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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 PROPERTY TAXES; AMENDING SECTION 63-602G, IDAHO CODE, TO REVISE  
3 PROVISIONS REGARDING THE HOMEOWNER PROPERTY TAX EXEMPTION; AND DECLAR-  
4 ING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

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

6 SECTION 1. That Section 63-602G, Idaho Code, be, and the same is hereby  
7 amended to read as follows:

8 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax  
9 year 2021, the first one hundred thousand dollars (\$100,000) of the mar-  
10 ket value for assessment purposes of the homestead as that term is defined  
11 in section 63-701, Idaho Code, or fifty-five percent (50.5%) of the market  
12 value for assessment purposes of the homestead as that term is defined in  
13 section 63-701, Idaho Code, whichever is the lesser, shall be exempt from  
14 property taxation. Beginning for tax year 2022 and each tax year thereafter,  
15 the state tax commission shall publish adjustments to the maximum amount  
16 subject to property tax exemption in each county to reflect cost-of-living  
17 fluctuations. The adjustments shall change the amount subject to tax ex-  
18 emption in each county by a percentage as near as practicable to the change  
19 in the county's house price index from 2017 to the present, as set forth in  
20 the county all-transactions house price experimental index published by the  
21 federal housing finance agency. The amount of the adjusted tax exemption un-  
22 der this section may rise and fall according to the index, but shall not fall  
23 below one hundred thousand dollars (\$100,000). The state tax commission  
24 shall publish the adjustments for each county by no later than October 1 of  
25 each year and the adjustments shall be effective for claims filed in and for  
26 the following property tax year. The publication of adjustments under this  
27 subsection shall be exempt from the provisions of chapter 52, title 67, Idaho  
28 Code, but shall be provided to each county and to members of the public upon  
29 request and without charge.

30 (2) The exemption allowed by this section may be granted only if:  
31 (a) The homestead is owner-occupied and used as the primary dwelling  
32 place of the owner. The homestead may consist of part of a multidwelling  
33 or multipurpose building and shall include all of such dwelling or  
34 building except any portion used exclusively for anything other than  
35 the primary dwelling of the owner. The presence of an office in a home-  
36 stead, which office is used for multiple purposes, including business  
37 and personal use, shall not prevent the owner from claiming the exemp-  
38 tion provided in this section; and  
39 (b) The state tax commission has certified to the board of county com-  
40 missioners that all properties in the county which are subject to ap-  
41 praisal by the county assessor have, in fact, been appraised uniformly  
42 so as to secure a just valuation for all property within the county; and

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- 1 (c) The owner has certified to the county assessor that:
- 2 (i) He is making application for the exemption allowed by this
- 3 section;
- 4 (ii) The homestead is his primary dwelling place; and
- 5 (iii) He has not made application in any other county for the ex-
- 6 emption, and has not made application for the exemption on any
- 7 other homestead in the county.
- 8 (d) For the purpose of this section, the definition of "owner" shall be
- 9 the same definition set forth in section 63-701(7), Idaho Code.
- 10 When an "owner," pursuant to the provisions of section 63-701(7),
- 11 Idaho Code, is any person who is the beneficiary of a revocable or irrev-
- 12 ocable trust, or who is a partner of a limited partnership, a member of
- 13 a limited liability company, or shareholder of a corporation, he or she
- 14 may provide proof of the trust, limited partnership, limited liability
- 15 company, or corporation in the manner set forth in section 63-703(4),
- 16 Idaho Code.
- 17 (e) Any owner may request in writing the return of all copies of any
- 18 documents submitted with the affidavit set forth in section 63-703(4),
- 19 Idaho Code, that are held by a county assessor, and the copies shall
- 20 be returned by the county assessor upon submission of the affidavit in
- 21 proper form.
- 22 (f) For the purpose of this section, the definition of "primary
- 23 dwelling place" shall be the same definition set forth in section
- 24 63-701(8), Idaho Code.
- 25 (g) For the purpose of this section, the definition of "occupied" shall
- 26 be the same definition set forth in section 63-701(6), Idaho Code.
- 27 (3) An owner need only make application for the exemption described in
- 28 subsection (1) of this section once, as long as all of the following condi-
- 29 tions are met:
- 30 (a) The owner has received the exemption during the previous year as
- 31 a result of his making a valid application as set forth in subsection
- 32 (2)(c) of this section.
- 33 (b) The owner or beneficiary, partner, member or shareholder, as appro-
- 34 priate, still occupies the same homestead for which the owner made ap-
- 35 plication.
- 36 (c) The homestead described in paragraph (b) of this subsection is
- 37 owner-occupied or occupied by a beneficiary, partner, member or share-
- 38 holder, as appropriate, and used as the primary dwelling place of the
- 39 owner or beneficiary, partner, member or shareholder, as appropriate.
- 40 (4) The exemption allowed by this section shall be effective upon the
- 41 date of the application and must be taken before the reduction in taxes pro-
- 42 vided by sections 63-701 through 63-710, Idaho Code, is applied.
- 43 (5) Recovery of property tax exemptions allowed by this section but im-
- 44 properly claimed or approved:
- 45 (a) Upon discovery of evidence, facts or circumstances indicating any
- 46 exemption allowed by this section was improperly claimed or approved,
- 47 the county assessor shall decide whether the exemption claimed should
- 48 have been allowed and, if not, notify the taxpayer in writing, assess
- 49 a recovery of property tax and notify the county treasurer of this as-
- 50 sessment. If the county assessor determined that an exemption was im-

1 properly approved as a result of county error, the county assessor shall  
2 present the discovered evidence, facts or circumstances from the im-  
3 properly approved exemption to the board of county commissioners, at  
4 which time the board may waive a recovery of the property tax and notify  
5 such taxpayer in writing.

6 (b) When information indicating that an improper claim for the exemp-  
7 tion allowed by this section is discovered by the state tax commission,  
8 the state tax commission may disclose this information to the ap-  
9 propriate county assessor, board of county commissioners and county  
10 treasurer. Information disclosed to county officials by the state tax  
11 commission under this subsection may be used to decide the validity of  
12 any entitlement to the exemption provided in this section and is not  
13 otherwise subject to public disclosure pursuant to chapter 1, title 74,  
14 Idaho Code.

15 (c) The assessment and collection of the recovery of property tax must  
16 begin within the seven (7) year period beginning the date the assessment  
17 notice reflecting the improperly claimed or approved exemption was re-  
18 quired to be mailed to the taxpayer.

19 (d) The taxpayer may appeal to the county board of equalization the  
20 decision by the county assessor to assess the recovery of property tax  
21 within thirty (30) days of the date the county assessor sent the notice  
22 to the taxpayer pursuant to this section. The board may waive the col-  
23 lection of all or part of any costs, late charges, and interest in order  
24 to facilitate the collection of the recovery of the property tax.

25 (e) For purposes of calculating the tax, the amount of the recovered  
26 property tax shall be for each year the exemption allowed by this sec-  
27 tion was improperly claimed or approved, up to a maximum of seven (7)  
28 years. The amount of the recovery of property tax shall be calculated  
29 using the product of the amount of exempted value for each year multi-  
30 plied by the levy for that year plus costs, late charges and interest for  
31 each year at the rates equal to those provided for delinquent property  
32 taxes during that year.

33 (f) Any recovery of property tax shall be due and payable no later than  
34 the date provided for property taxes in section 63-903, Idaho Code, and  
35 if not timely paid, late charges and interest, beginning the first day  
36 of January in the year following the year the county assessor sent the  
37 notice to the taxpayer pursuant to this section, shall be calculated at  
38 the current rate provided for property taxes.

39 (g) Recovered property taxes shall be billed, collected and dis-  
40 tributed in the same manner as property taxes, except each taxing dis-  
41 trict or unit shall be notified of the amount of any recovered property  
42 taxes included in any distribution.

43 (h) Thirty (30) days after the taxpayer is notified, as provided in  
44 paragraph (a) of this subsection, the assessor shall record a notice  
45 of intent to attach a lien. Upon the payment in full of such recov-  
46 ered property taxes prior to the attachment of the lien as provided in  
47 paragraph (i) of this subsection, or upon the successful appeal by the  
48 taxpayer, the county assessor shall record a rescission of the intent to  
49 attach a lien within seven (7) business days of receiving such payment  
50 or within seven (7) business days of the county board of equalization

1 decision granting the appeal. If the real property is sold to a bona  
2 fide purchaser for value prior to the recording of the notice of the in-  
3 tent to attach a lien, the county assessor and treasurer shall cease the  
4 recovery of such unpaid recovered property tax.

5 (i) Any unpaid recovered property taxes shall become a lien upon the  
6 real property in the same manner as provided for property taxes in sec-  
7 tion 63-206, Idaho Code, except such lien shall attach as of the first  
8 day of January in the year following the year the county assessor sent  
9 the notice to the taxpayer pursuant to this section.

10 (j) For purposes of the limitation provided by section 63-802, Idaho  
11 Code, moneys received pursuant to this subsection as recovery of prop-  
12 erty tax shall be treated as property tax revenue.

13 (6) The legislature declares that this exemption is necessary and just.

14 (7) A homestead, having previously qualified for exemption under this  
15 section in the preceding year, shall not lose such qualification due to: the  
16 owner's, beneficiary's, partner's, member's or shareholder's absence in the  
17 current year by reason of active military service, or because the homestead  
18 has been leased because the owner, beneficiary, partner, member or share-  
19 holder is absent in the current year by reason of active military service.  
20 An owner subject to the provisions of this subsection must apply for the ex-  
21 emption with the county assessor every year on or before a deadline date as  
22 specified by the county assessor for the county in which the homestead is  
23 claimed. If an owner fails to apply on or before the established deadline,  
24 the county may, at its discretion, discontinue the exemption for that year.

25 (8) A homestead, having previously qualified for exemption under this  
26 section in the preceding year, shall not lose such qualification due to  
27 the owner's, beneficiary's, partner's, member's or shareholder's death  
28 during the year of the owner's, beneficiary's, partner's, member's or share-  
29 holder's death and the tax year immediately following such death provided  
30 that the homestead continues to be a part of the owner's, beneficiary's,  
31 partner's, member's or shareholder's estate. After such time, the new owner  
32 shall reapply to receive the exemption pursuant to this section and shall  
33 meet the qualification criteria contained in this section.

34 SECTION 2. An emergency existing therefor, which emergency is hereby  
35 declared to exist, this act shall be in full force and effect on and after its  
36 passage and approval, and retroactively to January 1, 2021.