

STATEMENT OF PURPOSE

RS21784

The Idaho Legislature previously established a "deferred property tax" method for persons whose income was too high for the circuit breaker tax relief, but below a higher income limit (\$40,000 as of 2007, indexed beginning in 2009). Essentially, the property taxes are deferred and become a lien on the property. However, this method had some vague or ambiguous areas, which have caused problems to both the State and to the public in determining whether the relief is available. Those areas were what the term "sufficient equity" meant and how reverse mortgages and line of credit loans were to be taken into account.

This bill clarifies those two areas. First, because the final amount of a reverse mortgage or line of credit cannot be absolutely determined, properties with those types of loans are not qualified for the program. Second, the bill clearly defines "sufficient equity", including that the current year's market value for assessment purposes is to be used as the value of the property. The language and provisions of the statutes are also slightly rewritten for clarity.

FISCAL NOTE

This bill will have no fiscal impact.

Contact:

Robert Aldridge
(208) 336-9880