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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 THE LESSEE TAX; AMENDING CHAPTER 3, TITLE 63, IDAHO CODE, BY THE  
3 ADDITION OF A NEW SECTION 63-319, IDAHO CODE, TO PROVIDE FOR THE LESSEE  
4 TAX ON CERTAIN LEASES OF GOVERNMENT-OWNED PROPERTY.

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

6 SECTION 1. That Chapter 3, Title 63, Idaho Code, be, and the same is  
7 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
8 ignated as Section 63-319, Idaho Code, and to read as follows:

9 63-319. GOVERNMENT-OWNED REAL PROPERTY -- LESSEE TAX. (1) As used in  
10 this section:

11 (a) "Lease" or "leases" means to occupy, exercise dominion over, or at-  
12 tempt to occupy or exercise dominion over, government-owned real prop-  
13 erty to any degree and for any amount of time, whether pursuant to or in  
14 accordance with a lease or rental agreement or otherwise, and whether  
15 lawfully or unlawfully. The term shall not apply to a person's resi-  
16 dence in any penal, treatment, care, rehabilitation, veterans' or edu-  
17 cational facility.

18 (b) "Lessee" means a person who leases government-owned real property.

19 (c) "Real property" means land and anything growing on, attached to, or  
20 erected on it, whether a permanent fixture or not.

21 (2) Any lessee who leases real property that is exempt from property  
22 taxation by reason of its state or local government ownership pursuant to  
23 section 4, article 7 of the Idaho constitution shall pay a lessee tax to the  
24 county tax collector for the county in which the property is situated.

25 (3) The lessee tax shall be equivalent to the amount of the property tax  
26 that would have been due on the leased property if not for its tax exempt own-  
27 ership status. The lessee tax shall be prorated for the number of months or  
28 partial months during the year for which the property is leased.

29 (4) Upon entering into a lease for government-owned real property, the  
30 governmental lessor of such real property shall provide a copy of the fully-  
31 executed lease or rental agreement to the county assessor for the county in  
32 which the property is situated, and contemporaneously provide the lessee no-  
33 tice of such transmittal.

34 (5) Upon receiving the lease or rental agreement from the lessor, the  
35 county assessor shall determine the market value for assessment purposes of  
36 the leased property pursuant to section 63-208, Idaho Code, solely for the  
37 purpose of determining the equivalency amount to be charged as a lessee tax.  
38 The property shall not be added to the property tax rolls. Upon completion of  
39 the assessment of the leased property, the county assessor shall notify the  
40 lessee of the market value for assessment purposes of the leased property in  
41 the same manner as provided in section 63-308, Idaho Code.

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1           (6) The lessee shall have standing to appeal the determination of the  
2 valuation of the leased property in the same manner as if the lessee were a  
3 property taxpayer and the leased property were to be assessed under the pro-  
4 visions of chapter 5 of this title.

5           (7) The lessee tax shall be calculated, noticed, billed, collected, and  
6 distributed in the same manner as if it were a property tax, except that all  
7 notices and other documents pertaining to the lessee tax provided for in this  
8 section shall so state and cite this section of the Idaho Code. The notice  
9 of the tax amount shall be sent in the same manner as property tax notices are  
10 sent pursuant to section 63-902, Idaho Code.

11           (8) No lien for unpaid lessee tax shall attach to a government-owned  
12 property, nor shall any governmental entity have any liability for the  
13 lessee tax. The lessee and the lessee's guarantor, if any, shall be civilly  
14 liable for payment of the lessee tax.