



Idaho State Tax Commission

2026 County Commissioner/ Board of Equalization Training



Agenda

- **Introduction**
- **Basic Property Tax Appraisal**
- **BOE Responsibility**
- **Board of Equalization Meetings**
- **Appeals Process**
- **BOE Decision Making Process**
- **Exemptions**
- **Special Exemption Situations**

Introduction

The function of the Board of Equalization shall be confined strictly to assuring that the market value for assessment purposes of property has been found by the assessor...

I.C. 63-502



Basic Property Tax Appraisal

Basic Appraisal Objectives

- **Understand the three approaches to property valuation.**

Cost Approach

Market (Sales) Approach

Income Approach

- **Understand the difference between mass appraisal and single property (fee) appraisal.**

Cost Approach

Replacement Cost New

- Depreciation

= Depreciated Improvement

+ Land Value

= Total Property Value

Cost Approach

- **Estimates the cost to construct a new improvement (building) for each property group.**
- **This information is obtained from cost manuals (Marshall & Swift, Oregon Cost Manual, Craftsman, etc.) or from local builders.**
 - **Cost manuals provide a summary of all costs associated with the new construction of an improvement.**

Cost Approach

- **The cost breakdown in a cost manual is typically based on square footage.**
 - **For example, \$350 per square foot to build new.**
- **The price per square foot will vary based on the class and type of property.**
 - **Higher quality improvements will have a higher cost due to the types of materials used and the manner of construction.**
 - **This is why understanding class and construction quality is important.**

Cost Approach

- **A proxy value estimate obtained from a cost manual breakdown is then applied to all properties within that property group.**
- **Further adjustments can be made to individual properties based on the current condition of the improvement.**
 - **This is referred to as depreciation or obsolescence.**

Cost Approach

Depreciation is a loss in value and can be due to three conditions:

- **Physical deterioration**
 - **Loss in value due to wear and tear**
- **Functional obsolescence**
 - **Loss in value due to outdated design or deficiency.**
- **Economic obsolescence**
 - **Loss in value due to factors outside of the property**

Sales Comparison (Market) Approach

$$\begin{aligned} & \text{Sales Price of Comparable Property} \\ & \underline{\pm \text{ Adjustments}^*} \\ & = \text{Indicated Subject Value} \end{aligned}$$

***Never adjust the subject property**

Sales Comparison (Market) Approach

- **Utilizes local market data**
 - Local sales of comparable properties that are the same class/type as the properties being appraised(subject).
- **Adjustments are made to the sales prices of the comparable properties based on how similar/different the selling properties are to the individual subject properties.**
 - Location, square footage, room count, construction material.

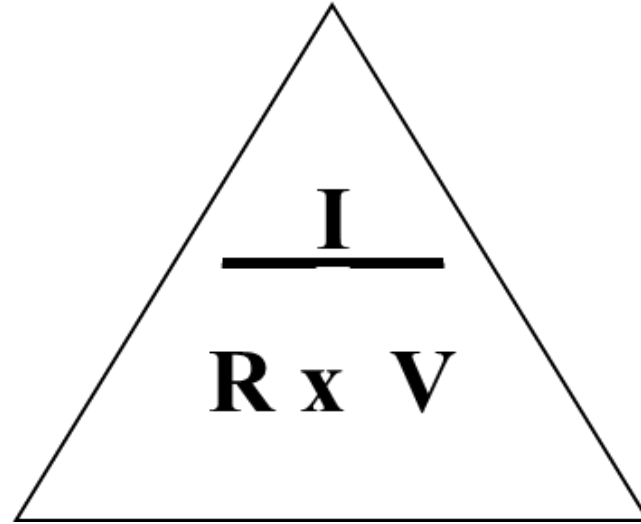
Sales Comparison (Market) Approach

- **Final or proxy value is applied to the subject properties using the adjusted sales prices of the comparable properties.**

Sales Comparison (Market) Approach

Idaho is a non-disclosure state, which can make it difficult for assessors to find reliable sales information. Additionally, some counties may have little to no sales that occur in any given assessment cycle.

Income Approach



(I) Income = Rate x Value

(R) Rate = Income ÷ Value

(V) Value = Income ÷ Rate

Income Approach

- **Estimates value by analyzing the income stream that is directly attributable to the land or improvement.**
 - **Most appropriate for income producing properties, such as farm ground, apartments, hotels, retail centers (strip malls).**
 - **Value is estimated by capitalizing the income, less allowable expenses for a given property type and then that value is applied broadly to all properties that are of the same type.**

Steps to Calculating Value Using The Income Approach.

Estimate potential gross income or PGI (what income would be if at 100% occupancy).

Deduct vacancy and collection loss from PGI.

Add any miscellaneous income to PGI.

- **This will give you the effective gross income or EGI.**

Deduct operating expenses and reserves for replacement from EGI.

- **This will give the net operating income or NOI.**

Income Approach

- **Capitalize net operating income (NOI) using a capitalization rate (cap rate).**
 - **This result will give the estimated value for the property.**
- **This proxy value can then be applied to all properties within that property type.**

Example: Storage Unit NOI \$83,500 / Cap Rate 8.3%

Total Value \$1,006,024

Mass Appraisal

“..the development of appraisal models that are then applied to groups of properties in a cadastral database to produce estimates of the value of all properties in the group.”

Mass Appraisal

- **Properties are grouped based on type and similarity.**
- **A proxy value is determined for each property type utilizing one of the three valuation methods; replacement cost new approach, sales comparison (market) approach, or income approach.**
 - **Adjustments can then be made to individual properties based on site specific characteristics and depreciation (more on this later).**
 - **The final value estimate for each property is based on a lien or set date. In Idaho, the lien date is January 1st (I.C. 63-205 and 63-206).**

Property Classification

I.C. 63-208

“..the actual and functional use shall be a major consideration when determining market value for assessment purposes.”

Property is valued based on actual and functional use, not highest and best. If zoning allows a parcels can change use. This is more common with land; such as a parcel of farm ground being platted into a residential subdivision. The landowner may continue to farm the acreage until the individual lots are sold off, and the land would still be valued as agricultural.

Property Classification

- **Parcels are stratified into groups according to use:**
 - **Residential**
 - **Commercial**
 - **Agricultural**
 - **Operating Property**
 - **Personal Property**

Land Valuation

- **Methods of mass appraisal valuation that apply to land.**
 - **Land can be stratified by location or other factors affecting value.**
 - **Commonly used valuation methods, are sales comparison approach or income approach.**
 - **Land would not be valued using the cost approach method.**
- **Land is valued as if it were vacant.**
- **Land does not depreciate!!!!**

Property Classification

Commercial Parcels

- **Commercial improvements are grouped according to type or use.**
 - **Hotels, apartments, self-storage units, retail centers, etc.**
- **Commercial land can be further stratified by location or other factors that affect value.**

Property Classification

Agricultural Parcels

- **Agricultural land is stratified according to use:**
 - Timber, irrigated ag, dry grazing
- **Sometimes can have an improvement component.**
 - Quonset, lean-to, shop, barn



BOE Responsibility

County BOE Responsibility #1

It is hereby made the duty of the Board of Equalization to *enforce and compel* a proper *classification and assessment* of all property required under the provisions of this title to be entered on the property rolls, and in doing so, the board of equalization shall examine the rolls and shall raise or cause to be raised, or lower or cause to be lowered, the assessment of any property which in the judgment of the board has not been properly assessed.

I.C. 63-502

County BOE Responsibility #2

The Board of Equalization must *examine and act* upon all *complaints* filed with the board in regard to the assessed value of any property entered on the property rolls and must correct any assessment improperly made.

I.C. 63-502



Assessment Rolls and Notices

Assessment Rolls

Primary Property Roll – all real and personal property known on January 1 must be included on the regular property roll, which is submitted on or before the fourth Monday of June.

I.C. 63-310

- For the real and personal property rolls, the assessor must have sent each property owner a notice of assessment by the first Monday of June.

- For property on the primary roll, an appeal must be filed with the Board of Equalization on or before the close of business on the fourth Monday of June.

Assessment Rolls

Subsequent Property Roll – all real and personal property known after the fourth Monday of June is included on the subsequent property roll and must be submitted by the fourth Monday of November.

I.C. 63-311 and 63-501

- For all property entered on the subsequent roll, the assessment notice is sent to the effected property owner no later than the third Monday in November.

- For property on the subsequent roll, the appeal must be filed with the Board of Equalization on or before the close of business on the fourth Monday of November.

Assessment Rolls

Missed Property Roll – all real and personal property known after the fourth Monday in November is included on the missed property roll and must be submitted by the first Monday of January.

I.C. 63-311 and 63-501

- For all property entered on the missed roll, the assessment notice should be sent to the effected property owner no later than the first Monday in January of the following year.

- For property on the missed roll, the appeal must be filed any time up to the adjournment of the Board of Equalization meeting in January. (First regular scheduled meeting)

Assessment Rolls

Occupancy Property Roll – The hearing for this roll may be held during the same time as for the missed property roll.

I.C. 63-317

- Notify the owner of the appraised value and the right to appeal the value provided in the appraisal within twenty-eight (28) days of such notification.

Assessment Notices

Must inform the property owner of the assessed market value for assessment purposes of the property for the current year and his/her right to appeal to the county Board of Equalization.

Must contain notices of all meetings of the Board of Equalization for the purposes of equalizing assessments of property and for granting exemptions from taxation.

I.C. 63-308

Assessment Notices (Corrected)

**If the assessor discovers an error has been made, a corrected assessment notice must be sent to the property owner in time for the property owner to file an appeal with the Board of Equalization by the fourth Monday of June.
(10 business day provision)**

I.C. 63-506

Assessment Notices (Corrected)

- **After the property roll has been submitted to the Board of Equalization, the assessor cannot make a change without an order from the Board.**
- **The assessor can petition the Board to order that the correction be made.**
- **If so ordered, letter should be sent to the property owner, invoking the provisions of.**
I.C. 63-506

Assessment Notices (Corrected)

- **If the property owner does not agree with the change, the decision of the Board of Equalization can be appealed to the State Board of Tax Appeals or directly to District Court.**
- **This process is the same for all decisions made by the Board of Equalization while they have possession of the regular assessment roll.**



Board of Equalization Meetings

Board of Equalization Meetings

- **The Board of County Commissioners shall convene as a Board of Equalization at least once per month from January to the fourth Monday of June.**

I.C. 63-501

- **Appeals for occupancy assessments and missed roll assessments.**

Board of Equalization Meetings

- **The Clerk for the Board should note in the agenda one meeting day each month that the Board of County Commissioners will meet as a Board of Equalization.**
- **If there is no business to discuss, the Board does not need to convene.**
- **Protects the Board from claims that someone did not receive due process.**

Board of Equalization Meetings: Appeal of the Primary Property Roll

- **The Board of Equalization will hear any appeals filed by the close of business on the fourth Monday in June or any appeals received by mail and postmarked as of that date.**
- **No other appeals can be heard.**
- **During this time, the Board is also responsible hearing appeals on exemptions.**

Board of Equalization Meetings: Appeal of the Primary Property Roll

- The Board of Equalization may adjourn any time prior to the second Monday in July if all business has been completed.**
- The Board of County Commissioners does not meet again as the Board of Equalization until the fourth Monday of November.**

Board of Equalization Meetings: Extension of the Board of Equalization

- If the business of the Board of Equalization is not completed by the second Monday in July, the Board must request an extension to the commissioner of the State Tax Commission with oversight of property tax.**

Board of Equalization Meetings: Reconvening the Board of Equalization

- **When the State Tax Commission deems necessary, it may require the Board of Equalization to reconvene for equalization purposes and for correction of errors.**
- **If required to reconvene, the Board shall have no power to conduct business except for that which it is specifically reconvened.**

I.C. 63-105A(7)



Appeals Process

Appeals Process

- **The assessment notice should include information that invites the property owner to contact the assessor's office if they have questions or are unhappy with the assessment.**
- **Typically, most questions and concerns can be resolved at this level.**
- **There is no requirement for a property owner to contact the assessor prior to an appeal.**

Appeals Process

- **Appeals forms should be made available by the Clerk of the Board of Equalization.**
- **Consider providing the property owner with an informational pamphlet that describes the appeals process and what they can expect at the appeals hearing.**

Appeals Process

Hearing Rules:

- **The Board of Equalization and the County Clerk should develop a publication that explains the hearing process.**
- **Both the appellant and the assessor will be better prepared if they know what is expected of them prior to the hearing.**
- **The hearing rules should be given to the property owner as they pick up their appeals form from the clerk.**

Appeals Process: Who May Appeal?

Aggrieved taxpayers may file an appeal of an assessment or exemption decision with the county board of equalization.

I.C. 63-501A(1)

Appeals Process: Reasons for Appeal

Property Owner's Perspective:

- **In many cases, the property owner thinks the appeal is about taxes and not the value of the property.**
- **Appeals can only be filed regarding the assessed value of the property and not on the presumed amount of a property tax bill.**

Appeals Process: Reasons for Appeal

Property Owner's Perspective:

- **Property owners may be concerned that their tax bill will be increasing at the same rate as any increase in the assessed value of their property from last year to this year.**

Board of Equalization: The Hearing Process

- **Appeal hearings can be held in person or via phone conference.**
- **A property owner may choose to submit documents to the Board and not participate in the hearing.**
- **There is no requirement that a property owner appear at the hearing, either in-person or via phone, in order for the Board of Equalization to hear the appeal.**

Board of Equalization: The Hearing Process

The Players in the Hearing

- **The County Commissioners serve two distinct roles:**
 - 1) Board of County Commissioners**
 - 2) Board of Equalization**
 - **As the Board of Equalization, the commissioners function as a quasi-judicial body.**

Board of Equalization: The Hearing Process

The Property Owner (Appellant)

- **Most appellants are property owners who appeal their own assessment.**
- **It is possible for a taxpayer to appeal someone else's property values if he/she believes the values to be incorrect.**

Board of Equalization: The Hearing Process

The Assessor (Respondent)

- **The respondent is usually the assessor. The assessor may be represented by a deputy or appraiser from the assessor's office.**
- **The assessor, or designee, should attend all meetings of the Board of Equalization.**
- **The Board of Equalization may require the assessor to be present in the hearing when necessary.**

I.C. 63-505

Board of Equalization: The Hearing Process

Legal Counsel for the Board

- **The Board of Equalization may have the Prosecuting Attorney, or a deputy attend the hearings.**
- **The Prosecuting Attorney should only be there to provide legal advice to the Board.**

Board of Equalization: The Hearing Process

The County Clerk

- **The County Clerk, or a deputy, must attend all Board of Equalization hearings.**
- **The clerk must record the official minutes and all proceedings of the Board of Equalization.**
- **Recommended that hearings be electronically recorded.**

I.C. 63-507

Board of Equalization: The Hearing Process

There is no legal requirement for the Board to swear in witnesses for a hearing, but it is recommended.

Swearing in witnesses will let both sides know that the Board of Equalization is a formal hearing that should be taken seriously.

Board of Equalization: The Hearing Process

Order of the Hearing:

Property Owner Presents (Appellant) Testimony First

- The property owner has the burden of proof in seeking affirmative relief to establish that the determination of the assessor is erroneous and, therefore, the property owner always presents first.

Board of Equalization: The Hearing Process

Order of the Hearing:

Board of Equalization Asks Questions Property Owner

- **The Board may ask questions at any time for the purposes of clarifying issues.**

Board of Equalization: The Hearing Process

Order of the Hearing:

Assessor's Office (Respondent) Presents Testimony

- After being given the opportunity to ask questions of the property owner, the assessor should present direct testimony and evidence.
- Although the assessor's value is presumed to be correct, the assessor must provide evidence to explain this value.

Board of Equalization: The Hearing Process

Order of the Hearing:

Board Asks Questions of the Assessor

- **After the assessor's direct testimony, the Board may ask questions at any time for the purposes of clarifying issues.**

Board of Equalization: The Hearing Process

Order of the Hearing:

Decision on the Case

- **A decision to sustain or change the assessor's value does not have to be made the same day as the hearing.**
- **If it is evident that the Board is in agreement as to what the outcome should be, the Board may make a decision at the end of the hearing.**



BOE Decision Making Process

Introduction

The taxpayer shall have the *burden of proof* in seeking affirmative relief to establish that the determination of the assessor is erroneous, including any determination of value.

A preponderance of the evidence shall suffice to sustain the burden of proof.

- Think of a scale, with just a little more weight on one side making it fall that way.

I.C. 63-502

Board of Equalization: Decision-Making Process

- **The Board sits as a quasi-judicial body and should not be gathering its own evidence on properties or values.**
- **The Board's responsibility is to equalize values based on the written and oral testimony of the property owner and the assessor.**
- **All decisions of the Board need to be made on the record as presented during the hearing process.**

Board of Equalization: Decision-Making Process

- **The Board of Equalization is charged to do nothing more than assure that market value established by the assessor is correct.**

I.C. 63-501 and 63-502

- **The purpose of the appeals hearing is not to negotiate, compromise, or mediate.**

Board of Equalization: Decision-Making Process

- **A greater inequity may result if the Board of Equalization changes a property owner's value and makes it unequal with similar properties in the same area.**
- **It may be that the decision of the Board of Equalization covers an entire subdivision or property type.**

Board of Equalization: Decision-Making Process

Factors to Consider:

- **Assessor uses mass appraisal techniques to value all real and personal property.**
- **Mass appraisal techniques require the assessor to consider all of the market data by property type.**
- **Differs from single-property appraisal that is used by fee appraisers who might testify for the property owners.**

Board of Equalization: Decision-Making Process

Factors to Consider:

- **Single-property appraisal might only consider market data from three or four properties.**
- **The assessor should be able to provide exhibits that include numerous sales that show how land values, local cost modifiers, and depreciation tables were utilized to determine a final estimate of value.**
- **The assessor can also use single-property appraisal techniques to support the mass appraisal data.**

Board of Equalization: Decision-Making Process

Factors to Consider - Exemptions

- If there is disagreement amongst the Board if the property would qualify for the exemption, place the property on the roll and notify the applicant.
- The applicants are responsible to indicate by what statute they would qualify for an exemption.
- Consult your prosecuting attorney for advice. Such advice will be based on a legal review of the exemption statute, case law, and the particular facts of the situation.
- The burden is on the taxpayer to prove that they qualify for the exemption.

Board of Equalization: Decision-Making Process

Notifying the Property Owner

- **Prior to the fourth Monday in June, any change in value made by the assessor requires a corrected assessment notice.**
- **A corrected assessment notice starts a 10-day appeal period, and it implies that the corrected notice will be sent prior to the second Monday in July and the adjournment of the Board of Equalization.**
- **Once the roll has been turned over to the Board of Equalization, the assessor should not make any changes to it, unless directed by the Board Of Equalization.**

Board of Equalization: Decision-Making Process

Notifying the Property Owner

- The property owner does not receive a corrected assessment notice as a result of a Board of Equalization decision. Only if a decision increases a non-appealed property value, does it require a corrected notice.
- Any decision between the fourth Monday of June and the second Monday of July, to either sustain or change the assessor's value, should be in the form of a letter to the property owner.
- The property owner can appeal the written decision to the Board of Tax Appeals or to District Court.

Board of Equalization: Right of Appeal

Any time within 30 days after mailing of notice of a decision of the Board of Equalization, or pronouncement of a decision announced at a hearing, an appeal of any act, order or proceeding of the Board of Equalization, or the failure of the Board of Equalization to act may be taken to the Board of Tax of Appeals. Such appeal may only be filed by the property owner, the assessor, the *State Tax Commission* or by a *person aggrieved* when he deems such action illegal or prejudicial to the public interest.

I.C. 63-511(1)

Board of Equalization: Right of Appeal

Any appeal that may be taken to the Board of Tax Appeals may, during the same time period, be taken to the District Court for the county in which the property is located.

I.C. 63-511(3)



Exemptions

Board of Equalization: Property Tax Exemptions

All property within the jurisdiction of this state, not *expressly* exempted, is subject to appraisal, assessment and property taxation.

I.C. 63-203

Property Tax Exemptions

- **“All exemptions from property taxation claimed shall be approved annually by the board of county commissioners or unless otherwise provided:”**

I.C. 63-602(3)

- **Subsection (a) of that section identifies exemptions that do not require application.**
- **Exemption statutes may identify a different method for application but, if they don't, this process applies.**

Property Tax Exemptions

- For exemptions that require an application, the Board of County Commissioners must act timely.
- Application must be made by April 15 and the Board of County Commissioners must either grant or deny the application for exemption by May 15 and notify the applicant and the assessor.
- The decision of the Board of County Commissioners can be appealed to the Board of Equalization.
- For all other subsequent roll exemption applications, the Board of Equalization must either grant or deny the exemption application by the first Monday in December.

I.C. 63-602(3)(b)

Property Tax Exemptions

- **Long Form Application**: Used when applying for an exemption for the first time, or for which the ownership and/or use of exempt property has changed from the previous year.
- **Short Form Application**: Used only for when there the exemption being applied for has previously been granted. The form asks whether the ownership and/or use of the property have changed from the previous year.

Special Exemption Situations

Property Tax Exemptions

(Property That Has Experienced Casualty Loss)

- **The Board of Equalization may grant an exemption to real and personal property which has been damaged by an event causing casualty loss to all or part of the property.**
- **Claimants apply to the Board by the fourth Monday in June.**
- **Board decides on claims by the second Monday in July.**

I.C. 63-602X

Property Tax Exemptions

(Property Of People with Exceptional Situations)/ Hardship Exemption

- The Board of Equalization may grant a hardship exemption to persons, who because of unusual circumstances cannot pay their property taxes.
- Claimants must apply to the Board by the fourth Monday of June.
- Board decides on claims by the second Monday in July.

I.C. 63-602AA