

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 717

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO TAXATION; AMENDING SECTION 63-502, IDAHO CODE, TO REVISE
2 PROVISIONS REGARDING THE FUNCTION OF THE BOARD OF EQUALIZATION ON AS-
3 SESSMENTS; AMENDING SECTION 63-511, IDAHO CODE, TO REVISE PROVISIONS
4 REGARDING APPEALS FROM COUNTY BOARD OF EQUALIZATION; AMENDING SECTION
5 63-602G, IDAHO CODE, AS AMENDED IN SECTION 1 OF HOUSE BILL NO. 449,
6 IF ENACTED BY THE SECOND REGULAR SESSION OF THE SIXTY-SEVENTH IDAHO
7 LEGISLATURE, TO REVISE PROVISIONS REGARDING THE HOMESTEAD EXEMPTION;
8 AMENDING SECTION 63-903, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE
9 DEADLINE FOR THE PAYMENT OF PROPERTY TAXES; AND PROVIDING AN EFFECTIVE
10 DATE.
11

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

13 SECTION 1. That Section 63-502, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 63-502. FUNCTION OF BOARD OF EQUALIZATION ON ASSESSMENTS. The func-
16 tion of the board of equalization shall be confined strictly to assuring that
17 the market value for assessment purposes of property has been found by the
18 assessor, and to the functions provided for in chapter 6, title 63, Idaho
19 Code, relating to exemptions from taxation. It is hereby made the duty of the
20 board of equalization to enforce and compel a proper classification and as-
21 sessment of all property required under the provisions of this title to be
22 entered on the property rolls, and in so doing, the board of equalization
23 shall examine the rolls and shall raise or cause to be raised, or lower or
24 cause to be lowered, the assessment of any property which in the judgment of
25 the board has not been properly assessed. The board of equalization must ex-
26 amine and act upon all complaints filed with the board in regard to the as-
27 sessed value of any property entered on the property rolls and must correct
28 any assessment improperly made. ~~The taxpayer shall have the burden of proof~~
29 ~~in seeking affirmative relief to establish that the determination of the as-~~
30 ~~essor is erroneous, including any determination of assessed value. A pre-~~
31 ~~ponderance of the evidence shall suffice to sustain the burden of proof. If~~
32 a taxpayer introduces evidence that the assessment is not an accurate rep-
33 resentation of fair market value, regardless of whether or not the evidence
34 is offered by an appraiser or other expert witness, the assessment shall be
35 presumed to not be an accurate representation of fair market value, and the
36 burden of proof shall shift to the assessor to establish the correct market
37 value of the property. In doing so, the assessor may not rely on ratio stud-
38 ies or other analyses of property values generally that do not directly and
39 specifically evaluate the subject property. The presumption that the as-
40 essment is not an accurate representation of fair market value may be rebut-
41 ted if the assessor provides clear and convincing evidence that the assess-
42 ment correctly reflects the actual market value of the property.

1 SECTION 2. That Section 63-511, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 63-511. APPEALS FROM COUNTY BOARD OF EQUALIZATION. (1) Any time within
4 thirty (30) days after mailing of notice of a decision of the board of equal-
5 ization, or pronouncement of a decision announced at a hearing, an appeal of
6 any act, order or proceeding of the board of equalization, or the failure of
7 the board of equalization to act may be taken to the board of tax appeals.
8 Such appeal may only be filed by the property owner, the assessor, the state
9 tax commission or by a person aggrieved when he deems such action illegal or
10 prejudicial to the public interest. Nothing in this section shall be con-
11 strued so as to suspend the payment of property taxes pending said appeal.

12 (2) Notice of such appeal stating the grounds therefor shall be filed
13 with the county auditor, who shall forthwith transmit to the board of tax ap-
14 peals a copy of said notice, together with a certified copy of the minutes
15 of the proceedings of the board of equalization resulting in such act, or-
16 der or proceeding, or a certificate to be furnished by the clerk of the board
17 that said board of equalization has failed to act in the time required by
18 law on any complaint, protest, objection, application or petition in regard
19 to assessment of the complainant's property, or a petition of the state tax
20 commission. The county auditor shall also forthwith transmit all evidence
21 taken in connection with the matter appealed. The county auditor shall sub-
22 mit all such appeals to the board of tax appeals within thirty (30) days of
23 being notified of the appeal. The board of tax appeals may receive further
24 evidence and will hear the appeal as provided in chapter 38, title 63, Idaho
25 Code.

26 (3) Any appeal that may be taken to the board of tax appeals may, during
27 the same time period, be taken to the district court for the county in which
28 the property is located.

29 (4) ~~In~~ Except as otherwise provided in this section, in any appeal taken
30 to the board of tax appeals or the district court pursuant to this section,
31 the burden of proof shall fall upon the party seeking affirmative relief to
32 establish that the valuation from which the appeal is taken is erroneous, or
33 that the board of equalization erred in its decision regarding a claim that
34 certain property is exempt from taxation, the value thereof, or any other re-
35 lief sought before the board of equalization. A preponderance of the evi-
36 dence shall suffice to sustain the burden of proof. The Provided, however,
37 that if a taxpayer introduces evidence that the assessment is not an accu-
38 rate representation of fair market value, regardless of whether or not the
39 evidence is offered by an appraiser or other expert witness, the burden of
40 proof shall shift to the assessor to establish the correct market value of
41 the property. In doing so, the assessor may not rely on ratio studies or
42 other analyses of property values generally that do not directly and specif-
43 ically evaluate the subject property. The presumption that the assessment
44 is not an accurate representation of fair market value may be rebutted if
45 the assessor provides clear and convincing evidence that the assessment cor-
46 rectly reflects the actual market value of the property. Otherwise, the bur-
47 den of proof shall fall upon the party seeking affirmative relief and the
48 burden of going forward with the evidence shall shift as in other civil lit-
49 igation. The board of tax appeals or the district court shall render its de-

1 cision in writing, including therein a concise statement of the facts found
2 by the court and the conclusions of law reached by the court. The board of tax
3 appeals or the court may affirm, reverse, modify or remand any order of the
4 board of equalization, and shall grant other relief, invoke such other reme-
5 dies, and issue such orders in accordance with its decision, as appropriate.

6 SECTION 3. That Section 63-602G, Idaho Code, as amended in Section 1 of
7 House Bill No. 449, if enacted by the Second Regular Session of the Sixty-
8 seventh Legislature Idaho Legislature, be, and the same is hereby amended to
9 read as follows:

10 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax
11 year, the first one hundred twenty-five thousand dollars (\$125,000) of the
12 market value for assessment purposes of the homestead as that term is defined
13 in section 63-701, Idaho Code, or fifty percent (50%) of the market value
14 for assessment purposes of the homestead as that term is defined in section
15 63-701, Idaho Code, whichever is the lesser, shall be exempt from property
16 taxation.

17 (2) The exemption allowed by this section may be granted only if:

18 (a) The homestead is owner-occupied and used as the primary dwelling
19 place of the owner. The homestead may consist of part of a multidwelling
20 or multipurpose building and shall include all of such dwelling or
21 building except any portion used exclusively for anything other than
22 the primary dwelling of the owner. The presence of an office in a home-
23 stead, which office is used for multiple purposes, including business
24 and personal use, shall not prevent the owner from claiming the exemp-
25 tion provided in this section; and

26 (b) The state tax commission has certified to the board of county com-
27 missioners that all properties in the county subject to appraisal by the
28 county assessor have, in fact, been appraised uniformly so as to secure
29 a just valuation for all property within the county; and

30 (c) The owner has certified to the county assessor that:

31 (i) He is making application for the exemption allowed by this
32 section;

33 (ii) The homestead is his primary dwelling place; and

34 (iii) He has not made application in any other county for the ex-
35 emption and has not made application for the exemption on any other
36 homestead in the county.

37 (d) For the purpose of this section, the definition of "owner" shall be
38 the same definition set forth in section 63-701(7), Idaho Code. When an
39 owner, pursuant to the provisions of section 63-701(7), Idaho Code, is
40 any person who is the beneficiary of a revocable or irrevocable trust,
41 or who is a partner of a limited partnership, a member of a limited lia-
42 bility company, or a shareholder of a corporation, he or she may provide
43 proof of the trust, limited partnership, limited liability company, or
44 corporation in the manner set forth in section 63-703(4), Idaho Code.

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

1 (f) For the purpose of this section, the definition of "primary
2 dwelling place" shall be the same definition set forth in section
3 63-701(8), Idaho Code.

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

6 (3) The county assessor of each county shall prescribe and make avail-
7 able forms to be used by a homeowner to apply for the homestead exemption pro-
8 vided in this section. The homeowner shall provide on such forms the home-
9 owner's full name, date of birth, complete address, and most recent previ-
10 ous complete address. The homeowner shall also provide, if applicable, such
11 homeowner's state-issued driver's license number or state-issued identifi-
12 cation card number.

13 (4) An owner need make application for the exemption described in sub-
14 section (1) of this section only 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 a
17 result of making a valid application as set forth in subsection (2) (c)
18 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 (5) (a) The exemption allowed by this section shall be effective upon
27 the date of the application eligibility status change provided on the
28 approved application for the current tax year and must be taken before
29 the reduction in taxes provided by sections 63-701 through 63-710,
30 Idaho Code, is applied.

31 (b) If the eligibility status of the property eligible for the exemp-
32 tion changes during the tax year, the property taxes shall be prorated
33 based on the property's eligibility status during the year. The levy
34 rate shall be multiplied against the market value for assessment pur-
35 poses of the property, and the resulting tax due shall be divided by
36 three hundred sixty-five (365) days, or by three hundred sixty-six
37 (366) days if the tax year is a leap year, for the daily tax amount
38 and then multiplied by the number of days of the year such property
39 is subject to a given exemption eligibility status. For an owner who
40 qualifies for the homeowner exemption, the property taxes shall be cal-
41 culated using the market value for assessment purposes, reduced by the
42 exemption amount provided in subsection (1) of this section. The levy
43 rate shall be multiplied against such value and divided by the appropri-
44 ate number of days, either three hundred sixty-five (365) days or, if a
45 leap year, then three hundred sixty-six (366) days, and such resulting
46 number shall be multiplied by the number of days such person is eligible
47 for the exemption.

48 (c) If the eligibility status of the property changes during the tax
49 year, the taxable value of the homestead or the tax shall be adjusted in
50 one (1) of the following ways:

1 (i) If the property becomes eligible before the second Monday of
 2 July, the reduced taxable value shall be entered on the property
 3 roll pursuant to section 63-301, Idaho Code, and the homeowner
 4 property tax relief roll pursuant to section 63-724(4), Idaho
 5 Code;

6 (ii) If the property becomes eligible on or after the second Mon-
 7 day of July, property taxes due shall be calculated as provided
 8 in paragraph (b) of this subsection and any reduction in property
 9 tax will result in a cancellation or refund as provided in section
 10 63-1202, Idaho Code;

11 (iii) If the property becomes ineligible for the exemption before
 12 the second Monday of July, any additional taxable value shall be
 13 entered on the property roll pursuant to section 63-301, Idaho
 14 Code, and the homeowner property tax relief roll pursuant to sec-
 15 tion 63-724(4), Idaho Code;

16 (iv) If the property becomes ineligible for the exemption on or
 17 after the second Monday of July but no later than the fourth Monday
 18 of November, the additional value shall be assessed and entered on
 19 the subsequent or missed property roll pursuant to the provisions
 20 of section 63-301, Idaho Code; or

21 (v) If the property becomes ineligible for the exemption on or af-
 22 ter the fourth Monday of November, the tax on the additional value
 23 may be calculated as provided in paragraph (b) of this subsection
 24 and billed as provided for the recovery of the property tax exemp-
 25 tion pursuant to this subsection.

26 (6) Recovery of property tax exemptions allowed by this section but im-
 27 properly claimed or approved:

28 (a) (i) Prior to granting an exemption, the county assessor shall
 29 investigate whether an applicant for the exemption has claimed the
 30 exemption for another homestead and shall not grant the exemption
 31 where it appears the exemption has been improperly claimed. The
 32 applicant shall be notified of the county assessor's refusal to
 33 grant the exemption.

34 (ii) Upon discovery of evidence, facts or circumstances indicat-
 35 ing any exemption allowed by this section was improperly claimed
 36 or approved, the county assessor shall decide whether the exemp-
 37 tion claimed should have been allowed and, if not, notify the tax-
 38 payer in writing, assess a recovery of property tax and notify the
 39 county treasurer of this assessment. If the county assessor de-
 40 termined that an exemption was improperly approved as a result of
 41 county error, the county assessor shall present the discovered evi-
 42 dence, facts or circumstances from the improperly approved ex-
 43 emption to the board of county commissioners, at which time the
 44 board may waive a recovery of the property tax and notify such tax-
 45 payer in writing.

46 (iii) Upon the first instance of a taxpayer being discovered to
 47 have claimed more than one (1) homestead exemption, the taxpayer
 48 shall be subject to a penalty, payable to the county treasurer, in
 49 an amount equal to the amount of property tax recovered pursuant
 50 to subparagraph (ii) of this paragraph, which shall be paid in ad-

1 dition to such recovery amount. The taxpayer shall be notified of
2 the assessment of such penalty at the same time as the notice of the
3 assessor's refusal to grant the exemption in subparagraph (i) of
4 this paragraph.

5 (iv) Any subsequent violation within seven (7) years of an in-
6 stance pursuant to subparagraph (iii) of this paragraph shall be a
7 misdemeanor, subject to the penalties provided in section 18-113,
8 Idaho Code. The county assessor shall notify the county prosecut-
9 ing attorney of any conduct that would constitute a misdemeanor
10 pursuant to this subparagraph.

11 (v) Nothing in this paragraph shall prohibit a taxpayer from
12 claiming a homestead exemption after January 1 for a property that
13 is not already subject to the homestead exemption, provided any
14 claim for an exemption is consistent with the requirements of sub-
15 section (2) (c) (iii) of this section.

16 (b) Upon request by a county assessor conducting an investigation under
17 paragraph (a) of this subsection, or when information indicating that
18 an improper claim for the exemption allowed by this section is discov-
19 ered by the state tax commission, the state tax commission shall dis-
20 close relevant information to the appropriate county assessor, board
21 of county commissioners, county clerk, and county treasurer and to the
22 secretary of state. Information disclosed to county officials and the
23 secretary of state by the state tax commission under this subsection:

24 (i) May be used to decide the validity of any entitlement to the
25 exemption provided in this section;

26 (ii) Shall, as necessary, be used to determine a person's resi-
27 dence for voting purposes under title 34, Idaho Code; and

28 (iii) Is not otherwise subject to public disclosure pursuant to
29 chapter 1, title 74, Idaho Code.

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

34 (d) (i) An applicant for an exemption under this section may appeal
35 to the county board of equalization the county assessor's refusal
36 to grant an exemption pursuant to paragraph (a) of this subsection
37 within thirty (30) days of the date the county assessor sent notice
38 of the refusal.

39 (ii) The taxpayer may appeal to the county board of equalization
40 the decision by the county assessor to assess the recovery of prop-
41 erty tax within thirty (30) days of the date the county assessor
42 sent the notice to the taxpayer pursuant to this section. The
43 board may waive the collection of all or part of any costs, late
44 charges, and interest in order to facilitate the collection of the
45 recovery of the property tax.

46 (iii) The taxpayer may appeal the imposition of the penalty pro-
47 vided in paragraph (a) (iii) of this subsection within thirty (30)
48 days of the date the county assessor sent the notice to the tax-
49 payer pursuant to this section.

1 (e) For purposes of calculating the tax, the amount of the recovered
2 property tax shall be for each year the exemption allowed by this sec-
3 tion was improperly claimed or approved, up to a maximum of seven (7)
4 years. The amount of the recovery of property tax shall be calculated
5 using the product of the amount of exempted value for each year multi-
6 plied by the levy for that year plus costs, late charges, and interest
7 for each year at the rates equal to those provided for delinquent prop-
8 erty taxes during that year.

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

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

19 (h) Thirty (30) days after the taxpayer is notified, as provided in
20 paragraph (a) of this subsection, the assessor shall record a notice
21 of intent to attach a lien. Upon the payment in full of such recov-
22 ered property taxes prior to the attachment of the lien as provided in
23 paragraph (i) of this subsection, or upon the successful appeal by the
24 taxpayer, the county assessor shall record a rescission of the intent to
25 attach a lien within seven (7) business days of receiving such payment
26 or within seven (7) business days of the county board of equalization
27 decision granting the appeal. If the real property is sold to a bona
28 fide purchaser for value prior to the recording of the notice of the in-
29 tent to attach a lien, the county assessor and treasurer shall cease the
30 recovery of such unpaid recovered property tax.

31 (i) Any unpaid recovered property taxes shall become a lien on the real
32 property in the same manner as provided for property taxes in section
33 63-206, Idaho Code, except such lien shall attach as of the first day of
34 January in the year following the year the county assessor sent the no-
35 tice to the taxpayer pursuant to this section.

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

39 (7) The legislature declares that this exemption is necessary and just.

40 (8) A homestead that previously qualified for exemption under this sec-
41 tion in the preceding year shall not lose such qualification due to: the
42 owner's, beneficiary's, partner's, member's or shareholder's absence in the
43 current year by reason of active military service or because the homestead
44 has been leased because the owner, beneficiary, partner, member or share-
45 holder is absent in the current year by reason of active military service.
46 An owner subject to the provisions of this subsection must apply for the ex-
47 emption with the county assessor every year on or before a deadline date as
48 specified by the county assessor for the county in which the homestead is
49 claimed. If an owner fails to apply on or before the established deadline,
50 the county may, at its discretion, discontinue the exemption for that year.

1 (9) A homestead that 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 death during
4 the year of the owner's, beneficiary's, partner's, member's or share-
5 holder's death and the tax year immediately following such death, provided
6 that the homestead continues to be a part of the owner's, beneficiary's,
7 partner's, member's or shareholder's estate. After such time, the new owner
8 shall reapply to receive the exemption pursuant to this section and shall
9 meet the qualification criteria contained in this section.

10 (10) The amount by which each exemption approved under this section ex-
11 ceeds one hundred thousand dollars (\$100,000) may, in the discretion of the
12 governing board of a taxing district, be deducted from the new construction
13 roll for the following year prepared by the county assessor in accordance
14 with section 63-301A, Idaho Code, but only to the extent that the amount ex-
15 ceeds the same deduction made in the previous year.

16 (11) By July 1, 2023, the state tax commission shall establish a data-
17 base of all active exemptions claimed under this section, which database
18 shall be searchable by a person's name and by the address of the homestead
19 for which the exemption is claimed. The database shall be made accessible
20 to officials listed in subsection (6) (b) of this section for the purpose of
21 verifying that:

22 (a) Multiple active exemptions have not been claimed by the same per-
23 son; and

24 (b) A person's residence for voting purposes is the same as the home-
25 stead for which such person has an active exemption pursuant to this
26 section, if an exemption is so claimed.

27 (12) Additional taxable value resulting from any change in status of a
28 property formerly or newly receiving the homeowner exemption shall be in-
29 cluded by the county assessor on the property roll or subsequent property
30 roll required pursuant to section 63-301, Idaho Code.

31 SECTION 4. That Section 63-903, Idaho Code, be, and the same is hereby
32 amended to read as follows:

33 63-903. WHEN PAYABLE. (1) All property taxes extended on the property
34 and operating property rolls shall be due and payable in full to the tax col-
35 lector without late charges and interest on or before December 20 of the year
36 in which the property taxes are levied. The property taxes may be paid in
37 full or paid in two (2) halves, the first half on or before December 20 with a
38 grace period extending to June 20 for the second half if the first half is to-
39 tally paid.

40 (2) Any portion of a property tax may be paid at any time, but nothing
41 in this section shall excuse costs, interest or late charges pursuant to sec-
42 tion 63-1002, Idaho Code.

43 (3) If the first one-half (1/2) is not totally paid on or before Decem-
44 ber 20, late charges as defined in section 63-201, Idaho Code, and interest
45 as provided in section 63-1001, Idaho Code, shall be assessed. If the first
46 one-half (1/2) of the property tax has been paid in part, late charges and in-
47 terest shall be calculated on the remaining first half tax due.

48 (4) If the second one-half (1/2) is not totally paid on or before June
49 20, late charges as defined in section 63-201, Idaho Code, and interest as

1 provided in section 63-1001, Idaho Code, shall be assessed. If the second
2 one-half (1/2) has been paid in part, late charges and interest shall be cal-
3 culated on the remaining property tax due.

4 (5) Property taxes on the subsequent or missed property roll shall be
5 billed within thirty (30) days after delivery of the property roll to the
6 county tax collector or as otherwise provided. The tax collector shall no-
7 tify the property owner of the property taxes due ~~without delay after deliv-~~
8 ~~ery of the property roll.~~ The deadline for paying such property tax shall be
9 the same as provided in subsection (4) of this section. Delinquency occurs
10 if the tax remains unpaid ~~thirty (30) days after the bills are mailed after~~
11 June 20. Late charges as defined in section 63-201, Idaho Code, and inter-
12 est as provided in section 63-1001, Idaho Code, shall be assessed in the same
13 manner as all other property taxes.

14 (6) All property taxes and fees, together with any costs, late charges
15 and interest collected by the county tax collector shall be remitted to the
16 county auditor as provided in section 63-1201, Idaho Code.

17 (7) Payment of any current property taxes shall not invalidate any pro-
18 ceeding in the collection of a delinquency.

19 SECTION 5. This act shall be in full force and effect on and after Jan-
20 uary 1, 2025.