

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 365

BY EHLERS

AN ACT

1 RELATING TO PROPERTY TAXES; AMENDING CHAPTER 6, TITLE 63, IDAHO CODE, BY THE
2 ADDITION OF A NEW SECTION 63-607, IDAHO CODE, TO ESTABLISH PROVISIONS
3 REGARDING THE PROPERTY TAX CAP EXEMPTION FOR HOMEOWNERS; AMENDING SEC-
4 TION 63-902, IDAHO CODE, TO REVISE PROVISIONS REGARDING INFORMATION TO
5 BE PROVIDED ON PROPERTY TAX NOTICES; AND PROVIDING AN EFFECTIVE DATE.
6

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

8 SECTION 1. That Chapter 6, Title 63, Idaho Code, be, and the same is
9 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
10 ignated as Section 63-607, Idaho Code, and to read as follows:

11 63-607. PROPERTY TAX CAP EXEMPTION FOR HOMEOWNERS. (1) It is the in-
12 tent of the legislature to place a cap on the property taxes payable by a
13 homeowner on the homeowner's same homestead property by providing a property
14 tax cap exemption according to the provisions of this section. In order to be
15 eligible for this exemption:

16 (a) The homeowner or the homeowner's spouse must reside in the property
17 and be receiving the homeowner exemption on the same property pursuant
18 to section 63-602G, Idaho Code; and

19 (b) The homeowner must have purchased the property in an arms-length
20 transaction for a sum comparable to or above fair market value at the
21 time of the purchase. If the owner has inherited or been gifted the
22 property for less than fair market value, this section shall not apply.

23 (2) In the case of a home purchased on or after January 1, 2025, for
24 which the homeowner is receiving the homeowner exemption pursuant to sec-
25 tion 63-602G, Idaho Code, the homeowner of such a property shall be entitled
26 to an additional exemption of the remaining taxable value of a homestead af-
27 ter deducting the exemption amount provided by section 63-602G, Idaho Code,
28 if the homeowner pays to the county tax collector property taxes on the prop-
29 erty in an amount equal to the property tax cap amount, which for the purpose
30 of this subsection is ten percent (10%) of the purchase price the homeowner
31 paid for such property. Upon receipt of an application for the property tax
32 cap exemption, the county assessor shall determine the homeowner's property
33 tax cap by calculating ten percent (10%) of the purchase price as evidenced
34 by the homeowner's application.

35 (3) In the case of a home purchased prior to January 1, 2025, for which
36 the homeowner is receiving the homeowner exemption pursuant to section
37 63-602G, Idaho Code, the homeowner of such a property shall be entitled to an
38 additional exemption of the remaining taxable value of the homestead after
39 deducting the exemption amount provided by section 63-602G, Idaho Code, if
40 the homeowner pays or has paid property taxes on the property in an amount
41 equal to the property tax cap amount, which for the purpose of this subsec-
42 tion is ten percent (10%) of the average market value for assessment purposes

1 of the property for the immediately preceding five (5) years. A homeowner
2 shall be granted credit toward payment of the property tax cap amount in the
3 amount of whichever is greater:

4 (a) All property taxes paid by the homeowner on the subject property
5 prior to January 1, 2025, up to a maximum of ninety percent (90%) of the
6 total property tax cap amount; or

7 (b) Five-tenths of a percentage point of the average market value for
8 assessment purposes of the property for the five (5) years immediately
9 preceding the homeowner's application pursuant to this section, for
10 each year the homeowner paid property taxes on the property prior to
11 January 1, 2025, up to a maximum of ninety percent (90%) of the total
12 property tax cap amount.

13 (4) A homeowner meeting the qualifications for the property tax cap ex-
14 emption shall submit an application to the county assessor's office in the
15 form prescribed by the state tax commission. As part of the application, the
16 homeowner shall either provide documentary evidence of the date of purchase
17 and the price paid for the homestead, if applying for the exemption pursuant
18 to subsection (2) of this section, or shall indicate the years for which the
19 homeowner has paid property taxes on the property, which information shall
20 be verified by the county assessor. A homeowner may submit an application
21 for the property tax cap exemption at the time of first filing for the home-
22 owner exemption on the homestead property or at any time thereafter. If the
23 homeowner has not yet reached the property tax cap amount, the county asses-
24 sor shall annually update the owner on the remaining balance of the property
25 tax cap on the property tax bill sent pursuant to section 63-902, Idaho Code.

26 (5) Once the homeowner has reached the property tax cap, the property
27 shall be granted a complete property tax exemption for the property as long
28 as the homeowner and homestead continue to meet the requirements of section
29 63-602G, Idaho Code. The property shall be noted as "exempt" on the tax rolls
30 until such time as the homeowner or the homeowner's spouse no longer use
31 the property as their homestead as defined in section 63-602G, Idaho Code.
32 Upon the sale of the property or other loss of homeowner exemption status on
33 the property, the county assessor shall remove the "exempt" status from the
34 property on the tax rolls, but shall not add the property to the new construc-
35 tion roll, and the property shall be fully taxable again.

36 (6) A homeowner may choose to prepay all or part of the property tax cap
37 amount at the time of purchasing the homestead or thereafter, as pro-
38 vided in this subsection.

39 (a) The prepayment of property taxes option shall be offered on the
40 property tax cap application. A homeowner choosing the prepayment
41 option shall give permission for the county assessor to send a copy of
42 the property tax notice to the state treasurer, and for the sharing of
43 information among officials described in paragraph (d) of this sub-
44 section. If a homeowner prepays the property tax cap amount in full,
45 the property shall immediately be exempted from any additional prop-
46 erty taxes from the homeowner. Any prepaid property taxes paid by a
47 homeowner pursuant to this subsection shall be sent to the county tax
48 collector, who shall subtract the amount of property taxes currently
49 due and owing and deposit the remaining moneys with the state treasurer.
50 Such moneys shall be held and paid to the county tax collector by the

1 state treasurer in future years for the payment of property taxes on the
 2 property each year upon receipt of the property tax notice. Moneys dis-
 3 tributed pursuant to this paragraph shall be distributed by the county
 4 in the same manner as other property taxes.

5 (b) At such time as the state treasurer distributes the full amount
 6 of the prepaid property taxes constituting the property tax cap on
 7 the homeowner's homestead property, the state treasurer shall notify
 8 the county assessor that the property has reached property tax cap ex-
 9 emption status and shall be identified as "exempt" on the tax rolls
 10 pursuant to subsection (5) of this section.

11 (c) If a homeowner prepaid property taxes on his homestead pursuant to
 12 this subsection, but then subsequently loses eligibility for the prop-
 13 erty tax cap exemption by selling or moving from the homestead or oth-
 14 erwise no longer meeting the requirements for the homeowner exemption
 15 pursuant to the provisions of section 63-602G, Idaho Code, the county
 16 assessor shall notify the state treasurer that the homestead exemption
 17 status has been lost and any remaining prepaid moneys are forfeited by
 18 the homeowner. The state treasurer shall promptly distribute the re-
 19 maining prepaid moneys to the county treasurer, who shall distribute
 20 the moneys in the same manner as property taxes.

21 (d) The state tax commission, the county assessor, and the state trea-
 22 surer are authorized to communicate a taxpayer's confidential informa-
 23 tion amongst themselves, including the purchase price or property tax
 24 cap amount, to the extent necessary to implement the provisions of this
 25 section. Such communications are not thereby made public records sub-
 26 ject to disclosure.

27 SECTION 2. That Section 63-902, Idaho Code, be, and the same is hereby
 28 amended to read as follows:

29 63-902. PROPERTY TAX NOTICE AND RECEIPTS -- DUTY OF TAX COLLECTOR. (1)
 30 For property on the property roll or operating property roll, the county tax
 31 collector must, prior to the fourth Monday of November in each year, mail or
 32 transmit electronically, as that term is defined in section 63-115, Idaho
 33 Code, if electronic transmission is requested by the taxpayer, to every tax-
 34 payer, or to his agent or representative, at his last known post office ad-
 35 dress, a tax notice prepared upon forms prescribed in section 63-219, Idaho
 36 Code, which shall contain at least the following:

- 37 (a) The year in which the property tax was levied;
- 38 (b) The name and address of the property owner;
- 39 (c) An accurate description of the property or, in lieu thereof, the tax
 40 number of record;
- 41 (d) The parcel number;
- 42 (e) Full market value for assessment purposes;
- 43 (f) The total amount of property taxes due:
 - 44 (i) State;
 - 45 (ii) County;
 - 46 (iii) City;
 - 47 (iv) School district separately shown as:
 - 48 (A) Maintenance and operation;
 - 49 (B) Bond;

1 (C) Supplemental;

2 (D) Other;

3 (v) And every other tax being separately shown.

4 (g) All property tax levies in the tax code area;

5 (h) The expiration dates of all bonds and levies approved by vot-
6 ers at an election for each taxing district as defined in section
7 63-3101, Idaho Code, submitted to the tax collector pursuant to section
8 63-803(5), Idaho Code;

9 (i) The date when such property taxes become delinquent;

10 (j) Notation of delinquencies against said property;

11 (k) Whether an interim payment account exists;

12 (l) The different payment options available to the taxpayer, his agent
13 or representative shall be printed in boldface type in a contrasting
14 color or highlighted on the face of the tax notice; and

15 (m) The total amount of property taxes for the previous tax year.

16 (2) The information required by subsection (1) (h) of this section may
17 be satisfied if the county treasurer provides an annual insert with the tax
18 notice or a link on the tax notice to the county website where the information
19 required by subsection (1) (h) of this section can be accessed. Such infor-
20 mation must be archived on the county website. In addition to including the
21 link to the county website, the county treasurer may also include on the tax
22 notice a quick response code to access the information required by subsec-
23 tion (1) (h) of this section.

24 (3) The tax notices shall be numbered consecutively and the numbers
25 must be entered upon all property rolls.

26 (4) Tax notices prepared in tax code area format shall state that levy
27 sheets are available to the public.

28 (5) Levy sheets shall list the total property tax levy for each taxing
29 district or taxing jurisdiction and the total in each tax code area.

30 (6) If the taxpayer is one other than the equitable titleholder, such as
31 an escrowee, trustee of trust deed or other third party, the taxpayer shall
32 deliver to the equitable titleholder a statement of the total amount of prop-
33 erty taxes billed, on or before the second Monday of December.

34 (7) The tax collector in each county of the state is authorized to de-
35 stroy all duplicate property tax receipts and microfilm of tax receipts on
36 file in his office as they reach ten (10) years old. Property tax receipts
37 may be destroyed if information has been replicated in other storage media.

38 (8) Computer and data processing routines for completion of all phases
39 of the property tax roll procedures may be utilized with the responsibility
40 for completion of each office's statutory duties to remain under the super-
41 vision of that office. Wherever the designation "property roll" appears
42 within title 63, Idaho Code, data processing or computer procedures and
43 forms may be substituted as permanent records.

44 (9) The county tax collector must, as soon as possible after the sub-
45 sequent or missed property roll is delivered to him from the county auditor,
46 mail or transmit electronically, if electronic transmission is requested by
47 the taxpayer, a notice to every taxpayer listed on the subsequent or missed
48 property roll, or to his agent or representative. The notice shall conform
49 as nearly as possible to the notice required for property listed on the prop-
50 erty roll.

1 (10) Failure to mail or transmit electronically, if electronic trans-
2 mission is requested by the taxpayer, such property tax notice, or receipt of
3 said notice by the taxpayer, shall not invalidate the property taxes, or any
4 proceedings in the collection of property taxes, or any proceedings in the
5 foreclosure of property tax liens.

6 (11) No charge, other than property taxes, shall be included on a tax
7 notice unless the entity placing such charge has received approval from the
8 board of county commissioners to place such charge on the tax notice and such
9 entity:

10 (a) Has the authority by law to place a lien on property; and

11 (b) Has the authority to certify such charge to the auditor; and

12 (c) Is required to collect such charge in the same manner provided by
13 law for the collection of real and personal property taxes.

14 (12) If a taxpayer requests to receive a tax notice electronically, the
15 request must be made on a form provided by the county tax collector.

16 (13) If a taxpayer has applied for the property tax cap exemption autho-
17 riized by section 63-607, Idaho Code, the tax notice shall include the status
18 of such exemption.

19 SECTION 3. This act shall be in full force and effect on and after Jan-
20 uary 1, 2025.