

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Friday, January 16, 2015

TIME: 8:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representative(s) Moyle, Raybould, Anderson, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Scott, Thompson, Erpelding, Nye, Rudolph

**ABSENT/
EXCUSED:** Representative(s) Moyle

GUESTS: Alan Dornfest and Mike Chakarun - Idaho State Tax Commission; Brad Hunt, O.A.R.C.; Ben Davenport, Associated Taxpayers; Brody Aston, Lobby Idaho; Jonathan Parker, Internet Truck Stop.

Chairman Collins called the meeting to order at 8:30 A.M.

DOCKET NO. 35-0103-1401: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1401**, Property Tax Administrative Rules, which was part of the negotiated rule process. Rule 120 is amended to define the subject matter of written complaints and provides a timeline. Rule 609 provides that the assessor may remove a property's homestead exemption if, by April 15 of the tax year, the taxpayer owns a different homestead and requests that the exemption be transferred to the second homestead. Responding to a question, Mr. Dornfest stated that county assessors participated actively in the rule process and there was broad support for both of these rules. Rule 988 deletes the reference to filing an annual affidavit which was repealed by **H 441aa**.

MOTION: **Rep. Erpelding** made a motion to approve **Docket No. 35-0103-1401** as presented. **Motion carried by voice vote.**

DOCKET NO. 35-0103-1403: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1403**, Property Tax Administrative Rules. Rule 126 changes the method of gaining the required number of courses for appraisal certification by providing an opportunity to challenge one of the two required courses by passing a test. Rule 128 is a companion rule which allows the same opportunity for cadastral certification by allowing candidates to challenge one of the two required courses by passing a test. This amendment was done at the request of appraisers and assessors.

MOTION: **Rep. Anderst** made a motion to approve **Docket No. 35-0103-1403** as presented. **Motion carried by voice vote.**

DOCKET NO. 35-0103-1404: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1404**, Property Tax Administrative Rules. Rule 205 deletes language inconsistent with **H 441aa** regarding the three factor test which is used to determine if an item of property is a fixture and therefore real property. Rule 315 deletes the specific statute references to the various property tax exemptions, and adds the words "property exempt from property tax". Rule 508 is stricken in its entirety because reporting is no longer necessary due to statutory changes. Rule 509 dealing with abstracts deletes sections to conform to statutory changes. Rule 512 is amended to delete the word "fixture" from the headline as this category is used for personal property and fixtures are statutorily defined as real property. Rule 626 dealing with personal property exemptions is amended to clarify that personal property declarations need not be filed every 5th year and replacement funds which have been established as of 2013 may need to be adjusted if errors are discovered. Due to its length,

this rule was broken into two rules and Rule 627 now contains the taxpayer ownership examples that transferred from Rule 626. This rule also deals with rail car fleet assessments and notification procedures. In response to a question, Mr. Dornfest stated that rail car fleet owners were not comfortable with the prior rule and preferred this change which puts everyone on a level playing field. Rule 645 changes the existing language from "requires net income when selling livestock" to "requires gross income when selling livestock" to be consistent with statute. Rule 803 requires the amount of personal property replacement funds received by the taxing districts to be subtracted before levies are computed in conformance with **H 441aa**. Rule 805 provides a procedure for disallowing certain budget increases in accordance with **H 560** when entities do not comply with reporting requirements.

MOTION: **Rep. Trujillo** made a motion to approve **Docket No. 35-0103-1404** as presented. **Motion carried by voice vote.**

DOCKET NO. 35-0103-1405: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1405**, Property Tax Administrative Rules. Rule 804T adds the state-authorized plant facility fund to the list of those funds excluded from generating property tax to be allocated to urban renewal agencies. Rule 995T requires the amount of the 2013 personal property tax exemption be included in the market value for assessment purpose for the computation of the amount of sales tax to be distributed to cities which conforms to **H 560**.

MOTION: **Rep. Thompson** made a motion to approve **Docket No. 35-0103-1405** as presented. **Motion carried by voice vote.**

DOCKET NO. 35-0103-1501: **Alan Dornfest**, Idaho State Tax Commission, presented **Docket No. 35-0103-1501**, Property Tax Administrative Rules which incorporates by reference appropriate and current editions of guides and professional technical standards used to determine values of certain property and to measure assessment level and uniformity.

MOTION: **Rep. Erpelding** made a motion to approve **Docket No. 35-0103-1501** as presented. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:32 A.M.

Representative Collins
Chair

Bev Bean
Secretary