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LEGISLATURE OF THE STATE OF IDAHO
Sixty-sixth Legislature First Regular Session - 2021

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1 AN ACT
2 RELATING TO PROPERTY TAXES; AMENDING SECTION 63-602G, IDAHO CODE, TO REVISE
3 PROVISIONS REGARDING THE HOMEOWNER PROPERTY TAX EXEMPTION; AND DECLAR-
4 ING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

5 Be It Enacted by the Legislature of the State of Idaho:

6 SECTION 1. That Section 63-602G, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD.
9 (1) (a) For each tax year, the lesser of subparagraph (i) or (ii) of this
10 paragraph is exempt from property taxation:

11 (i) The first one hundred twenty-five thousand dollars
12 (\$10025,000) of the market value for assessment purposes of the
13 homestead as that term is defined in section 63-701, Idaho Code,
14 or

15 (ii) Fifty-five percent (505%) of the market value for assess-
16 ment purposes of the homestead as that term is defined in section
17 63-701, Idaho Code, whichever is the lesser, shall be exempt from
18 property taxation.

19 (b) The state tax commission shall compare the median assessed value,
20 before any exemption, on improved residential property analyzed in its
21 ratio study to the median assessed value for the improved residential
22 property in the county for the immediate prior year, and apply the rate
23 of change to the limit set forth in paragraph (a) (i) of this subsection,
24 provided that the resulting exemption limit in paragraph (a) (i) must
25 not be less than one hundred twenty-five thousand dollars (\$125,000) in
26 any county and must not exceed a ten percent (10%) increase or decrease
27 from the previous tax year. The state tax commission will publish the
28 adjustments for each county by no later than October 1 of each year and
29 the adjustments will be effective for claims filed in and for the fol-
30 lowing property tax year. The publication of adjustments under this
31 subsection are exempt from the provisions of chapter 52, title 67, Idaho
32 Code, but must be provided to each county and to members of the public
33 upon request and without charge.

34 (2) The exemption allowed by this section may be granted only if:

35 (a) The homestead is owner-occupied and used as the primary dwelling
36 place of the owner. The homestead may consist of part of a multidwelling
37 or multipurpose building and shall include all of such dwelling or
38 building except any portion used exclusively for anything other than
39 the primary dwelling of the owner. The presence of an office in a home-
40 stead, which office is used for multiple purposes, including business
41 and personal use, shall not prevent the owner from claiming the exemp-
42 tion provided in this section; and

1 (b) The state tax commission has certified to the board of county com-
2 missioners that all properties in the county which are subject to ap-
3 praisal by the county assessor have, in fact, been appraised uniformly
4 so as to secure a just valuation for all property within the county; and

5 (c) The owner has certified to the county assessor that:

6 (i) He is making application for the exemption allowed by this
7 section;

8 (ii) The homestead is his primary dwelling place; and

9 (iii) He has not made application in any other county for the ex-
10 emption, and has not made application for the exemption on any
11 other homestead in the county.

12 (d) For the purpose of this section, the definition of "owner" shall be
13 the same definition set forth in section 63-701(7), Idaho Code.

14 When an "owner," pursuant to the provisions of section 63-701(7),
15 Idaho Code, is any person who is the beneficiary of a revocable or irrev-
16 ocable trust, or who is a partner of a limited partnership, a member of
17 a limited liability company, or shareholder of a corporation, he or she
18 may provide proof of the trust, limited partnership, limited liability
19 company, or corporation in the manner set forth in section 63-703(4),
20 Idaho Code.

21 (e) Any owner may request in writing the return of all copies of any
22 documents submitted with the affidavit set forth in section 63-703(4),
23 Idaho Code, that are held by a county assessor, and the copies shall
24 be returned by the county assessor upon submission of the affidavit in
25 proper form.

26 (f) For the purpose of this section, the definition of "primary
27 dwelling place" shall be the same definition set forth in section
28 63-701(8), Idaho Code.

29 (g) For the purpose of this section, the definition of "occupied" shall
30 be the same definition set forth in section 63-701(6), Idaho Code.

31 (3) An owner need only make application for the exemption described in
32 subsection (1) of this section once, as long as all of the following condi-
33 tions are met:

34 (a) The owner has received the exemption during the previous year as
35 a result of his making a valid application as set forth in subsection
36 (2)(c) of this section.

37 (b) The owner or beneficiary, partner, member or shareholder, as appro-
38 priate, still occupies the same homestead for which the owner made ap-
39 plication.

40 (c) The homestead described in paragraph (b) of this subsection is
41 owner-occupied or occupied by a beneficiary, partner, member or share-
42 holder, as appropriate, and used as the primary dwelling place of the
43 owner or beneficiary, partner, member or shareholder, as appropriate.

44 (4) The exemption allowed by this section shall be effective upon the
45 date of the application and must be taken before the reduction in taxes pro-
46 vided by sections 63-701 through 63-710, Idaho Code, is applied.

47 (5) Recovery of property tax exemptions allowed by this section but im-
48 properly claimed or approved:

49 (a) Upon discovery of evidence, facts or circumstances indicating any
50 exemption allowed by this section was improperly claimed or approved,

1 the county assessor shall decide whether the exemption claimed should
2 have been allowed and, if not, notify the taxpayer in writing, assess
3 a recovery of property tax and notify the county treasurer of this as-
4 sessment. If the county assessor determined that an exemption was im-
5 properly approved as a result of county error, the county assessor shall
6 present the discovered evidence, facts or circumstances from the im-
7 properly approved exemption to the board of county commissioners, at
8 which time the board may waive a recovery of the property tax and notify
9 such taxpayer in writing.

10 (b) When information indicating that an improper claim for the exemp-
11 tion allowed by this section is discovered by the state tax commission,
12 the state tax commission may disclose this information to the ap-
13 propriate county assessor, board of county commissioners and county
14 treasurer. Information disclosed to county officials by the state tax
15 commission under this subsection may be used to decide the validity of
16 any entitlement to the exemption provided in this section and is not
17 otherwise subject to public disclosure pursuant to chapter 1, title 74,
18 Idaho Code.

19 (c) The assessment and collection of the recovery of property tax must
20 begin within the seven (7) year period beginning the date the assessment
21 notice reflecting the improperly claimed or approved exemption was re-
22 quired to be mailed to the taxpayer.

23 (d) The taxpayer may appeal to the county board of equalization the
24 decision by the county assessor to assess the recovery of property tax
25 within thirty (30) days of the date the county assessor sent the notice
26 to the taxpayer pursuant to this section. The board may waive the col-
27 lection of all or part of any costs, late charges, and interest in order
28 to facilitate the collection of the recovery of the property tax.

29 (e) For purposes of calculating the tax, the amount of the recovered
30 property tax shall be for each year the exemption allowed by this sec-
31 tion was improperly claimed or approved, up to a maximum of seven (7)
32 years. The amount of the recovery of property tax shall be calculated
33 using the product of the amount of exempted value for each year multi-
34 plied by the levy for that year plus costs, late charges and interest for
35 each year at the rates equal to those provided for delinquent property
36 taxes during that year.

37 (f) Any recovery of property tax shall be due and payable no later than
38 the date provided for property taxes in section 63-903, Idaho Code, and
39 if not timely paid, late charges and interest, beginning the first day
40 of January in the year following the year the county assessor sent the
41 notice to the taxpayer pursuant to this section, shall be calculated at
42 the current rate provided for property taxes.

43 (g) Recovered property taxes shall be billed, collected and dis-
44 tributed in the same manner as property taxes, except each taxing dis-
45 trict or unit shall be notified of the amount of any recovered property
46 taxes included in any distribution.

47 (h) Thirty (30) days after the taxpayer is notified, as provided in
48 paragraph (a) of this subsection, the assessor shall record a notice
49 of intent to attach a lien. Upon the payment in full of such recov-
50 ered property taxes prior to the attachment of the lien as provided in

1 paragraph (i) of this subsection, or upon the successful appeal by the
2 taxpayer, the county assessor shall record a rescission of the intent to
3 attach a lien within seven (7) business days of receiving such payment
4 or within seven (7) business days of the county board of equalization
5 decision granting the appeal. If the real property is sold to a bona
6 fide purchaser for value prior to the recording of the notice of the in-
7 tent to attach a lien, the county assessor and treasurer shall cease the
8 recovery of such unpaid recovered property tax.

9 (i) Any unpaid recovered property taxes shall become a lien upon the
10 real property in the same manner as provided for property taxes in sec-
11 tion 63-206, Idaho Code, except such lien shall attach as of the first
12 day of January in the year following the year the county assessor sent
13 the notice to the taxpayer pursuant to this section.

14 (j) For purposes of the limitation provided by section 63-802, Idaho
15 Code, moneys received pursuant to this subsection as recovery of prop-
16 erty tax shall be treated as property tax revenue.

17 (6) The legislature declares that this exemption is necessary and just.

18 (7) A homestead, having previously qualified for exemption under this
19 section in the preceding year, shall not lose such qualification due to: the
20 owner's, beneficiary's, partner's, member's or shareholder's absence in the
21 current year by reason of active military service, or because the homestead
22 has been leased because the owner, beneficiary, partner, member or share-
23 holder is absent in the current year by reason of active military service.
24 An owner subject to the provisions of this subsection must apply for the ex-
25 emption with the county assessor every year on or before a deadline date as
26 specified by the county assessor for the county in which the homestead is
27 claimed. If an owner fails to apply on or before the established deadline,
28 the county may, at its discretion, discontinue the exemption for that year.

29 (8) A homestead, having previously qualified for exemption under this
30 section in the preceding year, shall not lose such qualification due to
31 the owner's, beneficiary's, partner's, member's or shareholder's death
32 during the year of the owner's, beneficiary's, partner's, member's or share-
33 holder's death and the tax year immediately following such death provided
34 that the homestead continues to be a part of the owner's, beneficiary's,
35 partner's, member's or shareholder's estate. After such time, the new owner
36 shall reapply to receive the exemption pursuant to this section and shall
37 meet the qualification criteria contained in this section.

38 SECTION 2. An emergency existing therefor, which emergency is hereby
39 declared to exist, this act shall be in full force and effect on and after its
40 passage and approval, and retroactively to January 1, 2021.