

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 391

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO ASSESSMENT RATIOS AND THE DETERMINATION OF ADJUSTED MARKET VALUE
2 FOR ASSESSMENT PURPOSES FOR SCHOOL DISTRICTS; AMENDING SECTION 63-315,
3 IDAHO CODE, TO REMOVE THE REQUIREMENT THAT A CERTAIN REPORT BE SUBMITTED
4 TO THE STATE DEPARTMENT OF EDUCATION.
5

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

7 SECTION 1. That Section 63-315, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 63-315. ASSESSMENT RATIOS AND THE DETERMINATION OF ADJUSTED MARKET
10 VALUE FOR ASSESSMENT PURPOSES FOR SCHOOL DISTRICTS. (1) The provisions of
11 this section shall apply only to charter districts levying a maintenance and
12 operation levy in the prior calendar year. For the purpose of this section,
13 adjusted market value for assessment purposes shall be the adjusted market
14 value for assessment purposes of all property assessed for property tax pur-
15 poses for the year referred to in sections 33-802 and 33-1002, Idaho Code.

16 (2) The state tax commission shall conduct a ratio study to annually as-
17 certain the ratio between the assessed value and the market value for assess-
18 ment purposes of all property assessed for property tax purposes. Said ratio
19 study shall be conducted in accordance with nationally accepted procedures.
20 From the ratio so ascertained the state tax commission shall compute the ad-
21 justed market value of all property assessed for property tax purposes.

22 (3) The ratio shall be computed in each school district and applied to
23 the market value for assessment purposes within each school district.

24 (4) Sales used in determining the ratio required by this section shall
25 be arm's length, market value property sales occurring in the year begin-
26 ning on October 1 of the year preceding the year for which the adjusted mar-
27 ket value is to be determined. The state tax commission may, at its discre-
28 tion, modify the sales period when doing so produces provably better repre-
29 sentativeness of the actual ratio in any school district. The state tax com-
30 mission may also add independently conducted appraisals when the state tax
31 commission believes that this procedure will improve the representativeness
32 and reliability of the ratio.

33 (5) Whenever the state tax commission is unable to determine with rea-
34 sonable statistical certainty that the assessed value within any school dis-
35 trict differs from the market value for assessment purposes, the state tax
36 commission may certify the assessed value to be the adjusted market value of
37 any school district.

38 (6) The state tax commission shall certify the adjusted market value of
39 each school district to the state department of education and each county au-
40 ditor no later than the first Monday in April each year. The state tax com-
41 mission shall prepare a report indicating procedures used in computing the
42 adjusted market value and showing statistical measures computed in the ratio

1 study. ~~This report shall be submitted to the state department of education~~
2 ~~at the same time as the certification of adjusted market value.~~ The report of
3 the state tax commission shall ~~also~~ be made available for public inspection
4 in the office of the county auditor.

5 (7) The state tax commission shall promulgate rules to implement the
6 ratio study described in this section.