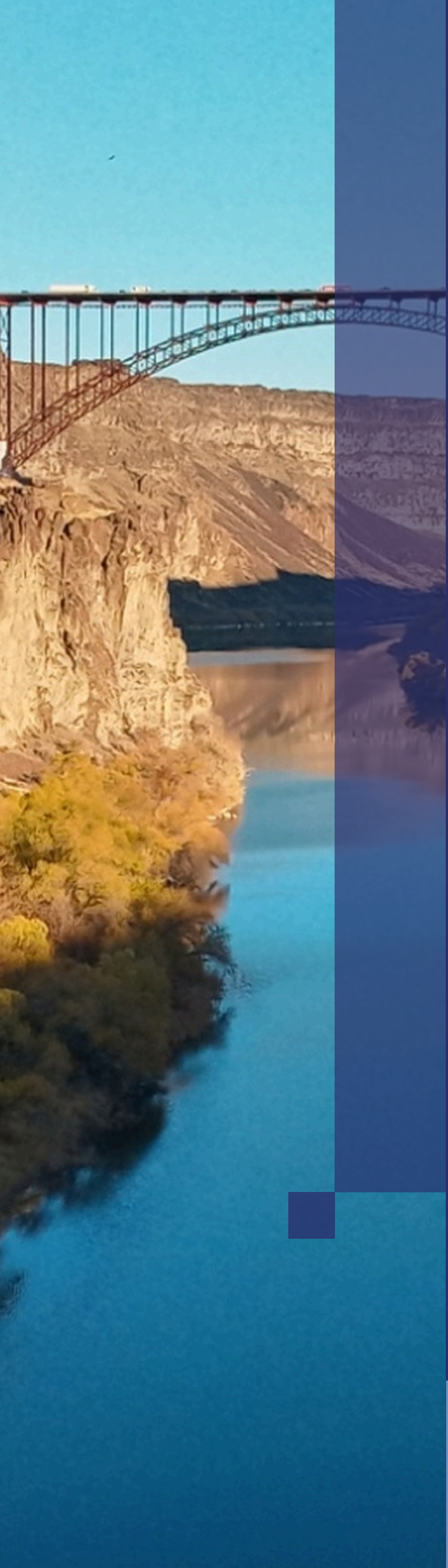

IDAHO ASSOCIATION OF COUNTIES

2026

BOARD OF EQUALIZATION MANUAL

CO-PRODUCED WITH THE
IDAHO STATE TAX COMMISSION

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INTRODUCTION

Idaho's property tax system is designed to be fair and balanced, raising the revenue necessary for local taxing districts to perform the duties required by the state of Idaho and to provide services that constituents demand. Central to the issue of fairness is the assessed value of property. Without accurate values, fairness in the system is compromised, and taxpayers end up paying more or less than their fair share of property taxes.

To ensure that property values are correct, a Board of County Commissioners, sitting as a county Board of Equalization, is responsible for equalizing values. The charge to the Board of Equalization found in Idaho Code Section 63-502 is clear and precise:

> *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. It is hereby made the duty of the board of equalization to enforce and compel a proper classification and assessment of all property [Idaho Code Section 63-502, emphasis added].*

One role of the Board of Equalization is to ensure uniform market values. The Board must ensure that it does not compromise value in an effort to either placate the assessor or the taxpayer. To do so creates nothing but unfairness in the system and shifts the burden from one taxpayer to another. It is important to note that ex parte communication, direct communication with the property owner, assessor, or assessor's staff, during the appeals process, is considered unethical.

To fulfill this responsibility effectively, it is important that county commissioners have access to resources and education. Idaho Code Section 63-105A sets forth certain responsibilities for the State Tax Commission. The State Tax Commission shall have the power and duty:

> *In addition, Article VII, Section 12 of the Idaho Constitution assigns the State Tax Commission with the duty to serve as the Board of Equalization for the State. They are responsible for ensuring that the values of each county are equalized and finalized. Once this is accomplished, the respective taxing districts in each county use these finalized values to determine their levy rates.*
>
> *A Board of County Commissioners is responsible for granting or denying property tax exemptions, with appeals of such decisions to be taken to the County Board of Equalization. These functions of the Board of County Commissioners and the County Board of Equalization are just as important as equalizing value, because granting an exemption shifts the tax burden to other county taxpayers.*

The Idaho Association of Counties Board of Directors originally developed this manual to assist county commissioners in carrying out their constitutional and statutory responsibilities and to ensure consistency in the Board of Equalization (BOE) process across all 44 counties. Each version of the manual is designed to provide a practical framework for the County Board of Equalization process to achieve market value. Understanding the format of this manual will help you use it. Where possible, the Idaho Code is cited by title number and section. If questions arise concerning the interpretation of the Idaho Code or this manual, always consult your prosecuting attorney.

The Idaho Association of Counties and the State Tax Commission co-produced this 2026 manual to help county commissioners fulfill their constitutional and statutory duties and to ensure a consistent board of equalization process state-wide. This manual does not constitute legal advice. Always consult your county prosecuting attorney and county assessor when serving as the board of equalization.

COUNTY BOARD OF EQUALIZATION PROCESS

Idaho Open Meetings Law

A county Board of Equalization is both a public agency and governing body under the definitions of the Idaho Open Meetings Law, Idaho Code Sections 74-201 through 74-208. Therefore, it is subject to all requirements of the law, including the following:

> *[A]ll meetings of a governing body of a public agency shall be open to the public and all persons shall be permitted to attend any meeting except as otherwise provided by this act. No decision at a meeting of a governing body of a public agency shall be made by secret ballot [Idaho Code Section 74-203(1)].*

All notice provisions must be complied with and notice of the hearings shall be sent to the appellant per Idaho Code Section 74-204. In addition to the written decisions made by the Board of Equalization, written minutes must be kept as required by Idaho Code Section 74-205.

For a complete review of the Idaho Open Meetings Law, go to the Idaho Attorney General Website at www.ag.idaho.gov and click Manuals, for the current version of the manual.

County Assessment Process

The county assessor uses mass appraisal techniques to value all properties under his or her jurisdiction. Mass appraisal is different from single property appraisal which is the method used by independent appraisers that might testify for the property owner at an appeals hearing. Mass appraisal techniques require the assessor to consider all of the market data (Sales, Income & Cost) by property type in the jurisdiction.

Single-property appraisal techniques employ a limited amount of data to appraise as single property. The single-property appraiser might only consider sales, income and cost 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 determined to set a final estimate of value for the property under appeal. The assessor may also employ single property appraisal techniques to support the mass data he or she has analyzed. Please see Appendix C for additional information on appraisal methods.

Assessment Rolls and Notices

Assessment Rolls:

The assessor is required to complete an assessment of all real and personal property in the county which is subject to assessment on or before the fourth Monday of June. [Idaho Code Section 63-301]. In making such assessment, the assessor shall determine, according to recognized appraisal methods and techniques, the market value for assessment purposes of real and personal property. *Id.* Assessments are then entered on the real and personal property rolls. This assessment is ***presumed correct*** unless the taxpayer proves, by the preponderance of the evidence, that the assessor's value is erroneous [Idaho Code Section 63-502].

After the fourth Monday in June, any property which has been omitted from the real and personal property roll shall be entered on the subsequent property roll. The subsequent property roll shall be submitted to the Board of Equalization by the fourth Monday of November. The BOE will hear appeals on that roll through the first Monday of December. Additional property not entered on the subsequent property roll shall be entered on the missed property roll and submitted during the Board of Equalization's monthly meeting in January of the following year. [Idaho Code Section 63-301].

Property roll *– All real and personal property known on January 1 must be included in the property roll that must be submitted on or before the fourth Monday of June [Idaho Code Section 63-301, 310].*

Subsequent property roll *– All property known after the fourth Monday of June is included on the subsequent property roll and must be submitted on or before the fourth Monday of November [Idaho Code Sections 63-311 and 63-501].*

Missed property roll *– All 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 [Idaho Code Sections 63-311 and 63-501].*

Assessment Notice for the Property Roll:

For the real and personal property rolls, Idaho Code dictates that the assessor must send each property owner a notice of assessment by the first Monday in June. The valuation assessment notice mailed or transmitted electronically (at the taxpayer's request) to the taxpayer, 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. The notice shall, in clear terms, inform the property owner of the assessed market value for assessment purposes of his property for the current year and his or her right to appeal to the county Board of Equalization. The notice must also state:

(a) The market value for assessment purposes of the taxpayer's property for the previous two (2) years;

(b) The property taxes on the taxpayer's property by each taxing district and unit for the previous two (2) years;

(c) The percentage of increase or decrease that occurred over the previous two (2) years of the property tax amount on the taxpayer's property for each taxing district and unit;

(d) The date of each taxing district's or unit's budget hearing, if scheduled. If not scheduled as of the time of the notice, then the date by which the budget hearing must be held; and

(e) A telephone number for each taxing district or unit by which a taxpayer may obtain further information [Idaho Code Section 63-308].

Correction on the Assessment Notice:

If the assessor discovers that an error has been made on an assessment between the first and fourth Monday of June, a new assessment notice must be sent to the property owner showing the corrected assessment in time for the property owner to file an appeal with the board of equalization on or before the fourth Monday in June [Idaho Code Section 63-308(5)]. Occasionally, the assessor will discover an error on an assessment that has not been appealed after he or she has turned the roll over to the board of equalization on the fourth Monday in June. Because the roll is now in the possession of the board of equalization, the assessor cannot make a change without an order from the Board. The assessor can petition the Board to order the correction to be made. In this case, a notice in the form of a letter should be sent to the property owner and would invoke the provisions of Idaho Code Section 63-506.

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 [Idaho Code Section 63-511]. This same scenario is true for all decisions made by the board of equalization while they have possession of the assessment roll.

Assessment Notice for the Subsequent Property Roll:

For property entered and assessed on the subsequent property roll, the valuation assessment notice shall be mailed or transmitted electronically to the taxpayer at the taxpayer's request to the property owner, their agent or representative at their last known post office address as soon as possible after it is prepared, but not later than the third Monday in November [Idaho Code Section 63-308(7), 63-311].

Assessment Notice for the Missed Property Roll:

For property entered and assessed on the missed property roll, the valuation assessment notice shall be delivered to the property owner, his agent or representative, or mailed to the property owner, their agent or representative at their last known post office address as soon as possible after it is prepared, but not later than the first Monday of January of the following year [Idaho Code Section 63-308].

Occupancy Tax Roll:

Idaho Code Section 63-317 lays out the procedures for occupancy tax. An occupancy tax shall be levied upon all newly constructed and occupied residential, commercial and industrial structures, including new manufactured housing, except additions to existing improvements or manufactured housing and prorated for the portion of the year for which the structure was occupied. Occupancy is defined as use of the property by any person as a residence including occupancy of improvements or use in storage of vehicles, boats or household goods, provided such use is not solely related to construction or sale of the property; or use of the property for any business or commercial purpose unrelated to the construction and sale of the property; or any possessory use of the property for which the owner received any compensation or consideration. The occupancy tax does not apply to operating property. The market value for occupancy tax purposes shall be entered on an occupancy tax valuation roll.

The assessor must send notice of the appraised value and right to appeal, according to 63-501A, within 28 days of receiving the owner's notice of occupancy.

Appeals Process

Property owners may file an appeal of an assessment with the board of equalization [Idaho Code Section 63-501A]. The assessment notice, however, typically includes language that invites property owners to contact the assessor's office after receiving their assessment notice if they have a question or are unhappy with the assessment. These calls generally resolve over 90% of the property owner's questions. Legally, there is no requirement for a property owner to contact the assessor prior to appeal. If a property owner wishes to appeal an assessment, the appeal must be filed with the Board of Equalization on or before the close of business on the fourth Monday in June for the real and personal property roll, the fourth Monday in November for the subsequent property roll, and anytime up to the adjournment of the BOE Meeting in January for the missed property roll. (Please refer to the BOE Calendar on Page 32 of this Manual.)

Appeal forms can be obtained from the clerk of the Board of Equalization. In addition to the appeal form, it is recommended that the clerk of the Board of Equalization provide the property owner with an information pamphlet that describes the appeals process and what they can expect at the hearing (Please see sample appeals forms in Appendix B).

Who May Appeal

Idaho Code Section 63-501A(1) provides:

> ***Taxpayers*** *may file an appeal of an assessment or exemption decision with the county board of equalization. An appeal shall be made in writing on a form provided by the county board of equalization or assessor and must identify the taxpayer, the property which is the subject of the appeal and the reason for the appeal.*

In Idaho, there is an assumption that "the owner of the record title is the person to be considered as the taxpayer," (*See Russet Potato Co. v. Board of Equalization of Bingham County,* 93 Idaho 501, 505 (1970)). "Record owner" is defined in Idaho Code § 63-201(24) as "the person or persons in whose name the property stands upon the records in the county recorder's office...." However, who may appeal an assessment may be open for interpretation, so please contact your Prosecuting Attorney for assistance.

Reasons for Appeal

Property Owner's Perspective:

From the property owner's perspective, appeals of property valuations are a matter of economics In many cases, the property owner thinks the appeal is about taxes and not the value of property. Appeals can only be filed regarding the assessed value of the property and not the presumed amount of the tax bill. County Boards of Equalization will often find that the property owner is not unhappy with the value the assessor has placed on his or her property, but they are concerned that their property taxes are going to increase at the same rate as the assessed value increased from last year to this year

For appeals of more complex properties, such as commercial and industrial, the motivation of the property owner is still economics but on a broader scale. Most commercial and industrial property owners are more experienced with the property valuation appeals process and are looking more at the long-term advantages or disadvantages of appealing an assessment. There is concern about not only the current tax bill but the future tax bill. Owners of complex properties have to weigh the cost of legal fees, appraisal fees, and expert or fact witness fees. It may seem expensive to get the current year's value reduced if the property owner hires an attorney, appraiser, and expert witnesses. However, if the property owner can submit sufficient evidence to the Board of Equalization that the assessment is based on inaccurate data and analysis by the assessor, there may be long-term savings to the property owner.

Assessor's Perspective:

The assessor is most concerned about equity and fairness and is generally willing to correct an error in a valuation pointed out by the property owner or Board of

Equalization. The assessor may, however, be concerned with decisions made by the Board of Equalization that may cause an inequity between property owners who own similar property.

When the assessor does not agree with a decision of the Board of Equalization, the assessor can appeal the BOE's decision to the Board of Tax Appeals or District Court. If the assessor appeals, they need to take into consideration many things such as the chance of winning, legal and economic resources, and support from other taxing districts.

Board of Equalization Meeting

The Board of County Commissioners of each county shall convene as a Board of Equalization at least once per month from January to the fourth Monday of June [Idaho Code Section 63-501].

There are times that appeals for occupancy assessments, missed property roll assessments, or claims for exemptions will need to be heard. The clerk 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, then the BOE does not need to convene. This is done to protect the BOE from someone claiming they did not receive due process.

It is important for county commissioners to remember that when they are serving in their respective roles as a Board of Equalization, this is a quasi-judicial role. As such, all members of the BOE must receive the same information at the same time to avoid even the appearance of bias. Please see the Idaho Ethics in Government Manual published by the Attorney General and available on their webpage ag.idaho.gov regarding correct procedures related to conflict of interest, quorum of members, and ex parte communication.

Appeal of the Property Roll:

Once the assessment notices are delivered, the BOE may meet as often as necessary prior to the fourth Monday in June to hear all the appeals filed. However, the BOE must meet daily from the fourth Monday in June to the second Monday in July or until equalization has been achieved. The Board of Equalization will hear any appeals filed by close of business on the fourth Monday in June or any appeals received by mail post marked as of that date [Idaho Code Section 63-501A, 63-217]. No other appeals can be heard. The BOE is also responsible for approving or denying exemption appeals at this time.

The Board of Equalization may adjourn any time prior to the second Monday in July if all business has been completed. With no further business to be conducted, the Board of County Commissioners does not meet again as the Board of Equalization until the fourth Monday of November.

Appeal of the Subsequent Property Roll:

Any appeals for property entered on the subsequent property roll by the assessor shall be made by the fourth Monday in November and heard between the fourth Monday in November and the first Monday in December. Business on the subsequent property roll is to be completed by the first Monday in December [Idaho Code Sections 63-301, 501A].

Appeal of the Missed Property Roll:

The appeals for the missed property roll must be filed on or before the BOE adjourns its January Meeting. The missed property roll shall be delivered to the clerk as soon as possible but no later than the first Monday in March of the succeeding year [Idaho Code Sections 63-301, 501A, 509, 510].

Appeal of the Occupancy Tax:

In the event that the owner fails to report to the county assessor that the property is ready for occupancy, the assessor shall notify the county Board of Equalization, who must impose, as penalty, an additional amount equal to five percent (5%) of the tax for each month following the date of first occupancy during which the report is not made, not to exceed twenty-five percent (25%) of the tax[Idaho Code Section 63-317]. Appeals of the market value for assessment purposes shall be resolved in the same manner as all other appeals of valuation by the Board of Equalization [Idaho Code Section 63-317(4), 501] (See BOE Calendar starting on page 26).

Extension of the Board of Equalization:

Requests to extend the BOE are made via written request transmitted by facsimile or email to the commissioner of the State Tax Commission in charge of property tax. The written request must include the case number. For questions, call the County Support Division of the State Tax Commission at 208-334-7730 (fax 208-334-7629). These extensions are for the purpose of resolving specific appeals that are complex and may need more time or to discover errors on the assessment roll.

When the State Tax Commission deems necessary, it may require the BOE to reconvene for equalization purposes and for correction of errors. If required to reconvene, the BOE shall have no power to conduct other business except for that which it is specifically reconvened [Idaho Code Section 63-105A(7)].

The Board of Equalization Hearing Process

Scheduling the Appeals:

There are several ways that a county might go about scheduling appeal hearings. Some methods are the following: alphabetically, first-in-first-heard, last-in-first-heard, etc. There are no specific requirements.

Consideration should be given for scheduling residential and commercial parcels into separate times and/or days. Mixing the two parcel types can cause "schedule creep" as commercial properties can sometimes be quite complex and complicated to hear. If a residential property owner is scheduled after a commercial parcel, the residential property owner may have to wait an excessive amount of time for their hearing. It is best to schedule residential and commercial parcels separately.

The greatest reason for scheduling hearings is to minimize the appellant's and the assessor/appraiser's time at a hearing. You should consider any appellant's request to group parcels that they own into a single or sequential hearing time. For comparison, the Board of Tax Appeals allows consolidating appeals provided doing so does not prejudice any party (Board Rule 55, IDAPA 36.01.01 55).

If an appellant has multiple parcels with a similar issue, they would only have to appear before the Board once.

You should also decide, as a Board, if you will allow an appellant or assessor to request a delay or rescheduling of a hearing after it is scheduled. While delays are often warranted, granting this request has the ability to throw your entire schedule off. If you are monitoring the hearing flow and are behind, this may cause an appellant who has left for a short period of time, because of the schedule, to miss their hearing. Caution should be used when considering a policy on hearing rescheduling.

As a matter of customer service, you may find it helpful to monitor the flow of appellants at hearings. Based on the number of appeals that your county has scheduled on any one day, we recommend you establish a mechanism to keep the public informed on how "on schedule" the hearings are progressing during the day. There are many methods that could be used for this purpose. It may be far better to let an appellant know the hearings are behind than to have them sit in the hearing room for a long period of time. With respect of the appellant's valuable time, please consider monitoring the hearing flow.

Appeal hearings can be held in person or via phone conference. There is no requirement that a property owner appear at the hearing, either in person or via telephone, in order for the BOE to consider the appeal. There are times that a property owner may choose to submit documents to the BOE and not participate in the hearing. If an issue arises regarding a property owner failing to appear, the Board of Equalization should consult the Prosecuting Attorney regarding how to proceed.

The Players in the Hearing:

The county commissioners serve two distinct roles: one as the Board of County Commissioners and one as the Board of Equalization. As the Board of Equalization, the commissioners function as a quasi-judicial body. Players in the process are:

The Property Owner (Appellant):

Most appellants are property owners who appeal their own assessment; however, please see the section entitled "Who May Appeal" on page 10 of this manual for further discussion.

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 shall attend all meetings of the Board of Equalization. The BOE, however, may require the assessor to be present in the hearing when necessary [Idaho Code Section 63-505].

Expert and Fact Witnesses (County Appraisers or Appellant's Appraisers):

The property owner and the assessor may have invited expert or fact witnesses to testify on their behalf. An expert witness is one that is asked to render a professional opinion, while a fact witness can only testify to a known fact. For example, in an ad valorem case the fact witness can testify that the property has a lake view (a known fact); while the expert witness can offer an opinion that the value of the property increases $30,000 because of that view (a professional opinion). Fact and expert witnesses will provide their testimony in the time designated for the property owner or assessor, as appropriate.

Legal Counsel for the County:

The board of equalization may have the prosecuting attorney or a deputy attend the board of equalization hearings. The prosecuting attorney is there only to provide legal advice to the BOE. Some caution should be taken about having a prosecuting attorney present when the appeal is of a simple lot value or single family residence. Sometimes property owners may feel intimidated when they are before the BOE, assessor, and the prosecuting attorney. In other cases, where the appeal is complex, the board of equalization may be well advised to have legal counsel present.

Legal Counsel for the Property Owner:

Typically, the only time the property owner is represented by an attorney is when the assessment under appeal is of a complex commercial or industrial property. However, any individual may choose to be represented by a designated representative including legal counsel.

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 BOE. [Idaho Code Section 63-507]. Both the Board of Tax Appeals and the district court will ask the clerk for a copy of the transcript if the BOE's decision is appealed. Therefore, it is recommended the hearings be electronically recorded.

The County Commissioners:

Since the board of county commissioners sits as the board of equalization, the chair of the board of county commissioners is also the chair of the board of equalization. ***It cannot be overemphasized that the chair shall maintain control of the hearing and shall state and follow the rules of the hearing.***

Hearing Rules:

The board of equalization and clerk should develop a document explaining the hearing process and the hearing rules that shall be given to each property owner when they pick up their appeals form from the clerk. Both the property owner and assessor will be better prepared if they know what is expected from them before the hearing starts. The rules should include, at a minimum, the following items:

The amount of time for direct testimony:

The property owner and the assessor should both be held to a set time to present their direct testimony. The amount of time can change depending on the complexity of the appeal. For a single-family residence, both sides can probably present their case in 10 minutes or less. For a complex commercial or industrial property it may take 20 to 30 minutes. Once the clerk has the hearings scheduled, the board of equalization can decide how much time will be allowed for direct testimony from the property owner and the assessor before the hearing date. Each side must know at the beginning of the hearing how much time they will have.

The amount of time for questions:

After the property owner or assessor has presented their cases, the other side should be allowed to ask questions. Questions should be asked only for the purpose of clarifying issues for the Board, and not for the purpose of in-depth cross examination. The time allowed for questions should be no more than 5 minutes for simple appeals and no more than 10 minutes for more complex valuation appeals. The board of equalization can ask questions at any time for the purpose of clarifying issues but should be careful not to use that time to render an opinion supporting either side. No opinion should be expressed on any testimony until deliberation by the BOE.

The amount of time for rebuttal:

Both sides should be afforded an opportunity for a short rebuttal. After both sides have presented their case and have asked questions, the board of equalization should allow short rebuttal starting with the property owner. Again, the time allowed for rebuttal should be held to a few minutes for both sides. The rebuttal is typically used to address points made by the other side or to restate the significant points of the appeal.

Written testimony and exhibits:

The property owner as appellant and the assessor as respondent should be allowed or even encouraged to present written testimony and exhibits. Both should have enough copies of their exhibits for all three members of the board of equalization, the clerk, and the opposing party. All copies, if at all possible, should be made prior to the hearing.

Making copies during the hearing will disrupt the schedule and reduce the amount of time allowed to present the case.

Exhibits may be submitted by each side prior to the hearing or as testimony is given. All exhibits should be clearly marked as ***appellant's or respondent's exhibits.*** The exhibits are a part of the official record kept by the clerk.

Order of the Hearing:

Step 1 – Close BOCC and Open BOE:
The chairman of the board of county commissioners is also the chair of the board of equalization and has the responsibility to close the board of county commissioners and open the BOE hearing.

Step 2 – Review the Rules for the Hearing:
The chair of the BOE should review the rules of the hearing which should include rules of conduct. It is important that the Board also abide by the rules of the hearing.

Step 3 – Swear in all those who plan to testify (Recommended):
There is no legal requirement for the board of equalization to swear in witnesses for a BOE hearing; however, it is a good idea. Even though not required, swearing in witnesses will let both the property owner and assessor know that the board of equalization is a formal hearing that should be taken seriously. Although not required, it is a good idea to swear in the assessor or designee, if they will be providing testimony. If several hearings are planned for the same day, the assessor or designee should be sworn in for each hearing. Each hearing stands on its own merit. Having witnesses sworn in is also important if the transcripts of the board of equalization hearings are requested by the Board of Tax Appeals or the district court.

Step 4 – The Property Owner Presents Testimony:
There tends to be some confusion as to who is to testify first in a board of equalization hearing. The taxpayer, meaning the property owner, has the burden of proof in seeking affirmative relief to establish that the determination of the assessor is erroneous and, therefore, ALWAYS presents their case first. The assessor's value is presumed to be correct unless the property owner can provide evidence that the assessor's value is in error. The assessor or their designee SHOULD NEVER be asked to present their case first. Remember to keep to the time you have allotted for direct testimony from both parties.

Should the BOE wish to adjourn into executive session for the purpose of considering information presented by the property owner that may be considered proprietary, please contact your prosecuting attorney for assistance, to ensure compliance with the Idaho Open Meetings Law, including Idaho Code § 74-206(1)(d).

Step 5 – The Board of Equalization Members and Assessor or Designee Ask Questions of Property Owner:
The members of the board of equalization may ask questions at any time for clarifying issues.

Idaho Code also makes it clear that in addition to making statements, the county assessor or their designee may introduce testimony and ask the property owner and other witnesses' questions [63-501(1)(b)].

Step 6 – The Assessor's Office Presents Testimony:
After the completion of questioning of the property owner, the assessor or designee should present direct testimony and evidence within the time allotted. Though the value assigned by the assessor is presumed to be correct, the assessor must provide evidence to explain this value.

Step 7 – The Board of Equalization Members Ask Questions of the Assessors' Representative:
After the assessor's testimony, the members of the board of equalization may ask questions at any time for the purpose of clarifying issues.

Step 8 – The Property Owner Makes Brief Closing Remarks/Rebuttal Statement:
The property owner may provide closing remarks to the BOE.

Step 9 – The Assessor Makes Brief Closing Remarks/Rebuttal Statement:
The assessor or their designee may provide closing remarks to the BOE.

Step 10 – 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; however, if it is evident that the board of equalization is in agreement as to what the outcome should be, the BOE may make a decision at the end of the hearing. Alternatively, the BOE may take the testimony and evidence under advisement and state that a decision will be made on or before the second Monday in July. The chair should explain to both parties the process they should follow if either disagree with the decision which can include an appeal to the Board of Tax Appeals or district court.

Board of Equalization Decision Making Process

The BOE sits as a quasi-judicial body and therefore should not be gathering its own evidence on properties, values or anything else that it may be considering. Regardless of the motivation on the part of the property owner or assessor or assessor's designee, it is the board of equalization's responsibility to equalize values based on the written and oral testimony of the taxpayer and of the evidence provided by assessor or assessor's designee presented to the Board of Equalization. All decisions need to be made on the record as presented during the hearing process.

If new evidence is presented at the hearing by the taxpayer or assessor that, after consideration, may cause the appeal to be withdrawn or the assessor to recommend a different value, it is appropriate to recess the hearing so the taxpayer and/or assessor can consider the new information. ***The board of equalization is responsible for assuring the market value established by the assessor is correct and for correcting assessments***

improperly made [Idaho Code Sections 63-501 and 63-502]. ***The purpose of the appeals hearing is not to negotiate, compromise, or mediate.***

Factors to Consider:

As indicated in the Section on County Assessment Practices, the assessor uses mass appraisal techniques to value all of the properties under his or her jurisdiction. Mass appraisal is different from single-property appraisal which is the method used by independent appraisers that might testify for the property owner at an appeals hearing. Mass appraisal techniques require the assessor to consider all of the market data (sales, income & cost) by property type in the jurisdiction. Single-property appraisal techniques employ a limited amount of data to appraise as single property. The single-property appraiser might only consider sales, income and cost 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 determined to set a final estimate of value for the property under appeal. The assessor may also employ single-property appraisal techniques to support the mass data he or she has analyzed.

Some additional decision factors to consider are: The determinations must be supported by the preponderance of evidence, by having all known factors affecting value considered by the assessor and having all appropriate adjustments made to the comparables. All sales information needs to be time adjusted, retroactive to January 1st [Idaho Code Section 63-205]. It should be noted that comparing assessed values is not evidence of market value.

Idaho Code Section 63-502 states in part that "[a] preponderance of the evidence shall suffice to sustain the burden of proof." This is the weight of the evidence required in a board of equalization hearing to decide in favor of the property owner. This preponderance is based on the more convincing evidence and its probable truth or accuracy, and not on the amount of evidence. One clearly knowledgeable witness may provide a preponderance of evidence over a dozen witnesses with vague testimony.

Preponderance of the evidence is required in BOE deliberations and is contrasted with clear and convincing evidence which is a more severe test of evidence. The board of equalization should review this concept with the prosecuting attorney for a full understanding of how to weigh the oral and written testimony of the property owner and the assessor.

Board of equalization hearings are ***quasi-judicial hearings that are not public hearings***, but hearings open to the public. Many times, you will have other property owners or taxpayers in attendance listening to and watching the hearing process who may be presenting appeals on the same day. The board of equalization must ensure that their decisions create fairness while not creating greater inequity in value.

Notifying the Property owner:

Prior to the fourth Monday in June, any change made by the assessor affecting value requires a corrected assessment notice be sent to the property owner [Idaho Code Section 63-308(5)]. However, it must be kept in mind that a corrected assessment notice triggers a ten-day appeal period and implies that the notice will be sent 10 days prior to the 2^{nd} Monday of July and the adjournment of the board of equalization [Idaho Code Section 63-506].

Considering the above, once the property roll has been turned over to the board of equalization, the assessor should not make any changes to the property roll. Additional changes should only be made by the board of equalization.

In the event either a property owner refuses to appear and testify, or where the board of equalization increases the assessed value of any property, the board must notify the owner or the owner's agent of the BOE's intention and give the owner the opportunity to object. Should the board notify the owner by mail, it must wait 10 working days after the mailing date before taking final action [Idaho Code Section 63-506].

Any decision between the fourth Monday of June and the second Monday of July to either sustain or change the assessor's value as the result of an appeal should be in the form of a letter to the property owner. Such letter should include the reason or the basis for the BOE decision. The property owner, if not satisfied with the decision, can appeal to the Board of Tax Appeals or district court.

Right of Appeal to the Board of Tax Appeals / District Court

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 appeals any time within thirty (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 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 [Idaho Code Section 63-511(1)]. "[A] A person is aggrieved by an order when the order affects his or her present personal, pecuniary, or property interest…. The effect on the person's interest must be more than a possible or remote consequence of the order." *Ashton Urban Renewal Agency, an Indep. Pub. Body Corporate v. Ashton Mem'l, Inc.*, 155 Idaho 309, 311 (2013).

Notice of such appeal, stating the grounds for appeal, shall be filed with the county auditor, meaning the county clerk [*see* Idaho Code Section 31-5307], who shall transmit to the Board of Tax Appeals a copy of the notice, together with a certified copy of the minutes of the proceedings of the board of equalization in relation to the appeal. The clerk shall submit all such appeals within thirty (30) days of being notified of the appeal [Idaho Code Section 63-511 (2)] The proceedings of the Board of Tax Appeals shall be conducted in conformity with the Administrative Procedure Act [Idaho Code Section 63-3814].

Any appeal that may be taken to the Board of Tax Appeals may, during the same period, be taken to district court for the county in which the property is located [Idaho Code Section 63-511 (3)].

THE BOARD OF EQUALIZATION: PROPERTY TAX EXEMPTIONS

Role of the Board of Equalization

Idaho law provides, "All property within the jurisdiction of this state, *not expressly exempted*, is subject to appraisal, assessment and property taxation." [Idaho Code Section 63-203]. The presumption, therefore, is that all property is taxable. In order to be exempt from taxation, there must be an *express* exemption found in the Idaho Code and/or the Idaho Constitution.

There are several types of exemptions, the majority of which are found in Title 63, Chapter 6, Idaho Code. Each exemption has its own specific and unique criteria for qualification, all of which must be met by the property owner in order to qualify for the exemption. The board of county commissioners must review and approve each exemption from taxation on an annual basis, unless otherwise spelled out in statute as not requiring an application or approval [Idaho Code Section 63-602(3)(a)]. The board of equalization must hear all appeals of the board of county commissioners' decisions. Typically, the assessor will handle the agricultural and homeowner exemptions, but the board of equalization may have appeals on these in cases where they have been denied. An annual application process should be utilized to process these applications.

The process of granting and denying property tax exemptions directly affects tax revenue for each county, and without proper attention, it can dramatically shift the tax burden to others. It is therefore necessary to closely follow the application process for each property owner claiming an exemption, and to pay close attention to the legal requirements for the claimed exemption.

Jurisdiction: Board of County Commissioners to Grant Exemptions

The property owner must apply for an exemption *each* year, not including the homeowner's exemption. All exemptions from property taxation claimed under Title 63, Chapter 6, must be approved annually by the board of county commissioners, except as otherwise provided by law. However, for the convenience of the board of county commissioners, the assessor may assist in ensuring that the agricultural and homeowner exemptions are reviewed. Idaho Code Section 63-602(3) lists exemptions that do not require application or approval. An application requirement is jurisdictional: if the property owner does not apply, or does not *timely* apply, the board of county commissioners has no jurisdiction to consider the application.

Filing Deadlines:

The exemption applications must be filed timely with the board of county commissioners; however, in some cases the assessor may assist in the processing and review of the applications. The most common exemptions (religious, charitable, fraternal, educational, hospital, low-income housing, etc.) must be filed by April 15 of each year [Idaho Code Section 63-602]. The vast majority of exemption applications will be for property located on the property roll. For the property roll, all applications are due by the fourth Monday in June. For the subsequent property roll, all applications are due by the fourth Monday in November. For the missed property roll, all applications are due prior to the January BOE meeting [Idaho Code Section 63-501A]. ***Casualty loss exemption applications must be filed by the fourth Monday in June of the year in which the casualty loss occurred.*** [Idaho Code Section 63-602X(1)]. ***Hardship exemption applications must be filed with the BOE by the fourth Monday in June of the current year*** [Idaho Code Section 63-602AA].

Idaho Code Section 63-217 allows for the filing by mail of any document (including tax exemption applications) dealing in any way with taxation. Such exemption applications are considered filed as of the date shown by the post office cancellation mark (a postage meter cancellation is not considered a post office cancellation mark).

Board of County Commissioners Action:

The board of county commissioners must act timely on all exemption applications. For *all* property roll applications, the board of county commissioners must either grant or deny the exemption applications by May 15 [Idaho Code Section 63-602(3)(b)]. For *all* subsequent roll applications, the Board of County Commissioners must either grant or deny the exemption applications by the first Monday in December [Idaho Code Section 63-509(2)].

Casualty Loss Exemptions:

Casualty Loss Exemption - Idaho Code Section 63-602X provides that real and personal property damaged by an event causing casualty loss to all or a portion of the property is exempt from property taxes <u>when the event occurs prior to the fourth Monday in June</u>. (See tax cancellations for events after the fourth Monday in June). The exemption is for the year that the property was damaged. The applicant must file an exemption request with the BOE by the fourth Monday in June. <u>This is a discretionary action by the BOE</u>, which reviews and decides these casualty loss applications on a case by case basis. The BOE must act on casualty loss exemption requests by the second Monday in July.

Hardship Exemptions:

Hardship Exemption – Idaho Code §63-602AA provides that real and personal property, belonging to persons who because of unusual circumstances which affect their ability to pay property taxes, shall be exempt or partially exempt from property taxes in order to avoid undue hardship. The applicant must file an exemption request with the BOE by the fourth Monday of June of the tax year. This is a discretionary action by the BOE. The BOE must act on all hardship exemption requests by the second Monday in July.

Site Improvement Exemption:

Idaho Code §63-602W(4) requires that an application must be made to the Board of County Commissioners by April 15 and the taxpayer and county assessor must be notified of any decision and assessment of property by May 15.

TAX CANCELLATION:

The following are actions of the Board of County Commissioners which allow for cancellation of taxes that do not affect value:

Casualty Loss Tax Cancellation - *Idaho Code § 63-711 provides that property taxes may be cancelled on real and personal property damaged by an event causing casualty loss to all or a portion of the property when the event occurs after the fourth Monday in June, or when the amount of the loss cannot be determined until after the fourth Monday in June. The applicant may file a cancellation request with the Board of County Commissioners at any time (presumably before tax deed proceedings are initiated). This is a discretionary action by the county commissioners.*

Hardship Tax Cancellation – *Idaho Code § 63-711 provides that property taxes may be cancelled by reason of undue hardship. The burden is on the applicant to establish that he or she will suffer undue hardship if the taxes are not cancelled. The applicant may file a cancellation request with the Board of County Commissioners at any time (presumably before tax deed proceedings are initiated). This is a discretionary action by the county commissioners.*

Erroneous Assessment - *Idaho Code § 63-1302 provides that county commissioners may, at any time when in session, cancel property taxes which for any lawful reason should not be collected, and may refund to any taxpayer any money to which he may be entitled by reason of a double payment of property taxes on any property for the same year, or the double assessment or erroneous assessment of property through error.*

Application for Exemptions:

Counties typically use two different types of application forms. The long form application is for organizations that are applying for an exemption on a particular parcel of property for the first time, or for which the ownership and/or use of exempt property has changed from the previous year. This form consists of two portions – the Tax

Exemption Application and the Property Tax Exemption Worksheet. The Property Tax Exemption Worksheet is segregated by the type of exemption the organization is seeking. The form seeks information regarding the ownership of the property and the use of the property. Typically, information such as by-laws, articles of incorporation, financial statements, federal 501(c)(3) income tax exemption status, and other supporting documents are useful in determining exemption eligibility of the applicant organization.

The Board of County Commissioners (BOCC) approves or denies exemptions that are applied for in writing by April 15. Taxpayers and the assessor must be notified by May 15. Since the Board of County Commissioners is responsible for granting exemptions, the BOCC is encouraged to send out forms (long or short) for exemption applications but can designate another office such as the clerk or assessor to perform the function. Taxpayers may then appeal to the Board of Equalization [Idaho Code 63-602(3)].

The short form application is used expressly for those entities that have successfully applied for and have been granted an exemption the previous year. The form asks whether the ownership and/or use of the property have changed from the previous year. If the answer is no, the assumption is that the property continues to qualify for the exemption. As a courtesy, the short form can be mailed out by the county after January 1 of each year. However, it is the exempt organization's responsibility to obtain the form and timely submit it in the event that they do not receive a short form application from the county.

Hearing Process for Tax Exemption Decisions

The board of county commissioners can conduct an evidentiary hearing with the property owner for the obtaining further information from the property owner to enable the BOCC to make an informed decision regarding the qualifications for a tax exemption [Idaho Code Section 63-505]. Evidentiary hearings on exemption applications are not necessary if the property owner has presented sufficient information for the BOCC to determine whether the property qualifies for the requested exemption.

All property tax exemption applications must be placed on the board of county commissioners open business meeting agenda to be considered and voted on by the BOCC [Idaho Code Sections 63-507, 74-204]. All decisions granting or denying tax exemption applications must be made on the record, in an open business meeting. In order to provide efficiency in the exemption process, the BOCC may group many individual exemption applications into a single motion for approval or denial. Individual parcels will need to be read into the record of proceedings, but the BOCC can issue a single motion for the group.

Does The Property Qualify For An Exemption?

Tax exemption laws are strictly construed against the property owner. "Statutes granting tax exemptions must be strictly construed against the property owner and in favor of the state *Id*. Exemptions are never presumed, nor can a statute granting tax exemption be extended by judicial construction to create an exemption not specifically authorized." *Housing Southwest Inc. v. Washington County Idaho*, 128 Idaho 335, 337-38 (1996)(citing *Owyhee Motorcycle Club v. Ada County,* 123 Idaho 962, 964 (1993).

Factors to Consider:

A property owner must satisfy his or her burden and clearly establish a right to the exemption before an exemption will be granted. *Appeal of Evangelical Lutheran Good Samaritan Soc. (Good Samaritan Vill.),* 119 Idaho 126, 129 (1990).

Regarding tax exemptions in general, property must be used (in some cases *exclusively*) for any one or more, or any combination of, the exempt purposes provided in Title 63, Chapter 6, Idaho Code. Idaho Code Section 63-602(2); *North Idaho Jurisdiction of Episcopal Churches, Inc. v. Kootenai County*, 94 Idaho 644, 496 P.2d 105 (1972).

The property must be *owned and/or used* by a qualifying exempt organization for exempt purposes in accordance with the specific applicable section of Idaho Code. In most cases, Idaho Code established both ownership and use criteria. An exception is government property, pursuant to Idaho Code Section 63-602A and the Idaho Constitution. "The following property is exempt from taxation: property belonging to the United States..., this state, or to any county or municipal corporation or school district within this state." Idaho Code Section 63-602A(1). Property only has to be *owned* by a governmental entity (United States, State of Idaho, counties, cities, or school districts) in order to be exempt – there is no use requirement in the Constitution or in Idaho Code Section 63-602A. Another exception is property used for school or educational purposes, Idaho Code Section 63-602E. Specific nonprofit educational uses are established as criteria in order to be exempt, but there is no ownership requirement.

January 1st at 12:01 AM is the deciding date for ownership and use. Idaho Code Section 63-205. The property must be owned by the qualifying organization on January 1st of the tax year and must be used for exempt purposes on January 1st. However, certain exemptions can apply even if the exempt use did not commence until later in the year. [*See* Idaho Code Section 63-602G]. Additionally, an owner of property that is intended for a tax-exempt purpose may apply to the board of county commissioners for a provisional property tax exemption [*See* Idaho Code Sections 63-602(4), 63-1305C].

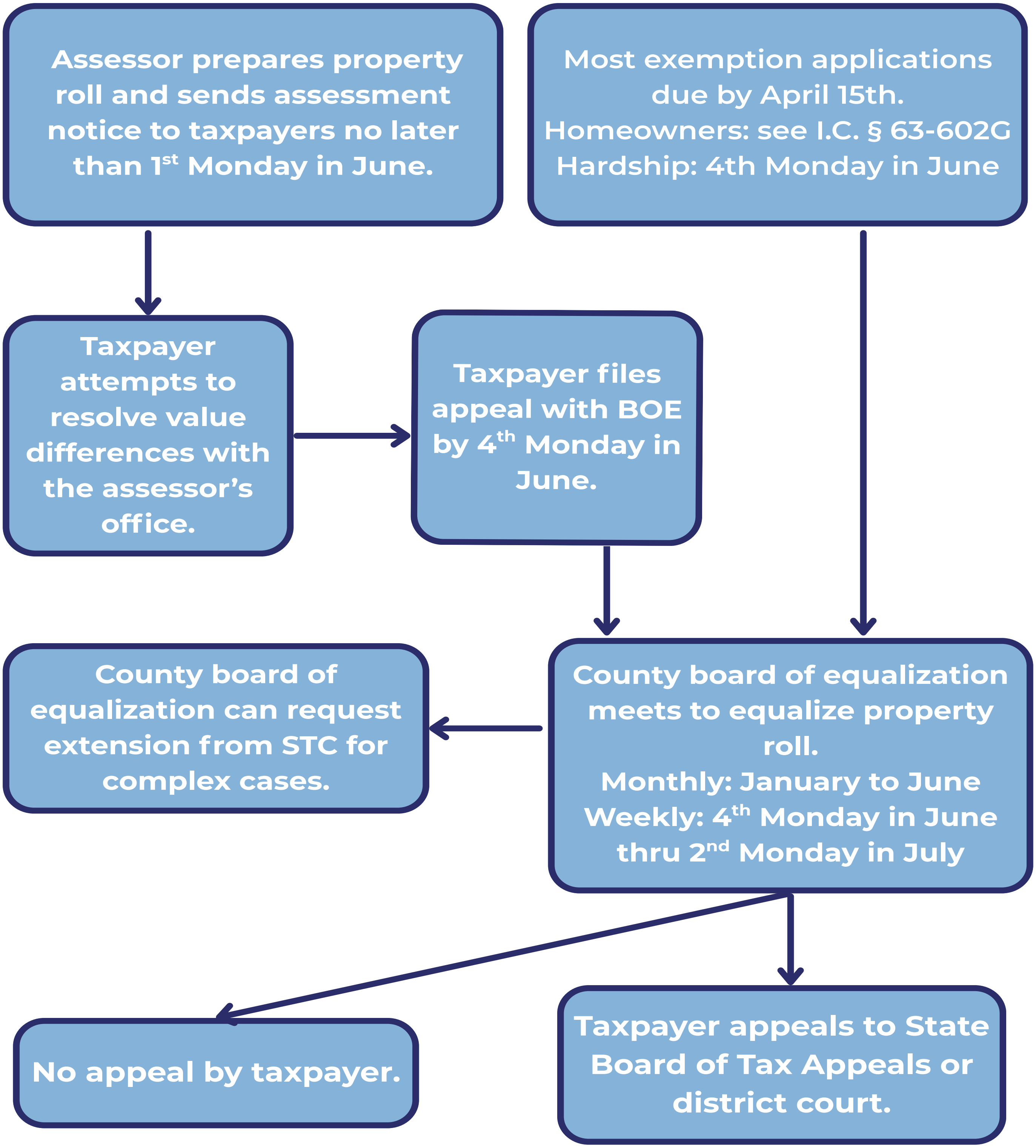
Appeals to the Board of Equalization

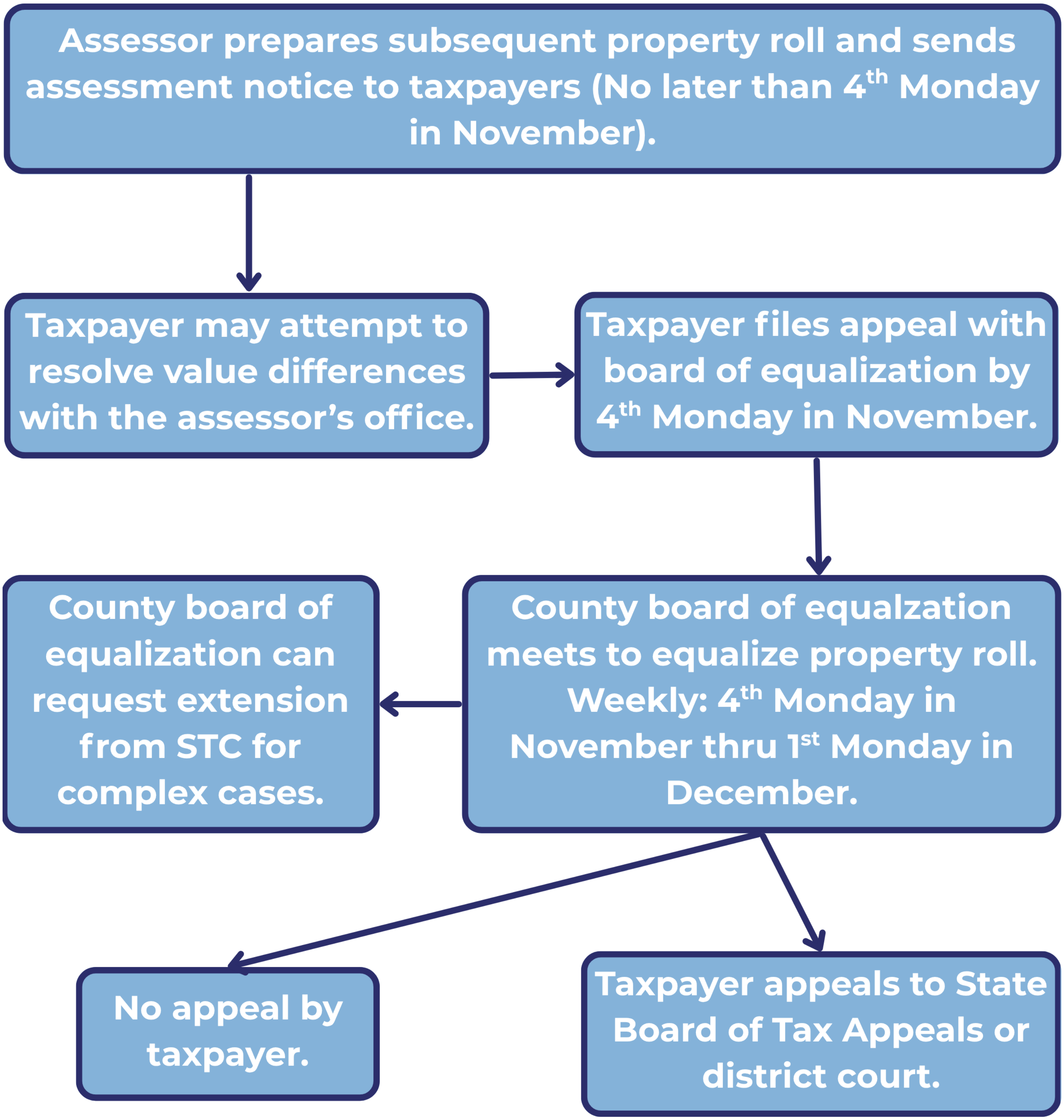
Taxpayers may file an appeal of an exemption decision with the county board of equalization [Idaho Code Section 63-501, 501A]. The appeal must be in writing on a form provided by the county board of equalization, and must identify the taxpayer, the property and the reason for the appeal.

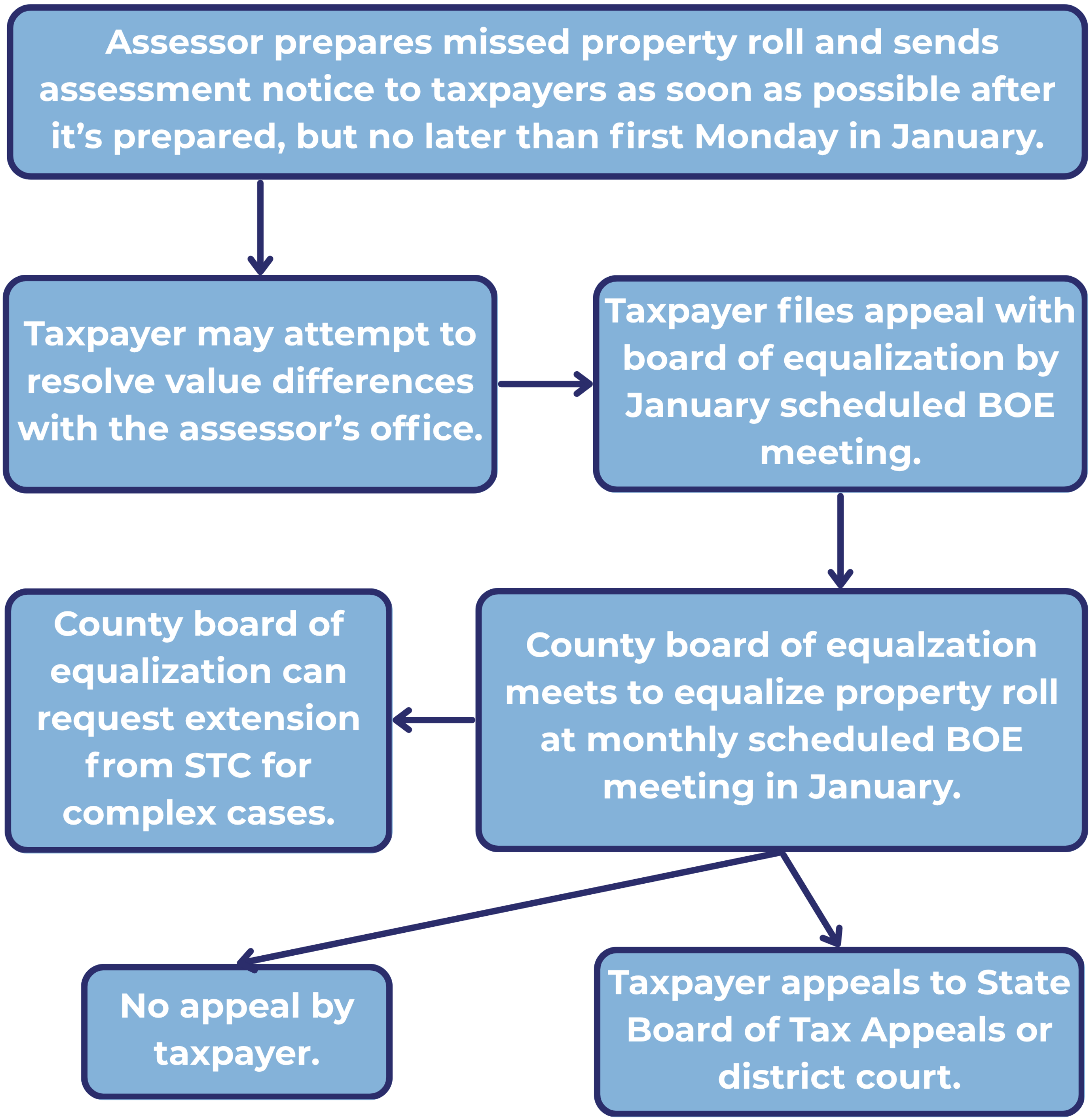
Appeals must be filed on or before the end of the county's normal business hours on the fourth (4^{th}) Monday in June.

Board of Equalization Workflow

PROPERTY ROLL




Assessor prepares subsequent property roll and sends assessment notice to taxpayers (No later than 4th Monday in November).
Taxpayer may attempt to resolve value differences with the assessor's office.
Taxpayer files appeal with board of equalization by 4th Monday in November.
County board of equalzation meets to equalize property roll. Weekly: 4th Monday in November thru 1st Monday in December.
County board of equalization can request extension from STC for complex cases.
No appeal by taxpayer.
Taxpayer appeals to State Board of Tax Appeals or district court.


Assessor prepares missed property roll and sends assessment notice to taxpayers as soon as possible after it's prepared, but no later than first Monday in January.
Taxpayer may attempt to resolve value differences with the assessor's office.
Taxpayer files appeal with board of equalization by January scheduled BOE meeting.
County board of equalization can request extension from STC for complex cases.
County board of equalzation meets to equalize property roll at monthly scheduled BOE meeting in January.
No appeal by taxpayer.
Taxpayer appeals to State Board of Tax Appeals or district court.

PURPOSE OF THE BOARD OF EQUALIZATION

The board of county commissioners serves as a county board of equalization (BOE) and is charged with the responsibility of equalizing value and granting or denying property tax exemptions.

Board of Equalization Hearing

- The chairman of the BOE will open the hearing with instructions and preliminary comments. Participating individuals will be asked to introduce themselves and are typically sworn in together. The hearing is recorded as required by law.
- The property owner (appellant) presents first. At the conclusion of the presentation of their case, the assessor or individual representing the assessor's office may ask questions.
- The assessor or representative (respondent) then presents their case with the same opportunity for questions
- Each party will then be offered the opportunity for a closing statement with the property owner going first and assessor second.

RULES OF THE HEARING:

- It is important that the hearing be formal and all individuals conduct themselves professionally.
- No interruptions will be allowed. Parties are only allowed to speak when the chair of the BOE indicates that it is their allotted time for presentation, questions or closing statements.
- Exhibits should be copied and distributed in advance of the meeting.
- The hearing will be recorded, so it is critical for all parties that it is conducted in a manner that allows a clear documentation of the proceedings.

ORDER OF THE HEARING:

<u>Step 1 – Close BOCC and Open BOE:</u> The chairman of the board of county commissioners is also the chair of the board of equalization and has the responsibility to close the board of county commissioners and open the BOE hearing.

<u>Step 2 – Review the Rules for the Hearing:</u> The chair of the BOE should review the rules of the hearing which should include rules of conduct. It is important that the board also abide by the rules of the hearing.

Step 3 – Swear in all those who plan to testify (recommended): There is no legal requirement for the board of equalization to swear in witnesses for a BOE hearing; however, it is a good idea. Even though not required, swearing in witnesses will let both the property owner and assessor know that the board of equalization is a formal hearing that should be taken seriously. Although not required, it is also a good idea to swear in the assessor or designee, if they will be providing testimony. If several hearings are planned for the same day, the assessor or designee should be sworn in for each hearing. Each hearing stands on its own merit. Having witnesses sworn in is also important if the transcripts of board of equalization hearings are requested by the Board of Tax Appeals or the district court.

Step 4 – The Property Owner Presents Testimony: There tends to be some confusion as to who is to testify first in a board of equalization hearing. The property owner has the burden of proof in seeking affirmative relief to establish that the determination of the assessor is erroneous therefore, ALWAYS put their case first. (See Preponderance of Evidence on page 11). The assessor's value is presumed to be correct unless the property owner can provide evidence that the assessor's value is in error. The assessor or designee SHOULD NEVER be asked to present their case first. Remember to hold the property owner to the time you have allotted for their direct testimony.

Should the BOE wish to adjourn into executive session for the purpose of considering information presented by the property owner that may be considered proprietary, please consult your prosecuting attorney for assistance to ensure compliance with the Idaho Open Meetings Law including Idaho Code § 74-206(1)(d).

Step 5 – The Board of Equalization Members Asks Questions of Property Owner: The members of the Board of Equalization may ask questions at any time for the purpose of clarifying issues.

Step 6 – The Assessor's Office Presents Testimony: After the completion of questioning of the property owner, the assessor or designee should present direct testimony and evidence within the time allotted. Though the assessor's value is presumed to be correct, the assessor must provide evidence to explain this value.

Step 7 – The Board of Equalization Members Asks Questions of the Assessors' Representative: After the assessor's direct testimony, the members of the Board of Equalization may ask questions at any time for the purpose of clarifying issues.

Step 8 – The Property Owner makes closing remarks: The property owner may provide closing remarks to the BOE.

Step 9 – 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; however, if it is evident that the Board of Equalization is in agreement as to what the outcome should be, the BOE may make a decision at the end of the hearing. Alternately, the BOE may take the testimony and evidence under advisement and state that a decision will be made on or before the second Monday in July. The Chairman should explain to both parties the process they should follow if either should disagree with the decision which can include an appeal to the Board of Tax Appeals or District Court.

BOARD OF EQUALIZATION CALENDAR

The following are dates and deadlines important in the equalization of property assessments and granting of exemptions.

DATE	DESCRIPTION	CODE/RULE
MONTHLY (JANUARY – JUNE)	Equalization of Property Roll – Board of County Commissioners shall convene as the board of equalization (BOE) at least once in every month (from January through June) to equalize property assessed on the property roll. The clerk should note in the agenda one meeting day each month that the county commissioners will meet as a BOE. This is done to protect the Board from someone claiming they did not receive due process	§ 63-501(1)
JANUARY	Equalization of Missed Roll – When the board of county commissioners convenes as the BOE in January, it shall equalize the assessments of all property assessed on the missed property roll for the prior year.	§ 63-501(2)
	Equalization of Occupancy Tax Roll – When the Board of County Commissioners convenes as the BOE in January, it shall equalize the assessments on the final occupancy tax roll for the prior year.	§§ 63-317 & 63-501(2)
	Claims for property tax reduction shall be filed in the office of county assessor between January 1 and April 15 of each year.	§ 63-706
	A claim for occupancy tax reduction must be filed no later than the fourth Monday in January of the year following the year for which the occupancy tax was levied.	§ 63-706(2)
	Valuation Notices For Missed Property Roll – No later than the first Monday in January, the notice must be sent to the taxpayer or his agent or representative.	§ 63-308(8)
APRIL 15	For exemptions that require an application, applications must be made to the county commissioners by April 15 unless otherwise provided.	§ 63-602(3)

MAY 15	BOCC notifies taxpayer and assessor of decision on exemption. BOE Decides Circuit Breaker Claims – No later than this date, the Board of County Commissioners meets as BOE to decide on the claims for circuit breaker benefits and hear appeals on modified or disapproved claims.	§ 63-706(2) §§ 63-602, 63-706(2)
FIRST MONDAY IN JUNE	Property Roll Assessment Notices Mailed – No later than this date, each assessor must mail valuation assessment notices to property owners for property assessed on the property roll.	§ 63-308(2)

FOURTH MONDAY IN JUNE	Deadline for Hardship Exemption Application – No later than this date, taxpayers requesting the exemption for exceptional situations (hardship) must make application to the BOE. Property Roll Completed and Delivered – No later than this date, each assessor must complete the assessment of all real and personal property to be placed on the property roll and deliver to the county auditor the property roll along with all claims for agricultural and homeowner's exemption. Deadline for Casualty Loss Exemption Application – No later than this date, taxpayers requesting the casualty loss exemption must make application to the BOE. Deadline to File Appeal on Property Roll – No later than this date, any taxpayer wanting to appeal the value as determined by the assessor for any property on the property roll must file an appeal with the BOE before the end of the county's normal business hours. Deadline to file appeals of denied exemptions to the BOE. Equalization of Property Roll – Each board of county commissioners must convene on this date as the board of equalization (BOE) to hear appeals and decide on exemptions on all property on the property roll. Occupancy Tax Roll Delivered – For all occupancy tax assessments noticed by this date, the assessor must make an occupancy tax roll and deliver it to the county auditor. Equalization of Occupancy Tax Roll – For all occupancy tax assessments noticed by this date, the BOE must equalize these assessments.	§ 63-602AA §§ 63-301(1) & 63-310 § 63-602X § 63-501A § 63-501(b), 501A § 63-501(1) §§ 63-301, 317 & 310 §§ 63-317 & 63-501(1)(A)

SECOND MONDAY IN JULY	BOE Decides Hardship Exemptions – No later than this date, the BOE decides on all applications for exemptions based on exceptional situations (hardships). All claims for hardship granted by the board of county commissioners after this date must be handled as a cancellation of taxes. BOE Decides Casualty Loss Exemptions – No later than this date, the BOE decides on all applications for exemptions based on casualty loss. BOE Completes Equalization of Property Roll – No later than this date, the BOE hears all appeals and decides all applications for exemption of real and personal property assessed on the property roll and adjourns. BOE Delivers Property Roll – No later than this date, the BOE must deliver to county auditor the property roll with any changes it made to the roll while it was meeting. BOE Equalizes and Delivers Occupancy Tax Roll – For occupancy tax assessments noticed by this date, the BOE must equalize all assessments on this occupancy tax roll for the current year and deliver that roll to the county auditor.	§§ 63-602AA & 63-711 § 63-602X(2) § 63-501 § 63-509(1) §§ 63-317 & 63-501
NOVEMBER 15	Notice of Yield Tax On Forest Products - Yield tax amounts shall be supplied by the county assessor to the county tax collector on or before November 15 for timber that was severed from January 1 through June 30.	§ 63-1706
THIRD MONDAY IN NOVEMBER	Valuation Notices For Subsequent Roll – No later than this date, the notice must be sent to the taxpayer or his agent or representative	§ 63-308(7)

FOURTH MONDAY IN NOVEMBER	Deadline to File Appeal on Subsequent Roll – No later than this date, any taxpayer wanting to appeal the value as determined by the assessor for any property on the subsequent property roll must file an appeal with the BOE. Subsequent Roll BOE Convenes – Each Board of County Commissioners must convene on this date as the BOE to hear appeals and decide on exemptions on all property on the subsequent property roll. Deadline to File Appeal on Occupancy Tax Roll – For occupancy tax assessments noticed between the fourth Monday in June and this date, any taxpayer wanting to appeal any value on this occupancy tax roll for the current year must file an appeal with the BOE. Equalization of Occupancy Tax Roll – For all occupancy tax assessments noticed between the fourth Monday in June and this date, the BOE must equalize these assessments.	§ 63-501A § 63-501(2) §§ 63-501A & 63-317 §§ 63-501 & 63-317
FIRST MONDAY IN DECEMBER	BOE Completes Equalization of Subsequent Roll – By this date, the county BOE hears all appeals and decides all applications for exemption of property assessed on the subsequent property roll and adjourns. Delivery of Subsequent Roll – As soon as possible after this date, the county BOE must deliver the subsequent property roll to the county auditor for delivery to the county tax collector without delay.	§ 63-501(2) § 63-509(2)
FIRST MONDAY IN DECEMBER	Cancellation of Assessment of Personal Property Shipped Out-of-State – By this date, the county BOE shall cancel any assessment of personal property in whole or part upon receipt of documentary proof that the personal property was shipped to another location outside the state.	§ 63-602T(1)
DECEMBER 15	Statement of Revenues from Irrigation or Drainage – No later than this date, each utility company shall file a statement with the state tax commission showing revenues collected from each irrigation or drainage pumping customer.	§§ 63-603 & 63-602O

DECEMBER 20	First Half Property Tax Reduction Reimbursement – No later than this date, the state tax commission must pay to each county tax collector one-half (1/2) of the amount due to the county as reimbursement for property tax reduction (circuit breaker). First Half Property Taxes Due – The first half of the property tax payment for the current year on all taxable property and operating property rolls is due and if not paid to the county tax collector by this date is delinquent. Forest Products Yield Taxes Due – For forest products severed between January 1 and June 30 of the current year, yield taxes are due and if not paid to the county tax collector by this date are delinquent.	§ 63-709(2) § 63-903 § 63-1706(5)
DECEMBER 31	Deadline to File Forestland Designation – No later than this date, the taxpayer must file the form designating land to be assessed as forestland under Chapter 17, Title 63, Idaho Code, for the subsequent years of the 10-year period.	§ 63-1703 & Rule 963

APPENDIX A: CASE LAW OVERVIEW

Selected Idaho Supreme Court Cases

(In chronological order, ending with the most recent cases)

Erwin v. Hubbard, 4 Idaho 170, 37 P. 274 (1894).

It was the duty of the taxpayer to furnish the assessor, on demand, the statement on oath and if he neglected or failed to do so, it was the duty of the assessor to assess such taxable property within his jurisdiction and in that case the taxpayer could not recover taxes paid under protest on property so assessed.

Cheney v. Minidoka County, 26 Idaho 471, 144 P. 343 (1914).

Anyone, who claims any property tax exemption, must identify a specific provision of law plainly giving the exemption.

Winton Lumber vs. Shoshone County, 50 Idaho 130, No. 5674 (January 1931)

This was a consolidation of 2 cases, the first was a denial by the Shoshone County Board of Equalization to reduce the assessment against the Lumber Company for the total amount claimed against the sawlogs for 1929 and appealed to district court; the second was an appeal directly to district court requesting that the assessor be enjoined from assessing the 1930 cut.

The District Court found Winton Lumber as the owner of the standing timber on the second Monday of January 1929 and was the owner of the standing timber on the second Monday of January 1930.

The Court held that neither the land nor crop may be assessed more than once during the tax year. Assessing the standing timber as real property after severance and in the same year asses it as saw logs would be in violation of the constitutional provision against double taxation. Standing timber, which is exempt from taxation on the second Monday of January, remains exempt through the tax year. The Court concluded that the agreement with the government did not vest any title in the lumber company to any standing timber on or before the second Monday of January 1929. The same assumption was concluded regarding the logs assessed in 1930.

Diefendorf v. Gallet, 51 Idaho 619, 10 P.2d 307 (1932).

The term “property” within the constitutional provision requires all “property” to be taxed uniformly by value.

Lewiston Orchards Irrigation District v. Mary E. Gilmore, Nez Perce County Treasurer, 53 Idaho 377, 23 P.2d 720 (1933).

An irrigation district is not a municipal corporation within the meaning of Article 7, § 4, *Idaho Constitution*; therefore, land acquired by an irrigation district for nonpayment of delinquent assessments is not exempt from property taxation.

Board of County Commissioners of Ada County v. Sears, Roebuck & Co., 74 Idaho 39 (1953).

The assessor's value is presumed to be correct.

In re Felton's Petition, 79 Idaho 325, 316 P.2d 1064 (1957).

Administrative remedies, provided by the legislature relative to the assessment of property, must be pursued by the taxpayer as a condition precedent to judicial action.

Sunset Memorial Gardens, Inc. v. Idaho State Tax Commission, 80 Idaho 206, 327 P.2d 766 (1958).

There are three kinds of tax exemptions, those based on ownership alone, those based on ownership and use, and those based on use alone. Exemption statutes may be roughly classified as belonging to one of three groups:

(1) Those making ownership of the property by a certain institution or class of people the test;

(2) Those making the particular use of the property rather than the ownership the test; and

(3) Those making both ownership and use the test.

This classification of importance is especially true in connection with exemption of charitable, religious, and educational institutions. If ownership is the test, then the use is often held immaterial. If use is the test, then the ownership is generally immaterial.

Tobias v. State Tax Commission, 85 Idaho 250, 378 P.2d 628 (1963).

The procedure prescribed by the legislature, regarding levying, assessing and collecting taxes, must be strictly observed. The board of equalization may only hear appeals that are prescribed by law to be within their jurisdiction each time they meet.

Abbot v. State Tax Commission, 88 Idaho 200, 398 P.2d 221 (1965).

The value of property for purposes of taxation as determined by the assessor is presumed to be correct.

Janss Corp. v. Board of Equalization Blaine County, 93 Idaho 928 (1970).

Absent a showing that an assessed valuation of a property was prejudicially discriminative or that the assessment was otherwise unlawful or erroneous, the presumption prevails that the value affixed by the assessor is correct.

Title and Trust Company v. Board of Equalization, Ada County, 94 Idaho 270, 278 (1971).

To be entitled to relief, the taxpayer has the burden by clear and convincing evidence (See HB 302 in the Addendum Q for more recent legislative action relating to issue of level of proof.) to overcome the presumption that the assessor and board of equalization have performed their duties correctly.

Merris v. Ada County, 100 Idaho 59, 64, (1979).

The value of the property for purposes of taxation as determined by the assessor is presumed to be correct. The burden of proof is upon the taxpayer to show by clear and convincing evidence that he is entitled to the relief claimed. New law is somewhat different than this decision; see House Bill (HB) 302 (from the 2003 legislature) in the Addendum.

Ada County v. Red Steer Drive-Ins of Nevada, Inc., 101 Idaho 94, 609 P.2d 161 (1980).

A taxpayer is entitled to relief where the valuation fixed by an assessor is manifestly excessive, fraudulent or oppressive, or arbitrary, capricious and systematically discriminatory.

Idaho State Tax Commission v. Staker, 104 Idaho 734, 663 P.2d 270 (1982)

This case addressed the appeal process for the decisions on equalization by the state tax commission. The Supreme Court ruled that it was the only entity with jurisdiction for appeal of these decisions. The Supreme Court can hear these appeals if it chooses; it is not required to do so.

Canyon County v. Sunny Ridge Manor, Inc., 106 Idaho 98, 675 P.2d 813 (1984).

Determination of an institution's charitable status is necessarily an individual matter, to be decided on a case-by-case basis. In determining charitable status of a non-profit corporation under §63-602C, I.C., a number of factors must be considered:

(1) the stated purpose of its undertaking,

(2) whether its functions are charitable,

(3) whether it is supported by donations,

(4) whether the recipients of its services are required to pay for the assistance they receive,

(5) whether there is general public benefit,

(6) whether the income received produces a profit,

(7) to whom the assets would go upon dissolution of the corporation, and

(8) whether the "charity" provided is based on need.

An institution may be entitled to an exemption where it performs a function which might otherwise be an obligation of government and, thus, a nonprofit corporation may benefit only a limited group of people and still be considered "charitable" if that group of people possess a need which government might be required to fill; however, where there is no assistance to individuals which might normally require government funds, the institution must meet a stricter test: It must provide benefits to the community at large.

Coeur d' Alene Public Golf Club, Inc. v. Kootenai Board of Equalization, 106 Idaho 104, 675 P.2d 819 (1984).

For a corporation's uses to be considered charitable it is essential that they provide some sort of general public benefit.

Simmons v. Idaho State Tax Commission, 111 Idaho 343, 723 P.2d 887 (1986).

Homeowners are not a suspect class and the exemption under §63-602G, I.C., for homeowners furthers legitimate state interests, such as fostering home ownership and equalizing the tax burden between residential and business properties; therefore, this section does not violate the equal protection provisions of Constitution, Article 1, § 2, or the Fourth Amendment to the United States Constitution.

Bogus Basin Recreational Association v. Boise County Board of Equalization, 118 Idaho 686, 799 P.2d 974 (1990).

Exemptions are never presumed, and the burden is on a claimant to establish clearly a right to exemption.

Fairway Development Co. v. Bannock County, 119 Idaho 121, 804 P.2d 294 (1990).

The taxpayer cannot ignore the statutory appeal process by paying the tax under protest and then filing an action under §63-1308, I.C., for refund of the tax; such a collateral attack upon the decision of the assessor and the board of equalization is not permitted.

Boise Central Trades and Labor Council Inc. vs. Board of Ada County Commissioners, 122 Idaho 67, No. 18890 (April 1992)

The Board of Ada County Commissioners denied the property tax exemption request from the Labor Council in 1988, which then petitioned for judicial review. The District Court found the Council to be a "fraternal" organization and entitled to the property tax exemption. The appeal to the Supreme Court held that the labor council was a "fraternal organization" entitled to a property tax exemption; portions of the building leased to the labor council's own members was not subject to property tax assessment; portions of the building leased to a life insurance company and credit union, whose value was greater than3% of the total value of the building, was subject to property tax assessment; and attorney fees or costs were not awarded.

Corporation of Presiding Bishop of Church of Latter-Day Saints v. Ada County, 123 Idaho 410, 849 P.2d 83 (1993).

General summary:

Tax exemptions cannot be presumed but instead must be explicitly granted by statute. If an ambiguity arises in a tax exemption, courts must not only interpret the statute in favor of the state, but must choose the narrowest possible reasonable construction of the statute.

Rules of law reinstated in this case:

(a) It is solely the province of the legislature to make laws and the duty of a court to construe them and if the law, as construed by a court, is to be changed, that is a legislative not a judicial function;

(b) Unless a contrary purpose is clearly indicated, ordinary words will be given their ordinary meaning when construing a statute;

(c) The standard rules of statutory interpretation require a court to give effect to the legislature's intent and purpose and to every word and phrase employed;

(d) When construing a statute, a court will ascertain and give effect to the purpose and intent of the legislature, based on the whole act and every word therein, lending substance and meaning to the provisions;

(e) Where the language of a statute is unambiguous, the clear expressed intent of the legislature must be given effect and there is no occasion for construction;

(f) The language of the tax exemption statutes must be given its ordinary meaning and an exemption will not be sustained unless within the spirit as well as the letter of the law;

(g) A court may not presume exemptions, nor may it extend an exemption by judicial construction where not specifically authorized by a statute;

(h) Tax exemptions exist as matter of legislative grace for the purpose of fairness, equality, and uniformity; therefore, these laws are to be construed according to "strict but reasonable"

rule of statutory construction;

(i) When an ambiguity arises in construing tax exemption statutes, a court must choose the narrowest possible reasonable construction;

(j) All tax exemption statutes must be strictly and narrowly construed against the taxpayer, who must show a clear entitlement; and

Findings specific to statute that is now §63-602B, I.C.:

(a) Where the state legislature has chosen not to implement an unlimited property tax exemption for religious properties, a court must protect and advance only those exemptions specifically delineated by the legislature;

(b) The religious corporation had to establish that it qualified for property tax exemption for parsonage; and

(c) Qualification for this exemption depends on ownership and use of the property.

Findings specific to statute that is now §63-602C, I.C.:

(a) An organization seeking a charitable property tax exemption must be charitable and must use its property exclusively for the charitable purposes for which it was designed or for those purposes combined with some other statutorily exempted use and

(b) The organization has the burden of proving clear entitlement to the charitable exemption by satisfying the requirements set forth in *Canyon County Assessor v. Sunny Ridge Manor, Inc.* (listed below) and *Coeur d'Alene Public Golf Club, Inc. v. Kootenai Board of Equalization* (listed below).

Findings specific to the facts of this case:

(a) For the purposes of the property tax exemption for religious corporations or societies, a "parsonage" is a building owned by a religious organization and occupied as a residence by a designated minister who ministers to a specific localized congregation that gathers to worship at frequent and regular intervals; a parsonage is not merely a residence owned by a religious organization in which an ordained member of that organization resides; (This localized congregation requirement is based on the sound policy that, since the exemption shifts the property tax burden onto the people of the county, those people should receive something in return – a place to worship in the community and a minister to conduct the services.)

(b) The mission president's home did not qualify for exemption as parsonage; the mission president had no affiliated meetinghouse and no local congregation, did not serve the function of a minister or parson, and never met with all missionaries at one time in one place; and the missionaries attended the Sabbath and other services at a church in the area where they are staying; and

(c) The use made of the home could not be considered charitable so as to qualify for the property tax exemption for charitable corporations or societies.

<u>Ada County Assessor v. Taylor</u>, 124 Idaho 550, 861 P.2d 1215 (1993).

Where agreement between sellers and taxpayers was found to be a contract to purchase home, taxpayers were owners of the property for the purposes of §63-602G, I.C., and were entitled to homeowner's exemption.

<u>Hermann v. Blaine County Board of Commissioners</u>, 126 Idaho 970, 895 P.2d 571 (1995).

When a property owner builds a new residence and fails to notify the assessor of the date of occupancy pursuant to §63-3905, I.C. (now §63-317, I.C.), the new residence can constitute "inadvertently omitted property" within the meaning of §63-306, I.C. (Note: The law that was §63-306, I.C., in 1995 became §63-301, I.C., in 1997. The phrase "inadvertently omitted property" is not in §63-301, I.C. §63-301, I.C., refers to "any property which has been omitted from the property roll" instead of "inadvertently omitted property.")

<u>Greenfield Village Apts. v. Ada County</u>, 130 Idaho 207, 938 P.2d 1245 (1997).

Since former law similar to §63-208, I.C., required that actual and functional use shall be a major consideration when determining market value for assessment purposes, assessor erred in refusing to consider restrictive covenants limiting use of the property to low-income housing with rent restrictions for the actual and functional use of the property was as rent-restricted, low-income housing.

Riverside Development Company, Inc. v. Kootenai County Assessor, 137 Idaho 382, 48 P.3d 1271 (2002)

Actual and functional use of unimproved lots held by developer was as single-family residential lots, and evidence supported assessor's valuation where unsold lots were indistinguishable from other lots in the development when the assessor look at retail values of comparable lots in the subdivision to determine the market value of the unsold lots. The Court also cited a prior finding that factual determinations by administrative agency are not erroneous when they are supported by competent and substantial evidence even though conflicting evidence exists.

Troy G. and Linda M. Mitchell v. Board of Equalization of Nez Perce County, 138 Idaho 52, 57 P.3d 763 (2002)

The taxpayer argued the assessor could not decide the fair market value of the single-family residence on 4.70 acres because Idaho law does not require full disclosure of sales price. The Court ruled the fact that state law did not require disclosure of sale price failed to prove the assessor lacked sufficient information to make a reasonably accurate assessment and it recognized comparable sales are only one factor to consider and differences of opinion on value will occur. The Court also ruled the assessor did not need to know the sale price of every property in the county to be able to apply the sales comparison approach. A taxpayer must show the value fixed by the assessor was manifestly excessive, fraudulent, or oppressive, or it was arbitrary, capricious, and erroneous resulting in discrimination against the taxpayer.

Community Action Agency v. Board of Equalization of Nez Perce County, 138 Idaho 82, 57 P.3d 793 (2002)

The Court applied the principle of strict construction against the Community Action Agency (CAA) even though: (1) CAA had the charitable function of providing housing to those in need below market rate with the government grants inadequate to make up the difference; (2) private donations somewhat lessened government's burden; (3) CAA never operated for profit; (4) CAA's assets would be disbursed to charities if it were dissolved; and (5) CAA had received the exemption in prior and subsequent years.

The Court ruled CAA did not meet the requirements to be considered a charity because: (1) it required the residents in the low-income housing to pay rent; (2) it received federal and state grants; and (3) it did not provide a general public benefit.

The Court also concluded quasi estoppel does not apply because the county was justified in reexamining properties previously granted an exemption and also justified in revisiting the issue and again granting the exemption.

Senator, Inc. v. Ada County Board of Equalization, 138 Idaho 566, 67 P.3d 45 (2003)

The taxpayer argued the statutory requirement to give major consideration to "actual and functional use" meant the assessor must use the actual vacancy rate rather than a market derived vacancy rate to decide the value of the mobile home park. The taxpayer admitted that a buyer purchasing the mobile home park would not pay a certain amount for the rented spaces and pay a lower amount for the unrented spaces.

The Court decided the actual and functional use of the rented and the unrented spaces was the same because the real property was being valued, not the business being operated on it. The Court concluded the actual and functional use of real property for tax assessment purposes is its existing use and the use for which it is designed or intended. The Court also upheld the district court decision that the valuation did not include business goodwill.

Student Loan Fund of Idaho, Inc. v. Payette County, 138 Idaho 684, 69 P.3d 104 (2003)

The law exempting fraternal, benevolent or charitable corporations or societies from property taxation has two initial requirements: 1) the property must belong to a charitable organization and 2) the property must be exclusively used for the purpose for which the corporation was organized. If either of these requirements is not met, no exemption should be granted. Where use is the criterion, the exemption is lost if the property is put to other uses. This taxpayer was not entitled to any property tax exemption because the majority of the property was not used exclusively for charitable purposes; 38.45 of 54.9 acres were used by a farmer in exchange for lawn maintenance, the house was used by a person who provided janitorial and security services, and a separate business entity shared the office space with this taxpayer and paid support fees.

Union Pacific Land Resources v. Shoshone County Assessor, 140 Idaho 528, 96 P.3d 629 (2004)

The State Tax Commission (STC) has the responsibility to decide if property is to be classified as operating property or non-operating property. Once the decision has been made that property is operating property, the only recourse available to the county assessor is to file a petition for a writ of review because the assessor cannot appeal the decision that the property is operating property. The assessor may only ask the STC to reexamine the assessment or allocation, not the classification.

Castrigno v. McQuade and Ada County Board of Equalization, 141 Idaho 93, 106 P.3d 419 (2005)

The appellants were seeking a property tax refund on an occupancy tax assessment arguing, among other things, that the 2001 occupancy assessment notice received from the county was defective under Idaho law and denied them procedural due process. (The notice included only a prorated value but not the full value as now required in Property Tax Rule 317.) The Court concluded the appellants failed to appeal their original or revised 2001 assessment to the board of equalization within the statutory timeframe and failed to provide an adequate basis upon which to excuse their failure to exhaust administrative remedies. The Court ordered the appellants to pay attorney's fees and costs to Ada County. Among others, the following rulings of law were reiterated:

1. The valuation placed on property by a county assessor for tax purposes is presumed to be correct.

2. Relief can be granted only if an assessor's valuation of property for tax purposes is manifestly excessive, fraudulent or oppressive, or arbitrary, capricious and erroneous.

3. Taxpayers' failure to exhaust administrative remedy of timely appealing their assessment and tax liability to county board of equalization (BOE), as statutorily prescribed, deprived district court of jurisdiction….

4. The construction and application of a legislative act are pure questions of law… to which the Supreme Court exercises free review.

Ada County Board of Equalization v. Highlands, Inc., Smith Family, L.L.C., 141 Idaho 202, 108 P.3d 349 (2005)

The taxpayer argued that § 63- 602K, I.C., only required the land to be leased to a "bona fide leasee for grazing purposes." The Court ruled: having a lease with a bona fide rancher is not enough to qualify for the speculative agricultural exemption (§ 63- 602K, I.C.), the lessee is required to actively "use" the property for grazing purposes. The Court also said, not only had the lessee not used the land for grazing but had not even taken steps to be able to use the land for grazing, such as providing water sources or fencing. Among others, the following rulings of law were also reiterated:

1. Statutes granting tax exemptions are strictly construed against the taxpayer and in favor of the state.

2. Taxpayer must show a clear entitlement to an exemption, as an exemption will never be presumed.

Idaho Power Company v. Idaho State Tax Commission, 141 Idaho 316, 109 P. 3d 170 (2005)

The decision explained the unit method of appraisal and discussed the inclusion of values for non-taxable "regulatory assets." The Court affirmed the district court's decision that the regulatory assets did not generate income and addressed the argument that just because an asset earns a rate of return set by the Idaho Public Utilities Commission does not mean the asset is generating income. Among others, the following rulings of law were also reiterated:

1. An "arbitrary valuation" for tax purposes is one that does not reflect the fair market value or full cash value of the property.
2. As assessor's appraisal of property is presumed correct, but the court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive or arbitrary, capricious, and erroneous resulting in discrimination against the taxpayer.

<u>Brandon Bay, Limited Partnership v. Payette County</u>, 142 Idaho 681, 132 P.3d 438 (2006)

The dispute in this case centered on the real property valuations of Brandon Bay and Kenmare Trace, two low-income apartment developments located in Payette County, that operated under the provisions of the federal Low-Income Housing Tax Credit program (LIHTC also known as Section 42 Housing). The primary issue in this case was whether the tax credits allocated under the LIHTC should be included in the real property assessment of the apartments for taxation purposes.

1. The Idaho Supreme Court held that Section 42 tax credits "are not a contract right exempt from consideration in the valuation of real property. The tax credits are better characterized as "rights and privileges" belonging to the land under the definition of "real property" in I.C. § 63-201(18), as they do not exist separate from an ownership right in the low-income housing

2. "When determining the value of low-income housing developments, the value of § 42 tax credits should be included in the assessment."

<u>Idaho Youth Ranch vs. Ada County Board of Equalization, 2014 Opinion No. 97, Docket No. 41256 (September 2014)</u>

The Ada County Board of Equalization (the BOE) denied an application for a property tax exemption made by the Idaho Youth Ranch, Inc. (the Youth Ranch) and Idaho Youth Ranch Nagel Center, LLC (the LLC) pursuant to Idaho Code section 63-602C for property purchased by a separate LLC formed by the Youth Ranch. The Idaho Board of Tax Appeals affirmed that decision. The Youth Ranch and the LLC then sought judicial review.

The district court likewise determined that the property was not exempt from taxation. The Supreme Court held that properties that are leased in their entirety do not qualify for the charitable property tax exemption created by Idaho Code Section 63-302C under any circumstances.

<u>PacifiCorp vs. Idaho State Tax Commission, 2012 Opinion No. 153, Docket No. 38307, (2012)</u>

The Idaho State Tax Commission appealed the District Court's judgment, holding that PacifiCorp proved by a preponderance of the evidence that the Tax Commission's valuation of its operating property in Idaho was erroneous pursuant to Section 63-409(2), Idaho Code. The contention was that the District Court's decision was not supported by substantial and competent evidence because the appraisal methodologies utilized by PacifiCorp's appraiser are unreliable.

1. The Idaho Supreme Court held by a 3-2 decision that the District Court's judgment was supported by substantial and competent evidence.

2. The dissenting opinion felt that PacifiCorp failed to establish an entitlement to a 20.88% reduction in taxable value of its property under the cost approach, based upon external obsolescence.

Idaho State Board of Tax Appeals Ad Valorem Decisions

In the Matter of the Appeal of Elizabeth Carter from the decision of the Board of Equalization of Ada County for tax year 2006; Appeal No. 06-A-2146:

… Appellant's case was constructed around a comparison of assessed values…. Assessed values are not considered good evidence of market value.

In the Matter of the Appeal of William P. and Barbara Worrell from the decision of the Board of Equalization of Ada County for tax year 2006; Appeal No. 06-A-2030:

… Appellant's case was constructed around a comparison of assessed values…. Assessed values are not considered good evidence of market value.

Idaho District Court Decisions

Boise Hospitality, LLC, Boise Hotels and Lodging, Eagle-Meridian Lodging vs. Ada County Assessor and Ada County Board of Equalization, CV OC 2011-07629

This case is a real property tax appeal from the Ada County Board of Equalization for tax years 2010 and 2011. The case initially consisted of eight separate cases consisting of appeals of four separate properties for two separate years. The cases were initially presented to the Ada County BOE and then appealed to the Board of Tax Appeals. They were then brought to the District Court as appeals *de novo.* The District Court concluded that the hotel owners failed to prove that eh Ada County Assessor's Office appraisals were erroneous. The District Court concluded that the appraisal methods followed by the county appraisers were in accordance with industry standards and were approved by the Idaho State Tax Commission. There was no reason to disturb the values determined by the Assessor and confirmed by the County BOE and Idaho Board of Tax Appeals.

APPENDIX B: SAMPLE APPEAL FORMS

COMMISSIONERS' OFFICE
200 W. Front Street
Boise, Idaho 83702
(208) 287-7000
Fax: 287-7009
bocc1@adacounty.id.gov
www.adacounty.id.gov

ADA COUNTY

Understanding your Assessed Value

The Assessor is required by state law to assess all property at full market value "as of" **January 1st** each year. The Assessor uses recognized mass appraisal techniques to estimate property values, which include the analyses of construction costs, and recent sales and rental data. Market data sources include the multiple listing service, property owners and managers, realtors, builders, developers, and independent appraisers.

Discussing your Assessed Value with the Deputy Assessor (Appraiser)

You are strongly encouraged to reach out and work with your assigned appraiser if you dispute your value. Your appraiser's name and phone number appear near the top right corner of your assessment notice. Providing additional, valid information to your appraiser may result in a value adjustment. Examples of market information you might share with your appraiser are listed below (see Presenting your Appeal).

Filing an Assessment Appeal with the Board of Equalization

If you are not satisfied with your assessed value, it is your right as a property owner to file an appeal with the Ada County Board of Equalization (BOE). Using the attached form, factually and concisely state the reason for your appeal and include/attach the market documentation you have gathered in support of your opinion. The hearing box on the appeal form **must** be answered – if left blank, an appeal hearing will NOT be scheduled. An appeal hearing is not required. However, if you choose to have a hearing, be aware it will be scheduled in the hearing calendar's first available opening and cannot be changed.

It is important we have the correct name, address, and phone number of the property owner, owner's contact, and/or counsel in the event we need to contact them. **THE PROPERTY OWNER (OR OWNER'S ATTORNEY, LICENSED IN THE STATE OF IDAHO) MUST SIGN THE APPEAL AND APPEAR AT THE HEARING**. You may call witnesses to testify on your behalf within the allotted time frame.

Please **return the completed appeal form to the Ada County Commissioners Office**, 200 Front St., Boise ID 83702. You may also submit your form ONLINE, via email, facsimile or U.S. mail. **COMPLETED FORMS MUST BE RECEIVED OR POSTMARKED NO LATER THAN 5:00 P.M. ON THE DATE INDICATED ON THE ASSESSMENT NOTICE**

Presenting Your Appeal to the Board of Equalization

For appeal hearings, BOE will consider any information you submit, provided it is data-driven and verifiable. This may include comparable sales, Comparative Market Analyses (CMAs), formal appraisals done for purchase or refinance, or data from other reliable sources. Because assessed values are "as of" January 1st, sales submitted in defense of your value opinion should have entered into contract or closed prior to January 1st. Sold properties should be as physically comparable to your property as possible. The appeal hearing is not a forum to protest property taxes since tax levies and amounts are not known at the time of appeal. The Board of Equalization will give your appeal due consideration based on the evidence you provide. If you request a hearing, be aware the Assessor's value estimate is presumed to be correct. Statutorily the burden of proof in an assessment appeal is on the appealing party. Without relevant and reliable evidence proving the assessed value incorrect, the BOE cannot change the appraised value of your property.

Any documents or records you wish to submit for consideration must be provided **a minimum of three (3) business days** prior to your hearing date in order to allow the BOE an opportunity to review your evidence.

If you wish to appeal the denial or partial denial of an *exemption*, you must complete an **Exemption Appeal Form** available from the Commissioners' web site.

ADA COUNTY

ASSESSMENT APPEAL FORM

A copy of the Assessment Notice *must* accompany this application.

THIS FORM MUST BE RECEIVED OR POSTMARKED NO LATER THAN 5:00 P.M. ON THE DATE INDICATED ON THE ASSESSMENT NOTICE

SUBMIT ONLINE, EMAIL, MAIL, FAX OR DELIVER FORM TO:
Ada County Commissioners' Office
200 W. Front St. 3rd Fl Boise, ID 83702
Email: bocc1@adacounty.id.gov Fax: (208) 287-7009

QUESTIONS? CONTACT:
Ada County Assessor's Office
190 E. Front St. Suite 107 Boise, ID 83702
Phone: (208) 287-7200

APPELLANT INFORMATION

1. Property Owner's Name: ______________________________
2. Appeal Contact's Name: ______________________________
(If different from owner)

Mailing Address for All Correspondence Relating to Appeal:

3. Mailing Address: ______________________ City: __________ State: ____ Zip: _______
4. Daytime Phone: ______________________ Email Address: ______________________

PLEASE NOTE: ONLY the Property Owner may file an Assessment Appeal.

PROPERTY INFORMATION

5. Parcel # (one parcel per form) | | | | | | | | | | | |
(From Assessment Notice – top ½, right-hand side)
6. Property Address: ______________________________
7. Property's total purchase price: $ ______________________ Date of purchase:____/____/____ *Mo/Day/Yr*
8. Taxpayer's opinion of Full Market Value: $ ______________________ (*as of January 1st of the taxable year*)

*** You must check all that apply below. Do not leave blank ***

9. Do you wish to present oral testimony at a hearing before the board? *(A hearing is not required*)* ☐ Yes ☐ No
10. If **"YES"**, who will speak before the Board of Equalization: ☐ Yourself ☐ Counsel (not required) ______________

If left blank, a hearing **will NOT be scheduled.* Hearings are scheduled between the 4th Tuesday in June through the 2nd Monday in July. ***A hearing date and time will be scheduled in the hearing calendar's first available opening and <u>cannot</u> be changed*** *due to the statutory time frame to hear all appeals.* ***Although every effort is made to provide as much notice as possible for these hearings, we STRONGLY suggest you contact the Commissioners' office to confirm the date and time of your hearing.*** If you are unable to attend the hearing on the date and time scheduled, your appeal will be decided upon the evidence submitted. Any additional documentation must be received by our office at least 3 business days prior to your hearing.

11. **Factual reason for this appeal (use additional pages if necessary to attach evidence):**
Please note: Under Idaho law, the burden of proof is upon the property owner to prove that the assessed value is not the true and fair market value. Please refer to cover letter.

____
____
____
____
____
____
____

12. Signature of Property Owner______________________________ 14. Date ____/____/____
Or Company Officer *Mo/Day/Yr*

FAILURE OF THE PROPERTY OWNER TO SIGN and complete this form may result in rejection or denial of the application.

ADA COUNTY
HOE RECOVERY TAX APPEAL FORM

A copy of the Recovery Notice *must* accompany this application.

THIS FORM MUST BE RECEIVED WITHIN 30 DAYS FROM THE DATE OF NOTICE

EMAIL, MAIL, FAX OR DELIVER FORM TO:
Ada County Commissioners' Office
200 W Front St. 3rd fl. Boise, ID 83702
Email: BOCC1@adacounty.id.gov Fax: (208) 287-7009

QUESTIONS? CONTACT:
Ada County Assessor's Office
190 E Front St. Suite 107. Boise, ID 83702
Phone: (208) 287-7200

APPELLANT INFORMATION

1. Appellant is: ☐ Individual ☐ Partnership ☐ Corporation ☐ Trustee ☐ Estate Administrator/Personal Representative
2. Owner's Name ______________________________ 3. Owner's Phone __________________
4. Mailing Address ______________________________ 5. Email: __________________
6. Who will represent the appellant before the Board of County Commissioners:

☐ Yourself ☐ Attorney ☐ Company Officer ☐ Trustee ☐ Estate Administrator/Personal Representative

7 Name______________________________ 8. Contact's Phone__________________
(*if different from owner*) (*if different from owner*)

9. Mailing Address ______________________________ 10: Email: __________________
(*if different from owner*)

PROPERTY INFORMATION

11. Parcel # (one parcel per form) ☐☐☐☐☐☐☐☐☐☐☐☐☐
(from Recovery notice; left side of page above owner's name)
12. Property Address ____
13. Property's total purchase price $ ______________________ 14. Date property was purchased _____/_____/_____
Mo/Day/Yr
15. Date property was occupied as your primary domicile _____/_____/_____
16. Do you wish to present oral testimony before the board? ☐ Yes ☐ No
17. Factual or legal reason for this appeal (use additional pages, if necessary) ______________________________

____
____
____
____
____
____
____
____

Ada County Exemption Appeal Application

THIS FORM MUST BE RECEIVED NO LATER THAN 5:00 P.M.
ON THE FOURTH MONDAY IN JUNE

RETURN COMPLETED FORM TO: Ada County Commissioners' Office, 200 W. Front St., Boise, ID 83702
Email: bocc1@adacounty.id.gov Fax: (208) 287-7009
Questions? Contact the Ada County Board of Equalization at 287-7000.

****PLEASE ATTACH A COPY OF THE NOTIFICATION LETTER YOUR ORGANIZATION RECEIVED FROM THE BOARD OF ADA COUNTY COMMISSIONERS****

SECTION 1. - APPLICANT INFORMATION

Property Owner Name: ___________________________________ Address: ____________________________________

Organization Name: _____________________________________ Address: ____________________________________

Contact Person Name: ____ Phone (____) _____ - ______

Email: _______________________________________ Property Parcel Number: __________________________

Under what code section was your exemption denied? ____

If partial exemption was granted, are you appealing to obtain a higher percentage? Yes _____ No _____

Do you wish to present oral testimony before the Board of Equalization? Yes _____ No _____

SECTION 2. - SPECIAL CIRCUMSTANCES

Please provide any additional explanations and/or documents to substantiate this appeal.

SECTION 3. - SIGNATURE

___________________________________ ____/____/____
Applicant's Signature Date

I have assisted the applicant with completing this form:

____
Signature

____/____/____
Date

Information you need to know about
Exemption Appeal Form Applications:

1. Pursuant to Idaho Code § 63-501A, an appeal of a property tax exemption denial must be received by the Ada County Board of Equalization **by the fourth Monday in June.**

2. You will receive written notification of when your appeal will be presented to the Board of Equalization. If you have requested to provide oral testimony, be prepared to answer any questions the Board might have about your appeal at that time.

3. This application process is only for use in requesting an appeal stemming from a denial of a tax exemption application, in full or in part, by the Board of Ada County Commissioners.

4. All appellants will receive a written decision from the Board of Equalization after your appeal is presented. If you disagree with the Board of Equalization's decision in this matter, you have the right to appeal to the Idaho Board of Tax Appeals and/or district court, and must do so within thirty (30) days after the mailing of the decision pursuant to Idaho Code 63-511.

5. Appeal forms for the Idaho Board of Tax Appeals are available by calling (208) 287-6981.

APPENDIX C: APPRAISAL METHODS MARKET VALUE

Idaho's property tax is based on the market value of property Section § 63-201(15), Idaho Code (I.C.), defines market value as "...that amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment."

The assessor is responsible for determining the market value of all locally assessed property for property tax purposes within his jurisdiction that is not expressly exempted. The amount of United States dollars for which a property is most likely to sell is not necessarily the actual sales price. Motivation, negotiating skills, market knowledge of buyers and sellers vary, so a particular sale may not reflect "market value". Given access to enough information about the sales of properties, the assessor can determine a property's most likely selling price.

Several criteria must be met for a transaction to qualify as an arm's-length sale and be included with other arm's-length sales in the analysis of market value. The July 2013 Edition of the Standard on Ratio Studies from the International Association of Assessing Officers provides that every arm's-length sale should be included in the analysis unless data for the sale are incomplete, unverifiable, or suspect, the sale fails to pass one or more specific test of acceptability, or a representative sample of sales that occurred during the study period can be randomly selected to provide reliable statistical measures. This standard also identifies sales which can be automatically excluded from the analysis unless a larger sample is needed or further research is conducted to determine that the sales are open-market transactions. The types of sales which may be automatically excluded are: sales involving government agencies and public utilities; sales involving charitable, religious, or educational institutions; sales involving financial institutions; sales between relatives or corporate affiliates; sales of convenience; sales settling an estate; forced sales; or sales of doubtful title. More detail on concerns relating to these types of sales and other types of sales may be found on pages 47 through 52 of the standard.

Appraisal Date

An appraisal is an estimate of value for a particular property, as of a specific point in time. The purpose of a mass appraisal is to estimate the values of all properties within a jurisdiction. To ensure that all assessments are made on the same basis, an appraisal date has been established.

In Idaho, all property is assessed annually as of 12:01 A.M., Mon the first of January in the year in which the taxes are levied. For example, the appraisal date for the 2025 assessment year would be 12:01 A.M., January 1, 2025. An appraisal for property tax purposes should reflect a property's value as of the lien date (January 1) (§§63-205 and 63-206, Idaho Code, I.C.).

The Principle of Substitution

One concept of central importance in an appraisal is the principle of substitution. That is: "A buyer will pay no more for a property than he would to purchase an equally desirable property, assuming no undue delay.". In other words, the market value of a property is the amount for which comparable property typically sells. The principle of substitution is central to appraisal regardless of the method used to determine market value.

The Three Approaches to Value

The three approaches to value – Comparative sales (Market), Cost, and Income – are used to determine market value. Each allows the certified property tax appraiser to use different information to estimate market value. The assessor is required to consider each approach when estimating market value (Property Tax Rule 217.02). Although one or more of the approaches might not be applicable to a specific property, each must be considered and the certified property tax appraiser should be able to explain why any approach was not used.

THE COMPARATIVE SALES APPROACH

The comparative sales approach is central to all three approaches to value. To a greater or lesser degree, all approaches are based on the comparative sales approach. The comparative sales approach is merely an analysis of the recent market history of properties comparable to the property being appraised. Put differently, market value, as determined by the comparative sales approach, is the price typically paid for comparable properties.

Research is required to discover the typical sale price for a specific type of property, in a certain condition, and in a particular location. Only by examining a number of sales can the certified property tax appraiser be certain of what constitutes typical value. There are different ways to implement the comparative sales approach. Each utilizes sales information in a slightly different manner. The comparative sales approach is a direct comparison of sales of properties comparable to the property to be appraised (the "subject property"). For a property to be comparable to the subject, it must be similar in a number of respects. Construction, location, physical condition, remaining economic life, and functional utility must be similar. The greater the similarity between properties, the more comparable the properties are and the greater the likelihood that the arm's length sale price of one property reflects the market value of the other. By examining a number of sales the certified property tax appraiser can determine a typical value.

Few properties are identical, but there are methods to adjust for differences between otherwise similar properties. The most accurate method is to let the market determine the value of the differences, based on the principle of contribution [IAAO's Property Assessment Valuation (PAV), Third Edition, 2010, pg. 232].

For example, let's assume that two residential properties are located side by side. The only difference between them is that only one house has a fireplace. Both properties sell on the same day. The property with the fireplace brings $5,000 more than the property without. Moreover, throughout the county, houses with fireplaces typically sell for $5,000 more than those without. This demonstrates when valuing property in this county the contributory value of a fireplace is $5,000.

Rent Multipliers

Rent multipliers are normally regarded as a function of the comparative sales approach. A rent multiplier is a factor which, when applied to income (normally potential gross income), produces an estimate of property value. In other words, a rent multiplier is the number of times a rent must be paid to equal a property's market value.

There are two common types of rent multiplier.[1] The first is the "gross income multiplier" (GIM). This multiplier reflects the number of times that one full year's rent must be paid to equal the value of the property. The second type is the “gross rent multiplier” (GRM). This multiplier reflects the number of times that one month's rent must be paid to equal the value of the property.

For example, if market rent (IAAO’s PAV, Third Edition, 2010, pg. 318, 322) for a single-family residence were $1,800 per month, and if the market value of that residence were $350,000, the indicated monthly GRM would be 194, or $350,000 divided by $1,800. Obviously, the GRM is a number 12 times greater than the GIM. Therefore the annual GIM would be 16.

$350,000 (the property’s value)/$1,800 (The property’s monthly rent) = 194 (GRM)

or:

$350,000 (the property’s value)/$21,600 (the property’s annual rent) = 16 (GIM)

Although usually considered to be an application of the income approach, when rent multipliers are used to appraise residential property, their use is considered an application of the comparative sales approach. Even so, their use is identical in both cases.

Rent multipliers must be developed from properties which are very similar. The properties must be of the same type, in comparable locations, having similar land-to-building ratios and improvements must be of the same age and physical condition.

THE COST APPROACH

The second approach to value is the cost approach. Since it readily lends itself to mass appraisal, it is widely used for assessment purposes. The cost approach to value is the process of determining the cost new of replacing or reproducing a particular property, then subtracting from the cost new the loss in value from all forms of depreciation the property has accrued up to that point. The process can be described as follows:

COST NEW - DEPRECIATION = CURRENT VALUE

When using the cost approach to appraise real property, land and buildings are treated separately, since land is not constructed and does not depreciate The land value is normally estimated through the comparative sales approach and its value is added to the value of the improvements.

Cost New

Cost new can be expressed in four ways: reproduction cost, replacement cost, historic cost, and original cost. There are significant differences between them. the cost of construction includes all direct and indirect costs. (PAV pg. 235-236)

Reproduction Cost: Reproduction cost is the cost of replacing a property with an exact duplicate. It is an accurate indicator of value for most types of property only if that property reflects functional utility typical today and is constructed from materials currently used. In most cases, the property must have been built recently. Reproduction cost is typically used to appraise improvements having value by virtue of something other than their functional utility -- historical buildings or new building with no income history, for example.

There are problems inherent in using reproduction cost. Construction materials and methods constantly evolve, so reproducing an improvement is often more expensive than it was to originally build. The additional expense is rarely realized in the property's sale. Older construction normally lacks an amount of contemporary functional utility (PAV pg. 209, 254). For example, today's ceilings are lower to provide for more efficient heating. Electrical wiring, plumbing, and floor plans are different today. Today, increased functional utility is provided at a considerably reduced cost. Functional utility is a major factor affecting the value of any property, but reproduction costs may not reflect today's costs of functional utility Reproduction cost is typically used for insurance purposes.

Replacement Cost: Replacement cost is the cost of replacing the functional utility of an improvement. It is used to appraise most conventional properties and also, eliminates many of the problems associated with reproduction cost. Replacement cost takes care of changes in construction materials and technology while expressing the improvement's value in terms of the contemporary cost of functional utility. Current costs are more readily available and easier to determine than historic ones. Replacement cost is based on the current market, so information is more abundant. As a result, replacement cost for most properties is usually considered a more accurate estimate than reproduction cost.

Because replacement cost interprets a property's utility in terms of today's costs, it accounts for functional obsolescence. It is by far a more accurate expression of cost new for older properties than is reproduction cost.

Historic Cost: Historic cost is the original construction cost. Obviously, if an improvement is very old, the costs of construction may have changed dramatically, so historic cost must be adjusted for inflation to reflect today's dollars. Even then, historic cost will probably not reflect contemporary functional utility, so it is generally not regarded as an accurate indicator for most types of property. It is most frequently used in the valuation of short-lived items, like personal property, and in the valuation of rate-based utilities.

Original Cost: Original cost is the price paid for a property by its original owner. While not recommended for determining construction costs, original cost does have uses. Original cost (of improvements only) reflects all accrued depreciation. The difference between replacement cost new and original cost on the date of sale is the basis for determining depreciation from the market.

Determining Cost New: Four methods are commonly used to determine typical cost new: The quantity survey (also called engineering breakdown) method, the unit-in-place method, the square-foot method, and trending. There are advantages and drawbacks to each.

Quantity Survey (Engineering Breakdown): Typically used by architects and engineers, the quantity survey requires the identification of each individual component of an improvement -- each board, nail, and screw --

and determining the installed cost for each. The costs of all the components (including site preparation, permits, etc.) are totaled to determine cost new. One example of use would be for remodeled houses. Though regarded as one of the most accurate methods of determining the cost new of recent construction, the quantity survey's disadvantage is that its use requires considerable time and expertise. These facts generally make it unsuitable for mass appraisal purposes.

Unit-in-Place (Segregated Cost): The unit-in-place method measures either reproduction or replacement cost. It is slightly less accurate than the quantity survey for estimating reproduction cost, but it requires less time and expertise. The unit-in-place method involves determining the installed cost of groups of components. It is not necessary to identify each individual nail, board, and screw in a structure; their value is included in more generalized components, such as foundation, roof cover, cabinetwork, or exterior siding. As with the quantity survey, the value of the components is totaled to determine cost new of the building.

Because it is generally accurate and does not require a great deal of time, this method is frequently used in mass appraisal. Many cost manuals, including the Marshall Valuation Service, contain sections for use with the unit-in-place method.

Square-Foot (Comparative Unit): The square-foot method is the method most commonly used in mass appraisal for determining cost. It involves classifying improvements by type, using basic specifications, converting total cost of comparable improvements to dollars per unit (square-foot) or per volume (cubic-foot). Other than trending, the square-foot method is the quickest and easiest method available to the certified property tax appraiser. Moreover, if the improvement has been accurately classified, it is normally very accurate.

Trending (Factoring): The fourth method of determining cost new is trending, also called "factoring". Trending is nothing more than multiplying an inflation adjustment factor by a cost new determined at some point in the past. If, for example, a building was constructed five years ago for $500,000 and the cost of similar construction has increased 10% since that time, trending would indicate a current Cost New of $550,000 -- ($500,000 x 110%). Care must be taken that the cost to be trended is correct, or trending cannot be used.

Though less accurate than other methods, trending is the quickest method available and, if properly used, has value in a mass appraisal program. Trending becomes less accurate as the value to be trended becomes older. Factoring a three-year-old cost new produces more accurate results than does factoring a fifteen-year-old cost new. Moreover, factoring a value which already the result of a trend compounds the inherent inaccuracy of the method.

Depreciation

Depreciation is the accrued loss in value from cost new attributable to any cause. Depreciation is caused by physical deterioration, functional obsolescence, and economic obsolescence. Accurate measurements of depreciation are essential for accurate cost approach estimates.

Depreciation is said to be either curable or incurable. Identifying depreciation as curable or incurable is necessary to determine the method used to measure accrued depreciation.

Physical Deterioration: Improvements can be expected to last for a period of time (economic life). Economic lives vary due to the type of improvement, the use and maintenance it receives, and the quality of construction. As a structure ages, its remaining economic life (REL) decreases Renovation and remodeling can extend an REL, but eventually, the costs involved outweigh the value such renovations will add to the property. At this point, the improvement has reached the end of its economic life.

Physical deterioration is said to either be curable or incurable, depending on the cost to cure The cost at which it becomes incurable depends on the principle of contribution; at some point the expense to cure a problem becomes greater than the benefits derived from the cure. For example, the cost of replacing broken windows rarely outweighs the value which new windows would add to the building's resale value. Such depreciation is normally considered curable. On the other hand, it is possible, but expensive, to replace a foundation. By the time a building reaches the age when its foundation needs to be replaced, the cost of replacing the foundation usually exceeds the value of the building, even with a new foundation In this situation, the physical deterioration is considered incurable.

Functional Obsolescence: The ways in which a property can be utilized -- a property's functional utility -- contributes greatly to value. At a given time, in a given market, property buyers prefer certain uses or manners of use for various types of property. More is paid for properties which can be used in preferred ways. Functional obsolescence is an absence of functional utility. The loss in value is inherent in the property, but not caused by physical deterioration.

For example, a machine shop with low door clearance. The size of modern equipment would require a larger doorway to be able to enter the machine shop for repairs. Consequently, buildings with the lower door height will tend to sell for less than a comparable building with taller doors.

Functional obsolescence is either curable or incurable, again, depending on the principle of contribution. At some point, the cost to cure the problem is greater than the benefits from the cure.

An example of curable functional obsolescence would be a five-bedroom single-family residence with only one bathroom. Today's typical buyer of five-bedroom homes has several children, so the need for two bathrooms is obvious. The extra bathroom would increase the sale price of the home enough to justify the expense of installation.

An example of incurable functional obsolescence would be a single-family residence with a poor floor plan. Moving the structure's internal walls would normally be so expensive that the cost would not be realized at resale.

Economic (External) Obsolescence: Economic obsolescence is a loss in value from causes outside the property, itself. An example of economic obsolescence would be a residence adjacent to a sewage treatment plant. Though there may be nothing wrong with the property, itself, its location near the sewage treatment plant will likely cause the property to sell for less than if it were located in a more favorable area. For all practical purposes, economic obsolescence cannot be cured.

Measuring Depreciation

Several methods can be used to measure depreciation. Any type of depreciation can be measured by its effect on market value. If the assessor has a sufficient amount of sales information, the loss in value from any type of depreciation can be measured directly from the market. If sufficient sales are not available, though, the assessor must resort to other methods.

Depreciation resulting from physical deterioration or functional obsolescence can be measured in several other ways. The most commonly used measurement is determining the cost to cure the problem. The cost to cure is equal to the amount of depreciation. For example, if a house requires repainting amounting to $8,100, the loss in value to the property would also be considered $8,100.

Functional obsolescence can also be measured by rent loss. For example, let's assume that two four-bedroom single-family residences sit side by side Both are rented. The only difference between these properties is that the first has two bathrooms; the second has one. The first rents for $1,450 per month; the second rents for $1,300 per month In this particular area, the monthly gross rent multiplier is 240. Thus, the loss in value due to the absence of the second bathroom (functional obsolescence) is $36,000 (or $150 x 240).

Depreciation can also be measured through rental loss. For example, a residential property located next to an airport (economic obsolescence) can command less rent than a comparable property located in a more favorable area. The loss from economic obsolescence can be measured by determining the difference between the two rents and applying the appropriate gross rent multiplier to that difference. (For improved properties, the loss must be allocated between land and improvements--usually based on the land-to-improvement ratio.)

THE INCOME APPROACH

The income approach is the third method of estimating value. The price paid for a property represents the current value of the future benefits of owning the property. The benefit of owning an income-producing property is the future income stream that property will generate. The income approach is simply a method of measuring the present value of the future income from a property. There are two basic methods of applying the income approach: capitalization and rent multipliers. Normally, capitalization deals with net income and rent multipliers deal with gross income.

Gross Income:

The income approach deals with rent, since rent is the income directly generated by the property, itself. In other words, the certified property tax appraiser valuing a factory which produces baby bottles is directly interested in the factory's market rent and only indirectly interested in the value of the bottles the factory can produce (A factory that can produce more bottles would command a greater rent.)

The certified property tax appraiser is interested in the rent which a particular property would typically command, called "market" or "economic" rent. Just as the actual selling price of a particular property may not reflect market value, the actual rent paid for a property (contract rent) may not be market rent. The certified property tax appraiser must analyze a number of contract rents to determine the market rent.

The certified property tax appraiser is concerned with two types of gross income. The first is "potential gross income". Potential gross income is the amount of rent a property would generate under conditions of market rent and 100% occupancy for a year. If market rent for a six-unit apartment is $1,200 per unit per month, the potential gross income of the apartment is $86,400 ($1,200/unit x 6 units x 12 months).

The second type is "effective gross income" (EGI). Properties typically are not rented at 100% occupancy for extended periods. For example, an apartment building normally experiences tenant turnover during a year. When a tenant leaves, a period of time is necessary before the apartment can be rented again, resulting in an income loss. Moreover, some rents normally remain uncollected, resulting in an additional loss. In a given area, with a given type of property, there will be a typical income loss due to these uncollected or uncollectible rents and from vacancy. EGI is the typical vacancy and collection loss subtracted from the potential gross income, plus any miscellaneous or service income. The potential gross income of a six-unit apartment building is $86,400. A vacancy rate of 5%, $4,320, is typical for the area. The apartment's pop machine grosses $1,700 annually. The effective gross income of the apartment is $83,780 ($86,400 - $4,320 + $1700).

Net Income: Net Income is the money remaining after a property's operating expenses and reserves for replacement are satisfied. Only operating expenses attributable to the property are to be considered. Therefore, expenses such as personal income taxes would not be deducted. Operating expenses should be annualized. Some expenses occur only occasionally; a building may require a new roof once every ten years. This expense should be set up as a reserve for replacement by prorating the life of the roof. If a new roof costing $50,000 is required every ten years, the annual expense for the roof would be $5,000, or $50,000 divided by 10 years.

The term net income is used in several ways. Each use is described by a slightly different name and depends on the expenses which have been extracted from the effective gross income.

Net Income: This vague term does not indicate which expenses have been extracted from potential gross income.

Net Income before Recapture and Taxes (NIBR&T): This term refers to a net income from which all operating expenses, except for recapture and property taxes have been extracted (This will be explained later in the chapter.) See page 10.

Net Income before Taxes: This term refers to a net income from which operating expenses and recapture, but not property taxes, have been extracted.

Net Income after Recapture and Taxes: This term refers to a net income from which operating expenses, recapture, and property taxes have been extracted This is the amount of money the owner can keep.

Gross rent multipliers are normally regarded as a function of the sales comparison approach. The use of the gross rent multiplier (normally monthly gross rent multipliers) to appraise residential property is sometimes used to represent the income approach. The gross rent multiplier has been discussed under the comparative sales approach to value.

Capitalization

Capitalization is a process in which a rate of return is applied to net income to estimate property value. There are a number of capitalization methods, including direct capitalization, straight-line capitalization, yield capitalization, and mortgage-equity capitalization. Although there are differences between these methods, (insofar as net income is determined and the capitalization rates which are used) the basic steps in the capitalization process are as follows:

1. Estimate potential gross income.
2. Deduct for vacancy and collection loss.
3. Add miscellaneous income or service income.
4. Arrive at effective gross income.
5. Deduct operating expenses and reserves for replacement.
6. Arrive at net income (before discount, recapture and taxes).
7. Select proper capitalization rate.
8. Capitalize net income into estimated property value.

Capitalization Rates: A capitalization rate is a number, which when divided into net income, produces an estimate of property value. For example, if net income were $100,000 and the capitalization rate were .10 (10%), the indicated value would be $1,000,000.

$100,000 (Net Income)/.10 (Capitalization Rate) = $1,000,000 (Property Value)

A capitalization rate may contain components for discount, recapture, and property taxes.

Discount Rate: Discount is the return on an investment.

Recapture Rate: Recapture is the return of an investment.

Recapture is applied only to wasting assets. Land is not a wasting asset, so recapture is applied only to improvements. In a real estate transaction, a portion of the sale price is attributable to land and a portion is attributable to improvements. The owner must recapture the price he paid for the improvements over the economic life of the improvements. The rate at which he does this is called the recapture rate

With the straight-line method, the recapture rate is the reciprocal of the remaining economic life (REL) of the improvement. For example, a building with a remaining economic life of 33 years would require a recapture rate of .03 (3%).

1/33 (REL) = .03

Tax Rate: Property taxes are levied against a property as a percentage of the property's value, called the effective tax rate. For example, if the taxes due on a property worth $100,000 were $1,000, the effective tax rate would be .01 (1%).

$1,000/$100,000 (Property Value) = .01 (Effective Tax Rate)

Developing Capitalization Rates: Capitalization rates can be developed in several ways. They can be taken directly from the market, developed through the band of investment, abstracted, or "built up."

Capitalization Rates Taken Directly from the Market: The simplest and most accurate way to develop a capitalization rate is directly from the market. In this process, a property's sale price is divided by its net income. The result of is an overall rate (OAR). The OAR is a weighted average of land and building capitalization rates and contains components for discount, recapture, and taxes.

A number of similar properties must be examined to determine this rate. Adjustments must be made for different effective tax rates between the properties. Sales used to develop rates must be of comparable properties: income-to-expense ratios, land-to-building ratios, ages of improvements, locations, and the physical condition of the improvements must be similar.

Let's assume that four properties, comparable in all respects, including effective tax rate, have recently sold. Property "A" sold for $400,000 and has a net income before recapture and taxes of $48,000. Property "B" sold for $420,000 and its NIBR&T is $46,620. Property "C" sold for $380,000 and its NIBR&T is $49,020. Property "D" sold for $450,000 and its NIBR&T is $54,000. The typical overall rate for these properties would be determined from the market as follows:

Property "A": $48,000/$400,000 = 12.0%

Property "B": $46,620/$420,000 = 11.1%

Property "C": $49,020/$380,000 = 12.9%

Property "D": $54,000/$450,000 = 12.0%

The indicated Overall Rate, then, would be 12.0%.

A rate developed from market sales should normally be used with Direct or Straight-line Capitalization.

<u>Capitalization Rates Developed through the Band of Investment:</u> The band of investment is used to produce a discount rate. This discount rate is a weighted average of the cost of the money necessary to purchase the property, plus the prevailing rate of return on equity. To this discount rate is then added the effective tax rate and a component for the recapture of improvements.

For example, let's assume that, for a particular type of property, 70% of the necessary money is available under a first mortgage at 10%, 15% is available under a junior mortgage at 12%, and that the equity position requires a return of 16%. The effective tax rate in the area is 1.4% and the improvements have an economic life of 33 years. The appropriate rates would be developed through the band of investment as follows:

<u>Band of Investment</u>

1st Mortgage	(70% @ 10%)	.70 x .10	= .070
2nd Mortgage	(15% @ 12%)	.15 x .12	= .018
Equity	(15% @ 16%)	.15 x .16	= .024
		DISCOUNT RATE	= .112 (11.2%)

<u>Land Capitalization Rate</u>		<u>Building Capitalization Rate</u>	
Discount Rate	11.2%	Discount Rate	11.2%
Effective Tax Rate	01.4%	Effective Tax Rate	01.4%
CAP RATE	12.6%	Recapture Rate	03.0%
		CAP RATE	15.6%

A rate developed in this manner, through the band of investment, should be used only with yield capitalization. If a rate developed through the band of investment is to be used with direct or straight-line capitalization, an adjustment for income taxes must be made to the debt component of the discount rate. This is done by multiplying the debt portion of the rate by one minus the income tax rate.

For example, assume that the typical buyer of the property had an income tax rate of 30%. The debt portion of the discount rate should be multiplied by 70%, or 1 - 30% the discount rate would be computed as follows:

<u>Band of Investment</u>

1st Mortgage	(70% @ 10%)	.70 x .10 x .70	= .0490
2ndMortgage	(15% @ 12%)	.15 x .12 x .70	= .0126
Equity	(15% @ 16%)	.15 x .16	= .0240
		DISCOUNT RATE	= .0856 (8.56%)

Capitalization Rates derived from the "<u>Built-Up</u>" Method: The built-up method is not generally recommended. This method is simply an adding together of theoretical rates and, therefore, cannot be proved in the market.

Capitalization Methods

As was mentioned, there are several different methods of capitalization. The differences between these methods involve different capitalization rates, and, often, differences in the way in which net incomes are measured. The two methods most commonly used for mass appraisal purposes are direct capitalization and straight-line capitalization.

<u>Direct Capitalization</u>: Direct capitalization is a method by which only one capitalization rate, called the "overall rate" (OAR), is used to convert typical current net income into an estimate of market value. The overall rate is a weighted average of the building capitalization rate (which includes recapture) and the land capitalization rate (which does not include recapture). Direct capitalization is only appropriate under the same circumstances which allow for the use of gross rent multipliers That is to say: the properties from which the overall rate is developed must have comparable locations; similar land-to-building ratios; similar income-to-expense ratios; and improvements of the same age, type and physical condition.

<u>Straight-line Capitalization:</u> Straight-line capitalization is a method by which two different capitalization rates are used to convert typical current net income into an estimate of market value. Straight-line capitalization utilizes separate capitalization rates for land (which does not include a rate for recapture) and for improvements (which does include a rate for recapture).

Straight-line capitalization is frequently used in a capitalization technique called a "residual," to determine the value of property when the value of either the land or the building is known. If the value of the land is known, the process is called a "building residual;" if the value of the improvements is known, the process is called a "land residual."

Yield Capitalization: This method is less frequently used in mass appraisal because it requires more time and a greater degree of judgment than either direct or straight-line capitalization, since future income must be projected and discounted to reflect current value.

Mortgage-Equity Capitalization: This method is rarely used in mass appraisal because it requires more time and expertise than either direct or straight-line capitalization. This method is primarily used in finance disciplines and will not be discussed at length.

APPENDIX D: PROPERTY TAX EXEMPTIONS/FORMS

Sample Forms:

PROPERTY TAX EXEMPTIONS Chapter 6, Title 63, Idaho Code	
§63-601	All non-exempt property subject to taxation.
§63-602	Property Exempt from Taxation
§63-602A	Government Property
§63-602B	Certain Property of Religious LLC's, Corporations or Societies
§63-602C	Certain Property of Fraternal, Benevolent, or Charitable LLC's, Corporations or Societies
§63-602D	Certain Hospital's Property
§63-602E	Property Used for School or Educational Purposes
§63-602F	Possessory Rights to Public Lands, Unpatented Mining Claims, Public Cemeteries and libraries
§63-602G	Partial Value of Residential Improvements (Homestead Exemption)
§63-602H	Partial Value of Residential Property in Certain Zoned Areas
§63-602I	Household Goods, Wearing Apparel, and other Personal Effects
§63-602J	Properly Registered Motor Vehicles and Vessels.
§63-602L	Certain Intangible Personal Property
§63-602M	Certain Secured Dues and Credits
§63-602N	Irrigation Water and Certain Structures, Certain Property of Irrigation Districts or Canal Companies
§63-602O	Property Used to Generate and Deliver Electrical Power or Natural Gas Energy for Irrigation or Drainage
§63-602P	Certain Facilities Used for Air and Water Pollution Control
§63-602Q	Certain Cooperative Telephone Lines
§63-602R	Agricultural Crops
§63-602S	Fruits and Vegetable Held for Consumption and Seeds Shipped out of State
§63-602T	Certain Personal Property Sold or Shipped out of State
§63-602U	Certain Personal Property in Transit
§63-602V	Certain Personal Property Shipped into the State and Stored in Original Package in Storage
§63-602W	Business Inventory that is a Component of Real Property that is a Single-Family Dwelling (Developer's Exemption)
§63-602X	Property that Has Experienced Casualty Loss
§63-602Y	Property that Has Changed Exempt Status
§63-602Z	Exemptions from Occupancy Tax
§63-602AA	Property of People with Exceptional Situations (Hardship)
§63-602BB	Partial Exemption for Remediated Land
§63-602CC	Qualified Equipment Utilizing Postconsumer or Postindustrial Waste
§63-602DD	Certain Manufactured Homes with a Dealer's Plate or Used as Sheep or Cow Camps
§63-602EE	Certain Tangible Personal Property Used Exclusively in Agriculture
§63-602GG	Low Income Housing Owned by Nonprofit Organizations
§63-602HH	Property in One County in Excess of $800,000,000
§63-602II	Unused Infrastructure (Optional)
§63-602JJ	Operating Property – Certain Property of Electricity by means of Wind, Solar and Geothermal
§63-602KK	$250,000 Personal Property Exemption
§63-602NN	New Plant and Building Facilities (Optional)
§63-602OO	Oil or Gas Related Wells

§63-603	Reduction in Assessment or Credit Relating to Exemption under §63-602O
§63-604	Land Actively Devoted to Agricultural Defined
§63-605	Certain Land Used to Protect Wildlife and Wildlife Habitat
§63-606A	Property Eligible for ITC with Certain Employment & Investment (Optional)

Exemptions not in Chapter 6, Title 63, Idaho Code	
§63-1305C	Provisional Exemption – for property that will be used for an exempt purpose
§63-2431	Gasoline, Aircraft Engine Fuel, or Special Fuels
§63-2801	Mines "shall be taxed at the price paid the US –unless used for other than mining
§63-3029B	Qualifying Taxpayers may elect to exempt investments from property taxes for two years in lieu of taking investment tax credit on income taxes
§63-3502	Cooperative Electric Association Exempt from all Taxes except Gross Receipts Tax
§63-3502A & B	Levy of Tax on Annual Gross Electrical Earnings in lieu of all other taxes on property; Levy of tax on Wind, Energy, Solar Energy, or Geothermal Energy Electrical Production in lieu of all other taxes on property
§63-4502	New Capital Investment over $400 Million, $1Billion investment to qualify
§21-114(b)(1)	Properly Registered Aircraft
§22-2722	All Property Owned / Used by Soil Conservation District
§25-2402	Operating or Personal Property Exempt from Taxation by Herd District
§26-2138	Personal Property Owned by Credit Union
§26-2186	Personal Property Owned by Idaho Corporate Credit Union
§27-422	Perpetual or Endowed Care Cemetery
§31-1425	Operating Property Exempt from Taxation by Fire District Unless by Agreement
§31-1426	Certain Unimproved Real Property May Be Granted Exemption from Taxation by Fire District
§31-3908A	Certain Personal Property and Unimproved Real Property May Be Granted Exemption from Taxation by Ambulance District
§31-4117	Certain Real Property May Be Exempt from Taxation by Translator District
§31-4208	All Property Owned by County Housing Authority except by Agreement
§33-2133	All Property Owned by a Dormitory Housing Commission
§39-1452	All Property Owned by Idaho Health Facility Authority
§41-405	Personal Property Owned by Insurers, Agents, or Representatives
§42-3115	Personal and Operating Property Exempt from Taxation by Flood Control District
§42-3238	Private community sewer system exempt from water and sewer district levies
§42-3708	Personal and Operating Property Exempt from Taxation by Watershed Improvement District with Exceptions
§42-4115	Property Owned by Water and Sewer District
§42-4416	Personal and Operating Property Exempt from Taxation by Levee District
§49-401	Registration fee in lieu of property tax for vehicles
§50-1908	Property Owned by Housing Authority except by Agreement
§50-2014	Property Owned by Urban Renewal Agency
§67-6208	Real Property Owned by Idaho Housing Agency except by Agreement

§67-7439	Equipment directly used in state lottery
§70-2206	Property of an intermodal commerce authority

PROPERTY TAX EXEMPTIONS LISTED BY APPLICATION REQUIREMENT

As Extracted From Section 63-602, I. C.

To identify exempt property, an application must be submitted annually, even though the exemption statute does not outline a specific process.

§63-602B	Certain Property of Religious Corporations or Societies
§63-602C	Certain Property of Fraternal, Benevolent, or Charitable Corporations or Societies
§63-602D	Certain Hospital's Property-Non-Profit
§63-602E	Property Used for School or Educational Purposes
§63-602H	Partial Value of Residential Property in Certain Zoned Areas
§63-602N	Irrigation Water and Certain Structures
§63-602P	Certain Facilities Used for Air and Water Pollution Control
§63-602Q	Certain Cooperative Telephone Lines
§63-602X	Property that Has Experienced Casualty Loss
§63-602GG	Low Income Housing Owned by Nonprofit Organizations
§63-602HH	Property in One County in Excess of $800,000,000
§63-602KK	$250,000 Pers. Property Exemption
§63-4502	New Capital Investment over $400 Million, $1 Billion to qualify
§63-606A	Property Eligible for ITC with Certain Employment & Investment (Optional)

Application process is specified in the exemption statute

§63-602G	Partial Value of Residential Improvements (Homeowners' Exemption)
§63-602W(4)	Site Improvements Installed by the Land Developer
§63-602AA	Property of People with Exceptional Situations (Hardship)
§63-602BB	Partial Exemption for Remediated Land
§63-602CC	Qualified Equipment Utilizing Postconsumer or Postindustrial Waste
§63-602II	Unused Infrastructure (Optional)
§63-602NN	New Plant and Building Facilities (Optional)
§63-603[63-602O]	Reduction in Assessment or Credit Relating to Exemption under §63-602O Utility plant used to generate power for pumping water
§63-1305C	Provisional Exemption – Property that will be used for an exempt purpose

Exemptions required to be documented on county abstracts	
§63-602G (also see rule 114)	Property Tax Exemption For Owner-Occupied Primary Residences.
§63-602P (also see rule 619.06)	Property Tax Exemption for Facilities, Machinery, or Equipment Designed, Installed, and Used to Eliminate, Control, or Prevent Air or Water Pollution
§63-602X	Property Tax Exemption for Real or Personal Property Damaged By A Disaster
§63-602AA	Property Tax Exemption for Exceptional Situations
§63-602BB	Property Tax Exemption for Remediated Land
§63-602CC	Property Tax Exemption for Qualified Equipment That Utilizes Postconsumer or Postindustrial Waste to Manufacture Products

Exemptions that require an application pertaining to property that is otherwise assessed by the state tax commission and is included with the operator's statement	
§63-602J	Properly Registered Motor Vehicles
§63-602P	Certain Facilities Used for Air and Water Pollution Control
§63-602L (2)	Certain Intangible Personal Property

Exemptions found in titles other than title 63 do not require applications	
§21-114	Registered Aircraft
§22-2722	Property Owned/ Used by Soil Conservation District
§25-2402	Operating or Personal Property Exempt from Taxation by Herd District
§26-2138	Personal Property Owned by Credit Union
§27-422	Perpetual or Endowed Care Cemetery
§26-2186	Personal Property Owned by Idaho Corporate Credit Union
§31-1425	Operating Property Exempt from Taxation by Fire District Unless by Agreement
§31-1425	Certain Unimproved Real Property May Be Granted Exemption from Taxation by Fire District
§31-3908A	Certain Personal Property and Unimproved Real Property May Be Granted Exemption from Taxation by Ambulance District
§31-4117	Certain Real Property May Be Exempt from Taxation by Translator District
§31-4208	All Property Owned by County Housing Authority Except by Agreement
§33-2133	All Property Owned by a Dormitory Housing Commission
§39-1452	All Property Owned by Idaho Health Facility Authority
§41-405	Personal Property Owned by Insurers or Agents
§42-3115	Personal and Operating Property Exempt from Taxation by Flood Control District

§42-3708	Personal and Operating Property Exempt from Taxation by Watershed Improvement District with Exceptions
§42-4115	Property Owned by Water and Sewer District
§42-3238	Private community sewer system exempt from water and sewer district levies
§42-4416	Personal and Operating Property Exempt from Taxation by Levee District
§49-401	Registration fee in lieu of property tax
§50-1908	Property Owned by Housing Authority Except by Agreement
§50-2014	Property Owned by Urban Renewal Agency
§67-6208	Real Property Owned by Idaho Housing Agency Except by Agreement
§67-7439	Equipment directly used in state lottery
§70-2206	Property of an intermodal commerce authority

Statutory exemptions that do not require an application or approval by the board of county commissioners	
§63-602A	Government Property
§63-602F	Possessory Rights to Public Lands, Unpatented Mining Claims, Public Cemeteries and public libraries
§63-602I	Household Goods, Wearing Apparel, Personal Effects
§63-602J	Properly Registered Motor Vehicles
§63-602L(1)	Certain Intangible Personal Property
§63-602M	Certain Secured Dues and Credits
§63-602R	Agricultural Crops
§63-602S	Fruits and Vegetable Held for Consumption and Seeds Shipped out of State
§63-602U	Certain Personal Property in Transit
§63-602V	Certain Personal Property in Original Package in Storage
§63-602W(1,2,3)	Business Inventory Including Certain Dwellings
§63-602Z	Property Tax Exemptions Apply to Occupancy Tax
§63-602DD	Certain Manuf. Homes with a Dealer’s Plate or Used as Sheep or Cow Camps
§63-602EE	Certain Tangible Personal Property Used Exclusively in Agriculture; ag machinery
§63-602OO	Oil and Gas Related Property
§63-2431	Gasoline, Aircraft Engine Fuel, or Special Fuels
§63-3502	Cooperative Electric Association Exempt from all Taxes Except Gross Receipts Tax
§63-3502A	Cooperative Natural Gas Assoc. Exempt from all Taxes Except Gross Receipts Tax
§63-3502B	Wind and geothermal Exempt from all Taxes Except Gross Receipts Tax

Property Tax Exemption Worksheet 63-602B

Complete this worksheet if you are seeking a property tax exemption, pursuant to Idaho Code § 63-602B, for a religious corporation or society. This worksheet *supplements* the standard application and must be fully completed. If you require additional space to answer, you may attach an additional piece of paper.

1. Does the property for which you seek an exemption belong to a religious corporation or society of Idaho?

2. Please explain how the property for which you seek an exemption is used exclusively for and in connection with any combination of religious, educational, or recreational purposes or activities of the religious corporation or society.

3. Does the property for which you seek exemption include a residence?

4. If the property for which you seek exemption includes a residence, please answer a. through e.

    a. Please state the name and the title of the resident(s) of the property.

    b. Please explain how the residence is used for or in furtherance of the religious, educational, or recreational purposes or activities of the religious corporation or society.

    c. Is the residence used as a residence of a minister, clergy, member, religious leader, or seminarian?

    d. Is the residence used for worship, teaching, prayer, counseling, or meetings?

    e. What other church-related activities are held at the residence?

5. Is any portion of the property for which you seek an exemption leased to or used by another person or organization?

6. If any portion of the property is leased to or used by another person or organization, please provide the following:

   a. The name of the person or organization that leases or uses the property.

   b. The total square footage of the property.

   c. The total square footage that is leased to or used by another person or organization.

   d. The amount charged monthly or annually to the person or organization leasing or using the property.

   e. The total number of days over the past year that the property was leased to or used by another person or organization.

   f. If multiple people or organizations leased or used a portion of the property, please provide a schedule separately detailing the information requested in items a through e above for each such person or organization (similar to the template below).

a. Tenant	c. Square Ft. Leased/Used	d. Amount Charged	e. Time Leased/Used

7. Is any portion of the property for which you seek an exemption used for business or commercial purposes?

8. If any portion of the property is used for business or commercial purpose(s), please provide the following:

   a. What business or commercial purpose(s) occurs on the property?

   b. The total square footage of the property.

   c. The total square footage of the property used for business or commercial purposes.

   d. The amount of revenue derived on an annual basis from such business or commercial use.

   e. The total number of days over the past year that the property was used for business or commercial purposes.

   f. If multiple people or organizations used a portion of the property for business or commercial purposes, please provide a schedule separately detailing the information requested in items a through e above for each such person or organization (similar to the template below).

Name	a. Purpose(s)	c. Square Ft. Used	d. Annual Revenue	e. Time Used

Property Tax Exemption Worksheet 63-602C

Complete this worksheet if you are seeking a property tax exemption, pursuant to Idaho Code § 63-602C, for a fraternal, benevolent, or charitable corporation or society. This worksheet *supplements* the standard application and must be fully completed. If you require additional space to answer, you may attach an additional piece of paper.

1. Is your organization: ☐ Fraternal ☐ Benevolent ☐ Charitable

2. Is your organization supported by donations?

3. What is the total amount of donations received on an annual basis?

4. What is the percent of the donations as compared to total revenue?

5. What are the other sources of your organization's revenue?

6. Does the income your organization receives produce a profit?

7. What are your organization's revenues as compared to expenses?

8. Are the recipients of your organization's services required to pay?

9. What is the fee charged to the recipients? Is the same fee charged to all recipients?

10. What if the recipient cannot pay for the services? Are the services still provided?

11. Does your organization receive any money from federal, state or local government sources (i.e. grants)? If so, how much as compared to total revenue?

12. If your organization did not provide such services, would the recipients require government assistance?

13. How does the community at large benefit from your organization's services?

14. What gift does your organization provide to the community?

15. Is any portion of the property for which you seek an exemption leased to or used by another person or organization?

16. If any portion of the property is leased to or used by another person or organization, please provide the following:

    a. The name of the person or organization that leases or uses the property.

    b. The total square footage of the property.

    c. The total square footage that is leased to or used by another person or organization.

    d. The amount charged monthly or annually to the person or organization leasing or using the property.

    e. The total number of days over the past year that the property was leased to or used by another person or organization.

f. If multiple people or organizations leased or used a portion of the property, please provide a schedule separately detailing the information requested in items a through e above for each such person or organization (similar to the template below).

a. Tenant	**c. Square Ft. Leased/Used**	**d. Amount Charged**	**e. Time Leased/Used**

17. Is any portion of the property for which you seek an exemption used for business or commercial purposes?

18. If any portion of the property is used for business or commercial purpose(s), please provide the following:

a. What business or commercial purpose(s) occurs on the property?

b. The total square footage of the property.

c. The total square footage of the property used for business or commercial purposes.

d. The amount of revenue derived on an annual basis from such business or commercial use.

e. The total number of days over the past year that the property was used for business or commercial purposes.

f. If multiple people or organizations used a portion of the property for business or commercial purposes, please provide a schedule separately detailing the information requested in items a through e above for each such person or organization (similar to the template below).

Name	**a. Purpose(s)**	**c. Square Ft. Used**	**d. Annual Revenue**	**e. Time Used**

Property Tax Exemption Worksheet 63-602D

Complete this worksheet if you are seeking a property tax exemption, pursuant to Idaho Code § 63-602D, for a hospital corporation. This worksheet supplements the standard application and must be fully completed. If you require additional space to answer, you may attach an additional piece of paper.

1. Is the titled owner of the property (i) a "hospital" as defined by chapter 13, title 39, Idaho Code; (ii) organized as a nonprofit corporation pursuant to chapter 30, title 30, Idaho Code, or pursuant to equivalent laws in its state of incorporation; and (iii) a federally tax exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code? Please provide evidence showing compliance with these requirements.

2. Is the property operated as a hospital, as defined by chapter 13, title 39, Idaho Code? If not, please state whether the property is either an acute care, outreach, satellite, outpatient, ancillary or support facility of a hospital corporation meeting the above qualifications.

3. Does the property independently satisfy the definition of "hospital" as defined by chapter 13, title 39, Idaho Code?

4. Does the hospital corporation use the property for a business purpose from which a revenue is derived that is not directly related to the hospital corporation's exempt purposes? If so, what percentage of the property is used for business purposes? Please include the total square footage of the building, and the square footage used for business purposes.

5. For the last calendar year, please itemize following:

   a. the hospital's amount of unreimbursed services for the prior year (broken down by charity care, bad debt, and under-reimbursed care covered through government programs such as Medicare and Medicaid);
   b. special services and programs the hospital provides below its actual cost;
   c. donated time, funds, subsidies and in-kind services;
   d. additions to capital such as physical plant and equipment; and
   e. the process the hospital has used to determine general community needs that coincide with the hospital's mission.

6. Please explain in detail how public support, including monetary and other forms of donations, received by the hospital lessens the burdens on government.

7. Please explain in detail how the hospital provides a general public benefit to Ada County.

8. Please explain in detail how any income in excess of expenses is invested into the hospital or the community (not including staff salaries, bonuses and retirement related payouts).

9. Please explain in detail how the hospital provides need-based charity to the recipients of its services.

Property Tax Exemption Worksheet 63-602E

Complete this worksheet if you are seeking a property tax exemption, pursuant to Idaho Code § 63-602E, for a school or educational purpose. This worksheet *supplements* the standard application and must be fully completed. If you require additional space to answer, you may attach an additional piece of paper.

1. What are the sources of you organization's revenue?

2. Does the income your organization receives produce a profit?

3. What are your organization's revenues as compared to expenses?

4. Is the property for which you request an exemption used exclusively for non-profit educational purposes?

5. Please describe the education provided by your organization.

Property Tax Exemption Worksheet 63-602GG

Complete this worksheet if you are seeking a property tax exemption, pursuant to Idaho Code § 63-602GG, for low-income housing owned by a nonprofit. This worksheet supplements the standard application and must be fully completed. If you require additional space to answer, you may attach an additional piece of paper.

1. Is the property for which you seek an exemption owned by a nonprofit organization that is organized under chapter 30, title 30, Idaho Code, or under equivalent laws of the state of incorporation, and recognized as exempt under section 501(c)(3) of the Internal Revenue Code? If yes:
   a. Please provide copies of the articles of incorporation demonstrating that the organization is organized as a nonprofit corporation in Idaho or the state of incorporation.
   b. Please provide copy of your certificate of recognition of a section 501(c)(3) exemption from the IRS.

2. Are any proceeds or tax benefits of the organization or low-income housing property being paid to any individual or for-profit entity, other than for employee compensation? If yes, please explain who/what is being paid?

3. Does the nonprofit organization own the property in fee simple? If not, please explain.

4. Who manages the low-income housing property?
   a. If the property is not managed by the nonprofit organization seeking the exemption, please explain what type of organization is managing the property.

5. Please provide sample lease agreement for your organization's low-income housing.

6. How many total housing units, not including a manager's unit, occupy the property for which an exemption is sought?
   a. How many housing units are dedicated to renters earning 60% or less of the median income in Ada County? ________
   b. How many housing units are dedicated to renters earning 50% or less of the median income in Ada County? ________
   c. How many housing units are dedicated to renters earning 30% or less of the median income in Ada County? _________

7. If the low-income housing project is financed, on what date was the project financed?

8. Is your low-income housing project receiving federal project-based assistance, as provided by 42 USC 1437f(d)(2), 1437f(6) and 1437f(o)(13)?

9. Is your property being used to qualify for tax credits under 26 USC Chapter 42?

ADA COUNTY
Tax Exemption Short Form Application

COMMISSIONERS' OFFICE
200 W. Front St. 3rd Floor
Boise, ID 83702
(208) 287-7000
www.adacounty.id.gov

****IMPORTANT NOTICE****
APPLICATION MUST BE RECEIVED BY 5:00 P.M., APRIL 15, OF THE TAXING YEAR..

OWNER INFORMATION

[PROPERTY OWNER'S NAME]
[MAILING ADDRESS]

Parcel #: **[PARCEL NUMBER]**
Location: **[PROPERTY ADDRESS]**

Please note all corrections on this form.

PROPERTY INFORMATION

	Yes	No
1. Has the use of the property changed since January 1, 2025 ? *	☐	☐
2. Is the property, or any part, leased or rented to or from others? *	☐	☐
3. Has the use of all or part of this property changed since your exemption was granted last year? *	☐	☐

*** If you answered yes to any of the above questions, please describe the situation in detail on a separate sheet of paper.**

4. If this request is for personal property, is any of the personal property associated with this parcel leased or not used exclusively for the purposes for which this parcel's exemption was previously granted? **	☐	☐

**** If you answered yes to this question, please list the property, purchase price and purchase date on a separate sheet of paper.**

FOR YOUR SIGNATURE

I certify, to the best of my knowledge and belief that the information for the parcel number provided herein is true and correct. I request that this parcel be granted a __________% , Property Tax Exemption for Tax Year 2025, pursuant to Idaho Code § ☐ 63-602B ☐ 63-602C ☐ 63-602D ☐ 63-602E ☐ 63-602GG

Name: ______________________ **Date:** ______________________

Signature: ______________________

Title: ______________________ **Day Phone:** ______________________

Email: ______________________

PLEASE RETURN FORM TO

Board of Ada County Commissioners
200 W. Front St.
Boise, ID 83702

bocc1@adacounty.id.gov or fax to: (208) 287-7009

Please return this form as soon as possible. **Applications received after 5:00 p.m. on the 15th day of April cannot be accepted.** If you have any questions, please call (208) 287-7000.

PROPERTY VALUES - *OPTIONAL*

The information collected by questions 13 and 14 is for statistical purposes only. Choosing to answer these two questions will **NOT AFFECT OR CHANGE** the eligibility of your organization's property for an exemption.

13. What is the insured value of the personal property that is associated with this parcel? $________

14. What is the insured value of the improvements (such as buildings or parking lots) located on this parcel? If your organization does not own any real property, you may disregard this question. $________

PLEASE TELL US

15. If the applicant is not the legal owner, explain the relationship between the applicant and the legal owner.

16. What was the principal activity of the applicant organization on January 1 of this year? Be specific and consider all activities. Please answer this question on a separate sheet of paper.

17. What was the principal use of this property on January 1 of this year? Be specific and consider all uses. Please answer this question on a separate sheet of paper.

CONTACT INFORMATION

18. Contact Person: ____

19. Title: ____

20. Email Address: ____

21. Mailing Address: ____

____

22. Daytime Telephone Number: (______) ______-_________

DID YOU REMEMBER TO

- ❑ Complete the entire application?
- ❑ Enclose a letter requesting exemption pursuant to the Idaho Code?
- ❑ Enclose the completed worksheet(s) for your exemption?
- ❑ Enclose a copy of your year-end financial statements?
- ❑ Enclose a copy of your articles of incorporation **and** by-laws?

PLEASE RETURN TO

Board of Ada County Commissioners

200 W. Front Street, Boise, ID 83702

EMAIL: BOCC1@ADACOUNTY.ID.GOV

Please return this form as soon as possible. ***APPLICATIONS MUST BE RECEIVED BY 5:00 P.M., APRIL 15TH.***
If you have any questions regarding this application, please call (208) 287-7000.

FOR YOUR SIGNATURE

I CERTIFY, to the best of my knowledge and belief, the information provided herein is true and correct.

______________________________________ ______/______/______
Applicant's Signature Month Day Year

Ada County

COMMISSIONERS' OFFICE
200 W. Front Street
Boise, Idaho 83702
(208) 287-7000
Fax: 287-7009
bocc1@adacounty.id.gov
www.adacounty.id.gov

Property Tax Exemption Application

A completed application must be filed for ***each*** parcel for which you seek an exemption. Please type your answers or write legibly. If you have any questions regarding this application, please call (208) 287-7000. Please return this form as soon as possible to allow sufficient review time. **APPLICATIONS MUST BE RECEIVED BY 5:00 P.M., APRIL 15TH, OF THE TAXING YEAR**.

OWNER INFORMATION

1. Date of Application: _____/_____/_____
   Month Day Year
2. Parcel Number: ___________________________________
3. Organization Name: ____
4. Legal Owner of Property: ____
5. Address, City, State, Zip of the Property: ____
6. Date Property was Acquired by Organization: _____/_____/_____
   Month Day Year
7. Type of Property (please check one): o Real Property o Personal Property
8. If this request is for personal property, is any of the personal property associated with this parcel leased or not used exclusively for which you are requesting this exemption?
9. Under which section(s) of the Idaho Code are you seeking tax exemption?
   - ❑ Idaho Code § 63-602B - Religious Corporations or Societies
   - ❑ Idaho Code § 63-602C - Fraternal, Benevolent, or Charitable Corporations or Societies
   - ❑ Idaho Code § 63-602E - Property Used for School or Educational Purposes
   - ❑ Idaho Code § ______-___________ - Other (fill in the appropriate code citation)

LIST ON SEPARATE SHEETS OF PAPER

10. **Attach a letter explaining the basis for your exemption request under applicable Idaho Code section(s).** For your convenience, the Office of the Board of Ada County Commissioners is providing you with worksheets for Idaho Code §§ 63-602B, 63-602C, 63-602D, 63-602E, and 63-602GG. Please be advised that there may be other Idaho Code sections that may affect your tax exemption request. A complete copy of the Idaho Code is available at the Boise City Public Library, or online at the official website of the Idaho Legislature: https://legislature.idaho.gov/statutesrules/idstat/. You may also link to their site at www.adacounty.id.gov on the Commissioners' page under Property Tax Exemptions.

11. **Attach a copy of your organization's articles of incorporation, by-laws, and year-end financial statements**.

12. **Please complete the attached worksheets that apply to the type of exemption you are seeking**.
    - ❑ Complete Worksheet 63-602B if you are seeking an exemption for a religious corporation or society.
    - ❑ Complete Worksheet 63-602C if you are seeking an exemption for a fraternal, benevolent, or charitable organization.
    - ❑ Complete Worksheet 63-602D if you are seeking an exemption for certain hospitals.
    - ❑ Complete Worksheet 63-602E if you are seeking an exemption for a school or educational purposes.
    - ❑ Complete Worksheet 63-602GG if you are seeking an exemption for low-income housing owned by a nonprofit.

Application for Property Tax Exemption
63-602GG
Low-income Housing Owned by Nonprofit Organizations
Due April 15th

1115 ALBANY ST, CA

05021000 0
CANYON COUNTY
COUNTY COMMISSIONERS OFFICE =
1115 ALBANY ST
CALDWELL ID 83605

Land: $0	**Size:** 10.29 Acres	**NBHD:** 100	
Improvement: $0	**Inst:** 2019041476	**Date:** Sep 5 2019	
Total Value: $0	**TAG:** 001-00	**Class:** 681 Exempt pr	

Legal Description:
22-4N-3W SE CALDWELL ORIGINAL LTS 5-22 BLK 63,, LTS 1 & 2 BLK 85,, LTS 4-12 BLK 86,, LTS 1-24 BLK 31,, VAC ALLEY ADJ TO LTS 7-18 BLK 31,, BLKS 57, 61 & 62,, VAC RD LYING BTWN BLKS 31, 57, 61 & 62 - COURTHOUSE & ADJ PROPERTIES

If this organization owns multiple parcels, please only refer to the property described above when completing this application.

1. Provide the date the property, described above, was acquired by this organization ________ 2. Provide the purchase price ________
3. Does the applicant have both the legal and equitable title to the subject property? ________ If not, please explain on the attachment.
4. Year Tax Credits issued ________ 5. If additional tax credits were issued, when? ________ 6. Year all Tax Credits Expire ________
7. Is any income, proceeds, or tax benefits shared with any other entity ? ________ If so, who? ________
8. Name of the Manager ________ 9. Company that pays the Manager's wages ________
10. What is the policy for the event that a tenant cannot pay rent due to a catastrophic event, not under their control? ________

11. What is the total number of rental units at this location? ________ 12. What percent of these units are dedicated to the following income groups:

________ 60% or less of the median income for this county ________ 50% or less of the median income for this county

________ 30% or less of the median income for this county ________ Percent of Units Receiving Market Rents

13. Has this project received project-based assistance as provided by 42 U.S.C. sections 1437f(d)(2), 1437f(f)(6) and 1437f(o)(13)? ________
14. Criteria used to determine who this organization will serve ________
15. What percentage of last year's income was received in the form of charitable donations? ________ Other sources of income ________
16. Is any income derived from the sale of goods or services? If yes, please explain this enterprise and for what this income is expended ________
17. Estimated Market value of subject property for statistical purposes. (You may use the insured value) ________
18. If this organization were to dissolve to whom would this property and other assets go? ________

Attach a letter and the supporting documents requested in Attachment GG explaining the basis for granting this exemption under Idaho Code 63-602GG.

Print Name ________ Title ________ Phone ________

Website ________ Email ________

Certification by Taxpayer: Under penalty of perjury, I declare that all information provided is true, complete, and correct.

Signature ________ Date ________

Return this form and attachments to Canyon County Assessor, Attn Jennifer, 111 NORTH 11th Ave, Suite 250, Caldwell, ID 83605. For questions, or to request an address change, contact us at: jloutz@canyoncounty.id.gov or (208)454-6696.

For Official Use Only

Canyon County Board of Commissioners

Full Year ____ Partial Year ____ Beginning the month of ________ For Tax Year ________

Full Exempt ____ Partial Exempt ____ Excluded from Exemption ________

Approve Disapprove

____
Chairman

____
Commissioner

____
Commissioner

Attest ________ Date ________

ATTACHMENT GG

Code 63-602GG

Low-Income Housing Owned by Nonprofit Organizations

If the application was given to you electronically, please print it on **LEGAL SIZE paper. Applications shrunk to letter size will not be accepted.**

Note: As used below, the term subject property refers to the property, real or personal, for which you are claiming an exemption

Application Instructions

1. Date the property for which exemption is being requested was purchased or otherwise acquired by this organization.
2. The price paid for this property.
3. Does any other individual or organization have an interest in the subject property? If so please explain.
4. Enter the year the first set of tax credits were issued on the subject property.
5. If additional tax credits were issued, enter the year(s) in the space provided.
6. Enter the year the last set of tax credits will expire.
7. Are any financial benefits derived from the subject property shared with any other individual or organization? If so please explain.
8. Enter the name of the manager of the subject property.
9. Enter the name of the company that issues the manager's paycheck.
10. Briefly explain this organization's policy regarding a tenant's inability to pay rent due to a catastrophic event that is out of their control.
11. Enter the total number of rental units on the first line.
12. Enter the percent of units that are dedicated to tenants whose income is 60% or less of the median income for this county. On the next line enter the percent of units that are dedicated to tenants whose income is 50% or less of the median income for this county. On the next line enter the percent of units that are dedicated to tenants whose income is 30% or less of the median income for this county. If there are any units set aside for market rate rents enter the percent of the units that are set aside for market rents. When the percentages on these four lines are added they should equal 100%.
13. Enter yes or no in the space provided to answer the question.
14. If this organization caters to a specific population in the low income community enter that information in the space provided. Sample answers: all low income persons, low income battered women, low income elderly, low income handicapped persons…
15. Of all of the income received by this organization in the last year enter the percent that came from charitable contributions.
16. If this organization sells goods or services please describe the nature of this activity. What is sold? What is this income used for? Of all the activities of this organization what percentage of time and effort is spent selling goods or services?
17. What is this property worth? In other words, what could you reasonably sell this property for today? If that number is not known, you may enter the value the property is insured for.
18. If this organization were to cease to exist, please describe what would happen to this property.

The following is a list of additional requests that should accompany the application.

1. Provide a copy of your organization's by-laws, articles of incorporation, articles of association or organization, trust indenture, or constitution.
2. Provide a copy of your organization's IRS 501(C)(3) exemption letter and a copy of your organization's most recent IRS Form 990; State of Idaho Certificate issued by the Secretary of State, establishing non-profit status; a copy of your organization's latest Idaho Corporation Annual Report *Form*.
3. Provide a copy of the most recent ***audited*** annual IHFA report.
4. Provide the most recent annual occupancy report with each tenant's AMI%.
5. Attach a spreadsheet containing a list of all of the units, current tenant (if occupied on January 1), their gross annual income, family size, the percentage their income is to the median income for Canyon county, rent amount, interval rent is paid, how this rent is determined, size of unit, and length of lease. For all vacant units please indicate the length of time the unit has been vacant and the income bracket it is dedicated to.
6. Provide a copy of the most recent audit performed on your organization.
7. Is any part of the subject property used for any purpose other than low income housing?
8. If another entity is managing the subject property or if income, proceeds or tax benefits are shared with another entity, please describe, in detail, the relationship with these entities. All documentation requested in all portions of this attachment and application should also be provided for these entities.
9. Describe the financing obtained to purchase the subject property. What amount and percentage of the subject property's price was paid for with cash or other assets and from where were those assets obtained? What amount and percentage of the subject property's price was paid for through loans?
10. For each loan obtained to finance the subject property, please describe the source of the loan, the interest rate and the terms of repayment. Were any of these loans made without interest or at a rate of interest that was below the market rate at the time the loan was acquired? May any portion of these loans be forgiven? If so, on what terms may they be forgiven?
11. Were any loans obtained after July 1, 2002?
12. Were any of the funds used to acquire the subject property, including any loans, obtained from a government source or by way of a direct or indirect government subsidy? Is there a stipulation against using these funds to pay for property taxes? If so, please provide the documentation that states such.
13. What percentage of your organization's overall yearly income is received in the form of grants from governmental entities? What are the amounts and sources of these grants? What are these grants expended for? Have any of these grants been used for the subject property? If so, what percentage of the operating expenses for the subject property, including debt service and provided services, are paid for with these grants?
14. Do any of the government grants that your organization receives require matching funds and/or services to be received or expended by your organization? If so, please indicate each such grant received the percentage of matching funds and/or services required and whether your organization meets or exceeds these requirements. If these requirements are exceeded, by how much are they exceeded?
15. Does the income of your organization ever exceed expenses? If so, by how much, and what is the additional amount used for?

For questions contact Jennifer in the Assessor's office at
(208) 454-6696 or jloutz@canyonco.org

ATTACHMENT GG

Code 63-602GG

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3. Provide a copy of the most recent ***audited*** annual IHFA report.
4. Provide the most recent annual occupancy report with each tenant's AMI%.
5. Attach a spreadsheet containing a list of all of the units, current tenant (if occupied on January 1), their gross annual income, family size, the percentage their income is to the median income for Canyon county, rent amount, interval rent is paid, how this rent is determined, size of unit, and length of lease. For all vacant units please indicate the length of time the unit has been vacant and the income bracket it is dedicated to.
6. Provide a copy of the most recent audit performed on your organization.
7. Is any part of the subject property used for any purpose other than low income housing?
8. If another entity is managing the subject property or if income, proceeds or tax benefits are shared with another entity, please describe, in detail, the relationship with these entities. All documentation requested in all portions of this attachment and application should also be provided for these entities.
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15. Does the income of your organization ever exceed expenses? If so, by how much, and what is the additional amount used for?

For questions contact Jennifer in the Assessor's office at
(208) 454-6696 or jloutz@canyonco.org

Certain Business Property
Tax Exemption
63-602NN
Application Attachment

Idaho Code 63-602NN allows the County to grant an exemption from property taxes for certain business l investments that result in significant economic benefits to Canyon County. This exemption can apply to buildings (real property) or equipment (personal property) but it does not apply to land or existing improvements (base value). Generally, the Board of Canyon County Commissioners (Board) may consider granting such exemptions for companies that make a qualifying capital investment in the Cities of Nampa or Caldwell (or their respective areas of impact) of at least $3,000,000 or elsewhere in Canyon County of at least $500,000, provided that the Board finds significant economic benefits accrue. For this exemption to take effect for the current tax year, the attached application and supporting documentation must be submitted prior to April 15th.

If an exemption is granted, annual reports will be required for the life of the exemption. These annual reports will request details on the salaries of positions either created or eliminated the previous year, the overall economic benefit the investment has brought to the County, and copies of each Form TAX020 filed the previous year. In the event that the minimum agreed upon jobs are not sustained, the County reserves the right to recapture any and all tax that was otherwise exempted.

To be considered for this exemption, please complete the attached application and provide the following:

1. List additional buildings or equipment to be considered for this exemption not included on the application. Include the year the investment was made, the amount of the investment, the amount you are requesting to be exempt, the economic life of the property, description of the property (example: potato storage, conveyer belt...) the address where the property is located, and the Assessor's parcel (account) number for each item.
2. If exemption is requested on any real property please provide the legal description of the parcels that the buildings are situated on and a diagram that identifies these buildings.
3. Please describe how each item to be considered for exemption contributes to the significant economic benefits.
4. Please indicate if any of the buildings and/or equipment to be considered for this exemption are already receiving any type of exemption such as the pollution control exemption.
5. Please list Employee ID, Position Title, Hourly Wage, and Date Filled for each additional new job created beyond the first five listed on the application. Please also indicate if they are full time and permanent.
6. Please provide a copy of all State Form TAX020 (Employer Quarterly Unemployment Insurance Tax Report) that has been submitted to the State of Idaho Department of Labor so far this year as well as the previous year.
7. Please provide information on all other significant economic benefits that shall accrue to the County as a result of the qualifying investments.
8. Please provide a written plan (preferably in spreadsheet format) outlining projected investment in the new manufacturing facility and personal property related thereto during this project period. If your company owns multiple project sites, please focus only on the activities and investments in the project site located in the County for which this application has been made.
9. Please provide any other information helpful in determining your eligibility for this exemption.

If you have any questions please feel free to contact
the Assessor,
Brian Stender, at
(208)454-7431 or 2cAsr@canyoncounty.id.gov

Application for Property Tax Exemption

Site Improvements Associated with Land

Idaho Code 63-602W

Please Return by April 15th

Exemption from property taxes may be considered on certain improvements that are associated with land such as roads and utilities. Application for this exemption is due by April 15th.

CANYON COUNTY

COUNTY COMMISSIONERS OFFICE =
1115 ALBANY ST
CALDWELL ID 83605

Tax Code Area: 025-00
Mapping: 23-4N-5W SW

Property and Ownership Information

Subdivision:

A description of the property for which this application is being made must be submitted. This description must contain parcel numbers, site addresses (if assigned), lot and block numbers and the current asking prices. The property described by this list will henceforth be referred to as the subject property. Please also provide any additional parcels that were included on the original plat and the date each was sold. **Only one phase per application.**

Was this subdivision bonded prior to signing the final plat? If yes, please attach this documentation. ____________

Was all of the infrastructure in place when the plat was recorded? If no, explain. ____________

____

List all of the legal owner(s) of the subject property when the plat was recorded. ____________

____

____

Do all of the above listed owners still own the subject property? If no, explain. ____________

____

Date the plat was recorded ____________ Instrument (record) number ____________

Cost of Improvements

Please provide supporting documentation for all costs reported. All documentation must orginate from the payee, include dates payments were made and by whom. Only include costs paid by the current owner.

On-site Electricity	____________	Road Construction	____________
On-site Water/Sewer	____________	Sidewalks/Concrete	____________
Other on-site Utilities	____________	Total off-site Costs	____________

Print Name ____________ Title ____________ Phone ____________

Website ____________ Email ____________

Certification by Taxpayer: Under penalty of perjury I declare all information provided is true, complete, and correct.

Signature ____________ Date ____________

Return this form and attachments to Canyon County Assessor, 111 NORTH 11th Ave, Suite 250, Caldwell, ID 83605.
Contact us at: 2cAsr@canyoncounty.id.gov or (208)454-7437

County Use Only

Approved ____________ Denied ____________ Apply to Tax Year ____________

____
Chairman

____
Commissioner

____
Commissioner

Attest ____________ Date ____________

APPENDIX E: BOE COVER SHEET EXHIBITS TEMPLATE

THE BOARD OF COUNTY COMMISSIONERS OF
THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF___________,
SITTING AS A BOARD OF EQUALIZATION

APPEAL OF PROPERTY ASSESSMENT

APPELLANT: ___________________ PARCEL #: ________________

PRESENT:

Commissioners: ☐ ________________________
☐ ________________________
☐ ________________________

Clerk/Deputy: ☐ ________________________
☐ ________________________
☐ ________________________

OTHERS PRESENT:

Assessor: ☐ __________________ ☐

Appraiser(s)/Staff: ☐ __________________ ☐
☐ __________________ ☐
☐ __________________ ☐
☐ __________________ ☐ __________________

Counsel for BOE: __________________________
Counsel for Appellant: __________________________

Please stand and raise your right hand to be sworn in by the Deputy Clerk.

The procedures for the hearing will be as follows:

- Assessor will provide a brief introduction with an overview of the subject property and reason for this Appeal/Application. A map of the parcel(s), any pictures of the improvements, and a summary sheet showing categories and assessed values.
- **Exhibits will then be entered into the record** (as listed on the exhibit sheet).
- This hearing is scheduled for 30 minutes, so please be mindful of time. I ask that you be succinct in your presentations and please do not interrupt the other party during their presentation.
  - Appellant/Applicant presentation (approximately 5 minutes)
  - Assessor presentation (approximately 5 minutes)
  - Questions and clarifications - The Board may have questions or follow-up. We may allow a few minutes for questions or rebuttal from appellant or assessor if necessary. Please direct all questions through me.
  - Discussion/Deliberations by the Board - We may deliberate and make a decision here today during this hearing, or we may continue the hearing for deliberation and decision at a later date or time.
- When a decision is made it will be done so by a Motion by the Board.

~~~~~~

- NOTES (for Board only):
- If hearing is continued, please restate on the record (after decision is made to continue) what information is specifically needed by either staff or appellant/applicant for the continuation of the hearing.
- If Appeal is granted, and an adjustment is made, a reason for the adjustment must be included on the Motion and Order.
~~~~~~

- If Application/Appeal is denied and value is upheld, inform the applicant/appellant of their right to appeal the final decision to the State Board of Tax Appeals, details to be contained in Notice of Action letter from BOCC/BOE.

__________ COUNTY BOARD OF COMMISSIONERS
SITTING AS A BOARD OF EQUALIZATION

BOE HEARING: Appeal of Property Assessment

DATE:_______________ TIME: _______

APPELLANT: ______________________ PARCEL #: _________________________

****

E X H I B I T S

Exhibit #1:____

Exhibit #2: ____

Exhibit #3: ____

Exhibit #4: ____

Exhibit #5: ____

Exhibit #6: ____

Exhibit #7: ____

Exhibit #8: ____

Exhibit #9: ____

Exhibit #10: ____

Exhibit #11: ____

Exhibit #12: ____

Exhibit #13: ____

Exhibit #14: ____

Exhibit #15: ____