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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 PROPERTY TAX EXEMPTION FOR HOMEOWNERS; AMENDING SECTION  
3 63-602G, IDAHO CODE, TO REVISE THE HOMESTEAD EXEMPTION AMOUNT; AND  
4 DECLARING 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, the first one hundred twenty-five thousand dollars (~~\$100~~25,000) of the  
10 market value for assessment purposes of the homestead as that term is defined  
11 in section 63-701, Idaho Code, or fifty percent (50%) of the market value  
12 for assessment purposes of the homestead as that term is defined in section  
13 63-701, Idaho Code, whichever is the lesser, shall be exempt from property  
14 taxation.

15 (2) The exemption allowed by this section may be granted only if:  
16 (a) The homestead is owner-occupied and used as the primary dwelling  
17 place of the owner. The homestead may consist of part of a multidwelling  
18 or multipurpose building and shall include all of such dwelling or  
19 building except any portion used exclusively for anything other than  
20 the primary dwelling of the owner. The presence of an office in a home-  
21 stead, which office is used for multiple purposes, including business  
22 and personal use, shall not prevent the owner from claiming the exemp-  
23 tion provided in this section; and  
24 (b) The state tax commission has certified to the board of county com-  
25 missioners that all properties in the county which are subject to ap-  
26 praisal by the county assessor have, in fact, been appraised uniformly  
27 so as to secure a just valuation for all property within the county; and  
28 (c) The owner has certified to the county assessor that:  
29 (i) He is making application for the exemption allowed by this  
30 section;  
31 (ii) The homestead is his primary dwelling place; and  
32 (iii) He has not made application in any other county for the ex-  
33 emption, and has not made application for the exemption on any  
34 other homestead in the county.  
35 (d) For the purpose of this section, the definition of "owner" shall be  
36 the same definition set forth in section 63-701(7), Idaho Code.  
37 When an "owner," pursuant to the provisions of section 63-701(7),  
38 Idaho Code, is any person who is the beneficiary of a revocable or irrev-  
39 ocable trust, or who is a partner of a limited partnership, a member of  
40 a limited liability company, or shareholder of a corporation, he or she  
41 may provide proof of the trust, limited partnership, limited liability

1 company, or corporation in the manner set forth in section 63-703(4),  
2 Idaho Code.

3 (e) Any owner may request in writing the return of all copies of any  
4 documents submitted with the affidavit set forth in section 63-703(4),  
5 Idaho Code, that are held by a county assessor, and the copies shall  
6 be returned by the county assessor upon submission of the affidavit in  
7 proper form.

8 (f) For the purpose of this section, the definition of "primary  
9 dwelling place" shall be the same definition set forth in section  
10 63-701(8), Idaho Code.

11 (g) For the purpose of this section, the definition of "occupied" shall  
12 be the same definition set forth in section 63-701(6), Idaho Code.

13 (3) An owner need only make application for the exemption described in  
14 subsection (1) of this section once, as long as all of the following condi-  
15 tions are met:

16 (a) The owner has received the exemption during the previous year as  
17 a result of his making a valid application as set forth in subsection  
18 (2)(c) of this section.

19 (b) The owner or beneficiary, partner, member or shareholder, as appro-  
20 priate, still occupies the same homestead for which the owner made ap-  
21 plication.

22 (c) The homestead described in paragraph (b) of this subsection is  
23 owner-occupied or occupied by a beneficiary, partner, member or share-  
24 holder, as appropriate, and used as the primary dwelling place of the  
25 owner or beneficiary, partner, member or shareholder, as appropriate.

26 (4) The exemption allowed by this section shall be effective upon the  
27 date of the application and must be taken before the reduction in taxes pro-  
28 vided by sections 63-701 through 63-710, Idaho Code, is applied.

29 (5) Recovery of property tax exemptions allowed by this section but im-  
30 properly claimed or approved:

31 (a) Upon discovery of evidence, facts or circumstances indicating any  
32 exemption allowed by this section was improperly claimed or approved,  
33 the county assessor shall decide whether the exemption claimed should  
34 have been allowed and, if not, notify the taxpayer in writing, assess  
35 a recovery of property tax and notify the county treasurer of this as-  
36 sessment. If the county assessor determined that an exemption was im-  
37 properly approved as a result of county error, the county assessor shall  
38 present the discovered evidence, facts or circumstances from the im-  
39 properly approved exemption to the board of county commissioners, at  
40 which time the board may waive a recovery of the property tax and notify  
41 such taxpayer in writing.

42 (b) When information indicating that an improper claim for the exemp-  
43 tion allowed by this section is discovered by the state tax commission,  
44 the state tax commission may disclose this information to the ap-  
45 propriate county assessor, board of county commissioners and county  
46 treasurer. Information disclosed to county officials by the state tax  
47 commission under this subsection may be used to decide the validity of  
48 any entitlement to the exemption provided in this section and is not  
49 otherwise subject to public disclosure pursuant to chapter 1, title 74,  
50 Idaho Code.

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

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

11 (e) For purposes of calculating the tax, the amount of the recovered  
12 property tax shall be for each year the exemption allowed by this sec-  
13 tion was improperly claimed or approved, up to a maximum of seven (7)  
14 years. The amount of the recovery of property tax shall be calculated  
15 using the product of the amount of exempted value for each year multi-  
16 plied by the levy for that year plus costs, late charges and interest for  
17 each year at the rates equal to those provided for delinquent property  
18 taxes during that year.

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

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

29 (h) Thirty (30) days after the taxpayer is notified, as provided in  
30 paragraph (a) of this subsection, the assessor shall record a notice  
31 of intent to attach a lien. Upon the payment in full of such recov-  
32 ered property taxes prior to the attachment of the lien as provided in  
33 paragraph (i) of this subsection, or upon the successful appeal by the  
34 taxpayer, the county assessor shall record a rescission of the intent to  
35 attach a lien within seven (7) business days of receiving such payment  
36 or within seven (7) business days of the county board of equalization  
37 decision granting the appeal. If the real property is sold to a bona  
38 fide purchaser for value prior to the recording of the notice of the in-  
39 tent to attach a lien, the county assessor and treasurer shall cease the  
40 recovery of such unpaid recovered property tax.

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

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

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

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1           (7) A homestead, having previously qualified for exemption under this  
2 section in the preceding year, shall not lose such qualification due to: the  
3 owner's, beneficiary's, partner's, member's or shareholder's absence in the  
4 current year by reason of active military service, or because the homestead  
5 has been leased because the owner, beneficiary, partner, member or share-  
6 holder is absent in the current year by reason of active military service.  
7 An owner subject to the provisions of this subsection must apply for the ex-  
8 emption with the county assessor every year on or before a deadline date as  
9 specified by the county assessor for the county in which the homestead is  
10 claimed. If an owner fails to apply on or before the established deadline,  
11 the county may, at its discretion, discontinue the exemption for that year.

12           (8) A homestead, having previously qualified for exemption under this  
13 section in the preceding year, shall not lose such qualification due to  
14 the owner's, beneficiary's, partner's, member's or shareholder's death  
15 during the year of the owner's, beneficiary's, partner's, member's or share-  
16 holder's death and the tax year immediately following such death provided  
17 that the homestead continues to be a part of the owner's, beneficiary's,  
18 partner's, member's or shareholder's estate. After such time, the new owner  
19 shall reapply to receive the exemption pursuant to this section and shall  
20 meet the qualification criteria contained in this section.

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