exemptions and urban renewal increment. Then the Board of Equalization will again hear County Assessor reports as scheduled for the first few days.

Commissioner Woods noted there were appeals received; however, they came into the office after the July 22 deadline. As the Commissioner with oversight, he decided to allow them, but that's a discussion he wants to have with the Commission to determine agreement with whether to accept those appeals. Originally, the idea was to stipulate, but there was some difficulty getting agreeable language, from his perspective, and he's aware that Commissioner Bernasconi hasn't heard these cases before. He asked if there is discussion about whether to accept these appeals given that they were filed after the date published in our rule.

Commissioner Moyle said she does have concern, because Rule 407 requires a written request for a hearing to be filed with the Tax Commission on or before July 22nd. That is the date that has been published and that the taxpayers have been given. She understands there may be some concern with what the website said, but the website has a disclaimer and given the fact that she believes the taxpayers were given other documentation to include the July 22nd date, she believes the deadline was missed. Rule 407 also says the commissioner with oversight should not vote on things like that, so she believes that this should come before the Board to vote on whether to accept the appeals. That is not to be contrary to Commissioner Woods' decision, because she knows he made it in good faith, but she believes that to properly follow the Rule, it should come before the Board for a vote. Commissioner Woods said he agrees and he's only made a recommendation. He doesn't mind being overruled because he struggled with the decision. The appellant is represented by an attorney who's participated in this process for the last couple of years. The fact that it's on the agenda shouldn't be viewed as a recommendation to hear the cases. This is procedurally the time to make the decision. If there isn't a unanimous desire to move forward, the agenda can be amended to remove those appeals.

Commissioner Bernasconi said he agrees with many of the points Commissioner Moyle made. As he thinks about it, he thinks of the equity of tax administration that's an important concept. Who made the mistake? Who didn't file timely? He hasn't been around and has no comment on the

sophistication of the taxpayers. He doesn't want to hold a taxpayer liable for the action of someone who should have known better. It's unfortunate we can't bifurcate the discussion to say as an attorney they understand the process, have been through it several times, and they're aware of when the rules are changed, so they had a chance to know. He thinks the decision is whether to hold the clients responsible for that. That's what he's considering when he votes on this question.

Commissioner Zwygart said he's struggled with this. He has the same problem in that he puts himself in the taxpayer's position, who relied upon a paid individual to know what was going on and what to do. He then considers the position of the paid individual, asking why they say they didn't know when they did last year. They've been in contact with the Tax Commission daily and know what's going on. He's torn. The taxpayer is the one being penalized here, not the attorney. Commissioner Moyle pointed out that the attorney is invested in these. Not all 27, but they know. She does feel for the taxpayers, but the taxpayers paid them to do a job, which, in her opinion, isn't accomplished.

Commissioner Woods noted his action as Oversight Commissioner was to create the agenda before the Board today. Perhaps this isn't the exact moment, but it is timely for the Board to decide whether to proceed. There is a prehearing conference scheduled for tomorrow afternoon, and the hearing date will be next Wednesday. He gets that it's unfortunate for the taxpayer, but the taxpayers choose who will represent them and if they choose someone that isn't capable, that's on them.

Commissioner Zwygart noted he forgot to ask the attorneys: If it were to be denied, and not accepted, what are the ramifications of that? Commissioner Woods said he asked that question and was told that if they miss the deadline, they can't move forward and appeal those values to the district court. They must have met this deadline to proceed. Commissioner Zwygart asked if they can still go to court on this one. Jim Rice, Lead Deputy Attorney General assigned to the Tax Commission said he doesn't believe they can. Mr. Rice said they could challenge that, if they want. Commissioner Moyle said in her experience, these have been challenged and sent on to District Court and the courts have decided at that time. Mr. Rice said they could appeal the decision of timeliness to the court.

Commissioner Moyle motioned that the Board does not accept the appeals because they missed the July 22 deadline and modified the agenda. Ms. Young conducted a roll call vote: Commissioner Moyle, aye; Commissioner Zwygart, aye; Commissioner Bernasconi, aye. Commissioner Woods confirmed the vote and restated the motion that the agenda is modified to remove the appeals for those shown in item 3, and the events of August 19 will be removed from the agenda. The appeals are rejected for the reason stated in the motion and the agenda is modified.

There was no further discussion about the agenda.

The Board proceeded with the presentation by staff regarding the follow-up ratio studies and agricultural land compliance reports. Alan Dornfest, Property Tax Policy Bureau Chief in the Property Tax Division of the Tax Commission, presented the report. The Board received copies of the documents that will be referred to today. The first details the follow-up ratio studies and agricultural land compliance report dated August 5. He said originally there were 16 categories with ratio studies found to be out of compliance in March. The 14 counties were notified (two counties had two categories out of compliance) and staff did subsequent follow-up studies. He reviewed the report with the Board, explaining the process. Mr. Dornfest said compliance is determined in three ways. First, Tax Commission Rule 131 says compliance is achieved when the categories are within 10% of the market value goal or cannot be proven to be more than 10% outside of that number. Secondly, that's

been confirmed in statute in the last year, in Idaho code section 63-208, the exact same standard that's in the Rule, and third, there is a new standard found in the statute that says that the categories, even if they're in compliance, must not be more than 5% different from each other.

The report concludes that every single one of the 16 categories in 14 counties is now back in compliance with requirements in law and rule. Several categories were also out of compliance with the need to be within 5% of each other. They retested that and they were all back in compliance. The Consulting Appraisers conduct the follow-up studies and provide Mr. Dornfest with a report about why the categories were out of compliance and a summary report showing the number of parcels involved and the increases or decreases in value. He believes those reports and the statistical results provide evidence that all categories are back in compliance.

Brad Broenneke, Supervising Consulting Appraiser, provided verbiage on one county's agricultural land category, category 5, that was out of compliance. They conducted a special study, not necessarily a ratio study, but similar study done this spring on agricultural land. Fremont County's dry grazing land was out of compliance and Mr. Broenneke reported that it was improved now and back in compliance because they corrected the deficiencies. No category that was originally non-compliant was found to be more than 5% different from the other categories once all the corrections were made.

Commissioner Woods introduced the Railroad Revitalization and Regulatory Reform (4-R) Act Study saying the report was previously appliable to all operating properties but is now only applicable to railroads. Mr. Dornfest said the requirement of the federal 4-R's Act is that commercial and industrial property be assessed within 5% of the level of assessment of railroads. He added that rail car companies are included in the analysis where there were sufficient sales to be useful. There must be evidence that the commercial property is not below, say, 95% and if it is, there must be an adjustment to the railroad value because the railroad and rail car values represent 100%, not 95%. That 5% tolerance is granted in the federal 4-Rs Act. As Commissioner Woods noted, last year, they completed this analysis for all operating property companies for which they had sufficient sales. With the change in the law, it is now restricted to just the railroads and rail car companies.

Mr. Dornfest reviewed the companies and analysis groups explaining that an analysis group is an area – a location in the state – covered by the railroad. Not every railroad is in multiple counties, but some are. They look at the area in which they will apportion value of the railroad or rail car company, and they analyze the sales of commercial and industrial property they'd normally use the ratio study for in those combined counties, or single counties. The analysis is completed using a weighted mean because many court cases over the years focused on that statistic as the most reliable for this purpose. He reviewed several of the properties reported discussing the confidence intervals and actual measures. They recommend staff reduce values as indicated to remain in compliance with federal law. He acknowledged Garin Evans' work, and the consulting appraisers because there were errors that came up in the initial draft of this study. They did considerable backend work to correct the errors last week. They feel the report before Board is an accurate rendition of the results. If approved, they will move ahead with having operating property staff make the adjustments as indicated before submitting them to the Board for final approval.

Commissioner Moyle commented that the weighted mean should not be used even though the courts precedent says to do that, but it should be the mean. Mr. Dornfest responded that he agrees in part. The court cases have relied heavily on the weighted mean. He would choose the median, as a typical measure, rather than the weighted mean. The weighted mean weights by value. He believes that's why the court felt compelled; however, there are court cases on the other side of the issue saying

to use the median. By and large, when the legal staff have looked into it, and they did in great depth a few years ago, most court cases rely on the weighted mean. Commissioner Woods followed up saying the adjustment is made to 100% and asked if in the court cases it must be adjusted to 100% instead of 95%? Mr. Dornfest said this was explored in depth when they first began this journey years ago. The court cases were very strong on this issue; not as strong as on the weighted mean versus median issue. He was hopeful they could adjust to just no more than a 5% difference. That was actually explored in several of the court cases with the court ruled every time against.

Commissioner Woods introduced the category value comparison report based on the abstracts. Mr. Dornfest reviewed the report presented to the Board. The report shows the 2025 values versus the 2026 values in the different categories. When there has been a big change and they use a general protocol of a 20% change, provided it's at least $2 million because smaller values are not as significant. Commissioner Woods asked for the definitions of the different categories; Mr. Dornfest said it's found on the last tab of the spreadsheet. They coordinate with the consulting appraisers to provide as much information as possible to explain any significant changes. They also want to hear from the Board if there are additional ones they would like to have explained or explained in more detail. They are working with Bingham County on their industrial property. There was a $6 - $7 million property missed by the Assessor. They'll make it as neutral as possible, but things happen. It will be rectified and there is no further action needed.

Commissioner Zwygart asked what percentage they decide when something needs to be reviewed? Mr. Dornfest said they have highlighted cases with more than a 20% up or down change provided the change is at least $2 million in value. If there was a 100% change, but it was only $10 dollars, it wasn't highlighted. However, there were a few cases that were highlighted but don't yet have an explanation, for various reasons. There may be others the Board is curious about, and they will follow up on those.

Commissioner Woods noted that former Commissioner McCray had been interested in dashboard technology. Consulting Appraiser staff, and Marissa McClurg, in particular, has been working on that. He won't go through it, but it was distributed to the Board earlier and is available on the Tax Commission website. Ms. McClurg was recognized and explained that this was developed in response to Commissioner McCray's request to have something more visual for this report. This is the first year she's used it and it's fully navigable by county with a year-to-year comparison. There's also a list of the categories at the bottom with a description and the categories that were flagged on the report Mr. Dornfest presented, including whether they've received an answer from the county. Commissioner Woods thanked her for the effort and time she has put into developing this Power BI dashboard. Brian Stender, Canyon County Assessor, asked if all the Assessors can be provided with a link to the dashboard. Commissioner Woods said that it's on the Tax Commission website, they'll also be provided with a link to it.

Commissioner Woods introduced the Comparison and Summary of Exemptions and Urban Renewal Increment Report. Mr. Dornfest reviewed the report saying it is absorbed from the abstracts. There are only certain exemptions reported to them, and they attempt to capture each one. Although it's not an exemption, they also try to capture increment value, or the added value, with the urban renewal areas. They know there is some interest in watching that go up or down. He pointed out that the largest tract exemption is the homeowner's exemption, or the homestead exemption. The numbers didn't go up much during the most immediate year, but it's almost $60 billion statewide. Another significant one is the Pollution Control Exemption. He reviewed Power County and their pollution control equipment that is reported on the abstract. They apparently made an error and the corrected

number for 2026 is available and they will provide that as soon as possible. It's curious that it has gone down so much from last year. She's asked the Consulting Appraiser, Marissa McClurg, to look at it to see why it went down because it's unusual to have an industrial exemption like that decline by a factor of half, which it apparently did.

Mr. Dornfest reviewed Ada County, noting the New Capital Investment exemption in Idaho Code section 63-4502, went from $4.7 billion one year ago to about $7.7 or $7.8 billion this year. That has to do with what Micron will commonly call the Micron Exemption. They are the only company his team is aware of throughout the state using that particular exemption which limits their value to $400 million (there may be another $400 million before they're finished), but it provides a substantial exemption provided they meet the criteria, which is a billion-dollar investment in certain other things. They meet that criteria, and Ada County is capturing current value. Obviously, it's a construction site and isn't complete, so there isn't a way to see what the eventual value will be. He would predict it much higher in the long run. He pointed out those as the reason there is a 63% change for that category.

The Urban Renewal Increments are also tracked. Usually when they see decreases, it's due to closures of an urban renewal area; however, the Bingham County one isn't due to that. It's due to the county not picking up the county that was in increment that he reviewed earlier. It'll correct itself at the end of the year, but not for this report. He encourages the Board to email him any questions, and he will get answers through the Consulting Appraisers.

Commissioner Moyle asked about the new capital investments with Micron and whether it's incremental as they build. Mr. Dornfest said it would be based on what otherwise would have been taxable that year and for commercial, as opposed to residential, property, whatever was there January 1 is taxable, so yes, as they build it out, he would expect it to increase, maybe dramatically, but he doesn't know the timetable. Commissioner Woods said the administrative oversight and the application of Idaho Code section 63-4502 is limited. Mr. Dornfest said the Tax Commission has no oversight, other than that they report it. It's required to be reported now. They changed the law a few years ago where operating property companies could possibly qualify, but there aren't any doing that. If they did, the Tax Commission would have some approve type oversight as well.

The Board recessed until 10:00 a.m.

Commissioner Woods reconvened the Board and began with the District 1 Assessor Reports. This is the Assessor's opportunity to provide the Board with their assessments of their counties and to make everyone aware of any issues they may be having. He introduced Ben Hawkins, the District 1 Consulting Appraiser, to introduce the counties. Mr. Hawkins joined online and said his district covers Boundary, Bonner, Kootenai, Shoshone, Benewah, Clearwater, Latah, and Nez Perce Counties. He said that overall, residential values seemed to hold steady, or increased slightly, while commercial values appeared to be trending up in both sales and overall value. There were no major natural disasters affecting property assessments in 2025 in District 1. The market moved away from a primary category in three counties, putting them out of compliance in all three cases, but the counties adjusted and brought those categories back into compliance. The Assessors will explain in greater detail.

Commissioner Woods noted that the districts and the Consulting Appraisers have been readjusted to align people and resources more appropriately, but since everyone was already notified, the order of appearance given to the Board is different. It's an administrative issue; the Board had no questions.

The Board heard District 1 Assessor reports beginning with Donna Spier, Benewah County, Assessor Dennis Englehardt, Bonner County, Assessor Olivia Drake, Boundary County, Assessor Susan Spencer, Clearwater County.

The Board discussed the situation in Clearwater County wherein the county commissioners set values much lower than they were assessed. Assessor Spencer explained that they changed their cost tables which drastically changed the commercial values, causing them to go up dramatically. She and her staff reviewed and adjusted every commercial property in the county to get it where it should be. The owners weren't happy and she got help from the Tax Commission to help explain what happened. Commissioner Moyle noted it puts the Board in an awkward situation because Clearwater County is now not equalized. Assessor Spencer said the follow-up ratio study came back and she passed, but that doesn't excuse what happened. Commissioner Moyle said the follow-up ratio study has no bearing on the Board of Equalization. Commissioner Woods noted this issue will be discussed before the Board approves the final values.

The Board moved on to hear from Assessor Kim Nuxoll, Idaho County, Assessor JoAnn Watson, Lewis County, and Assessor Jerry White, Shoshone County.

Many counties mentioned the state's trespass and non-disclosure laws. Assessor Nuxoll noted that local title companies are encouraging customers not to return sales information to the Assessor's office. Commissioner Zwygart asked how the Assessors can assess properties without access. They request access and use imagery or MLS information when they can get it. They advocate changing the laws. Commissioner Moyle said this has been an issue for some time that has gotten increasingly worse over time. Commissioner Woods said that's one of the reasons having the Assessors at the State Board of Equalization is so beneficial.

Several District 1 Assessors are retiring or not seeking re-election. Assessor Engelhardt, Assessor Nuxoll, and Assessor White. The Commissioners extended their best wishes for their futures.

Commissioner Woods noted the Board will have conversations before August 24, 2026, about the one county so far that isn't equalized. He asked if the Board prefers to convene on August 11, in the afternoon, to discuss the issues and talk to legal staff. Commissioner Moyle prefers that option and **Commissioner Zwygart moved to add an agenda item to discuss equalization options on August 11, 2026 at 1:30. Ms. Young conducted a roll call vote: Commissioner Moyle, aye; Commissioner Zwygart, aye; Commissioner Bernasconi, aye.**

The Board recessed until 11:00 a.m.

Commissioner Woods reconvened the Board and heard the District 2 Assessor reports beginning with the Consulting Appraiser for District 2, Ben Hawkins. Mr. Hawkins provided a regional update, saying the district was combined with District 1, as mentioned in his opening for District 1. Overall, there is a slight increase in residential value and commercial is increasing in both Latah County and in Nez Perce County. The Board heard reports from Assessor David Sutherland, Latah County, Consulting Appraiser Ben Hawkins and Consulting Appraiser Supervisor Brad Broenneke presented on behalf of Assessor Bela Kovacs, Kootenai County saying they're working hard to get their system better. George Brown, Property Tax Division Administrator, commended the Consulting Appraisers and recognized Sandy Bowen, from the Property Tax Technical Support Bureau, for helping Kootenai County realign their categories and making their system more accurate; and Assessor Dan Anderson, Nez Perce County.

Commissioner Woods thanked the Assessors for their presentations. He asked Jim Rice, the Deputy Attorney General Advising the Board, about the decision earlier wherein the Board took action to change the agenda, which involved making a decision. He wants to ensure there is no open meeting violation by voting not to hear the appeals based on untimely submission. In changing the agenda, they came to that conclusion. Is that appropriate, or should it be noticed and added to an agenda. There's a timeliness issue and he doesn't think it makes sense to proceed to hearing if the denial is the untimely nature of it. It's a bit of a quagmire and he wants to ensure the actions they've taken stand and aren't violating the open meeting law. Mr. Rice said they have "status of appeals" as an item for those particular ones. The procedural briefing is item 2 and then item 3 is status of appeals and he thinks it could fit within that because the status was about the status of those appeals. He thinks the action taken could fall within that, but he will take a look and provide a better answer after the lunch break. Commissioner Woods said his point is to ensure the Board hasn't erred in the notice of the decision. He doesn't want to tell the appellant to attend a pre-hearing conference tomorrow if it's a moot point. He wants to ensure the Board is fine with the way they made that decision and there aren't additional notice requirements to be fair with everyone. Mr. Rice said he will review it over the lunch break, but he believes it addressed the status of those appeals and it was on the agenda for this morning.

The Board recessed until 1:30 p.m.

The Board reconvened and Commissioner Woods asked for an update on the question just prior to the recess. Mr. Rice said the issue wasn't listed as an action item for today, and because of that, it was an error to vote on it today. The vote taken was not properly placed on the agenda as an action item, so it's void. The Board must now make a motion to recognize the error and recognize that the vote is void. It will be added as an agenda item, and he recommends Wednesday morning because of the 24-hour requirement, and notice will be provided to counsel for the taxpayers so he may make a statement, if he chooses. The Board can then decide. When that happens, the Board will motion to amend the agenda. That's how it works procedurally. It must be added to the agenda for Wednesday morning as an action item.

Commissioner Moyle moved that the action taken earlier this morning was in error and that the vote is void. Ms. Young conducted a roll call vote: Commissioner Moyle, aye; Commissioner Zwygart, aye; Commissioner Bernasconi, aye.

Commissioner Woods said the next item is to amend the agenda to include as an agenda item on Wednesday at 9:00 a.m. the consideration of whether the appeals, as listed at item 3, were filed timely. Mr. Rice said that motion should come on Wednesday. The agenda will be published with that as an action item, and the motion will be at the beginning of the meeting. **Commissioner Bernasconi moved to add an agenda item for August 12, 2026, to include changes to consider other action items.** Commissioner Woods noted the motion should be to consider the timeliness of the appeals. **Commissioner Bernasconi amended his motion to update the agenda for Wednesday, August 12, 2026, to add an action item to review whether the appeal was timely. Ms. Young conducted a roll call vote: Commissioner Moyle, aye; Commissioner Zwygart, aye; Commissioner Bernasconi, aye. Commissioner Woods noted the agenda is modified to include an item on Wednesday to consider that matter.**

Returning to the published agenda, it is time for the Board to hear an update from Assessors and Commissioner Woods asked Consulting Appraiser Sam Stone, over District 3, to make comments about his district.

Alan Dornfest requested permission to correct an earlier statement. He was granted permission and made two corrections to the report provided to the Board. Earlier he made statements about the new capital investment exemption ascribed exclusively to Micron; however, that's incorrect. There are two Micron parcels and one Meta parcel. Micron accounts for 81% of the exemption and the report will be updated for the Board. Secondly, in Power County, he mentioned there would be corrections to the pollution control exemption. That will also be updated for the Board.

Mr. Stone was recognized and highlighted that the counties of District 3 are Adams County, Washington County, Payette County, Gem County, Canyon County, Ada County, and Owyhee County. He said overall, residential and commercial values seem to be holding steady or slightly increasing across the region. The overall net taxable value, over most of the counties, saw an increase in assessed value between 4% - 6% in 2025. Counties seemed to keep assessed values just at market levels. Where there were deviations, they made adjustments and brought everything into compliance. The Board heard Assessor Debbie Moxley-Potter, Washington County, Assessor Tiffany Nettleton, Owyhee County, Kathlynn Ireland, Assistant Chief Deputy Assessor, is presenting on behalf of Assessor Rebecca Arnold, Ada County, Assessor Kala Nichols, Adams County, Assessor Brian Stender, Canyon County, Assessor Hollie Ann Flansberg, Gem County, and Assessor Sandy Clason, Payette County.

The Board recessed until 2:30 p.m.

The Board reconvened. Before the remaining Assessor Reports scheduled for today are heard, Commissioner Woods asked Mr. Broenneke to share information about the Kootenai County report earlier today. Mr. Broenneke clarified the differences in categories, and how and why the changes in categories were made. Commissioner Woods asked Mr. Broenneke to introduce the District 4 Assessors, which include Boise County, Camas County, Custer County, Elmore County, Lemhi County, and Valley County. The net taxable values have remained steady over the past year. There haven't been any major disasters or significant events that would have any widespread effects on values. The Board heard reports from Consulting Appraiser Supervisor Robert Rios on behalf of Assessor Lynn McGuire, Camas County, Assessor Jacquel Bruno, Custer County, Assessor Josh Dison, Elmore County, Assessor Chris Juszczak, Boise County, Consulting Appraiser Melissa McClurg presented on behalf of Assessor Jenny Rosin, Lemhi County, and Consulting Appraiser Supervisor Brad Broenneke presented on behalf of Assessor Sue Leeper, Valley County.

Commissioner Woods recessed the Board until 9:00 a.m. on Tuesday, August 11, 2026.

Maria Young
Secretary

Paul Woods
Chairman of the Idaho State Board of Equalization