

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 551

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING SECTION 63-301A, IDAHO CODE, TO REVISE A PROVISION REGARDING THE ASSESSMENT OF CERTAIN PROPERTY; AND DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

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

SECTION 1. That Section 63-301A, Idaho Code, be, and the same is hereby amended to read as follows:

63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare a new construction roll, which shall be in addition to the property roll, which new construction roll shall show:

(a) The name of the taxpayer;

(b) The description of the new construction, suitably detailed to meet the requirements of the individual county;

(c) The amount of taxable market value added to the property on the current year's property roll that is directly the result of new construction;

(d) The amount of taxable market value added as provided in subsection (3) (f) of this section as a result of dissolution of any revenue allocation area; and

(e) The amount of taxable market value to be deducted to reflect the adjustments required in this paragraph:

(i) Any board of tax appeals or court-ordered value change, if property has a taxable value lower than that shown on any new construction roll in any one (1) of the immediate five (5) tax years preceding the current tax year;

(ii) Any reduction in value resulting from correction of value improperly included on any previous new construction roll as a result of double or otherwise erroneous assessment;

(iii) Any reduction in value resulting from the exemption provided in section 63-602W(4), Idaho Code, in any one (1) of the immediate five (5) tax years preceding the current tax year; and

(iv) Any voluntary reduction in value reflecting a portion of certain homestead exemptions as provided in section 63-602G(10), Idaho Code.

(2) As soon as possible, but in any event by no later than the first Monday in June, the new construction roll shall be certified to the county auditor and a listing showing the amount of value on the new construction roll in each taxing district or unit shall be forwarded to the state tax commission on or before the fourth Monday in July. Provided however, the value shown in subsection (3) (e) of this section shall be reported to the appropriate county auditor by the state tax commission by the third Monday in July and the value sent by the county auditor to each taxing district. The value estab-

1 lished pursuant to subsection (3) (e) of this section is subject to correc-
2 tion by the state tax commission until the first Monday in September, and any
3 such corrections shall be sent to the appropriate county auditor, who shall
4 notify any affected taxing districts.

5 (3) Except as otherwise provided in this subsection, the value shown on
6 the new construction roll shall include ninety percent (90%) of the taxable
7 market value increase from:

8 (a) Construction of any new structure that previously did not exist,
9 once it is completed and taxable;

10 (b) Additions or alterations to existing nonresidential structures;

11 (c) Installation of new or used manufactured housing that did not pre-
12 viously exist within the county;

13 (d) Property newly taxable as a result of loss of the exemption provided
14 by section 63-602W(3) or (4), Idaho Code;

15 (e) The construction of any improvement or installation of any equip-
16 ment used for or in conjunction with the generation of electricity and
17 the addition of any improvement or equipment intended to be so used, ex-
18 cept property that has a value allocated or apportioned pursuant to sec-
19 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-
20 ity as those terms are defined in section 61-332A, Idaho Code, or that
21 is owned by a public utility as that term is defined in section 61-332A,
22 Idaho Code, owning any other property that is allocated or apportioned.
23 No replacement equipment or improvements may be included;

24 (f) Provided such increases do not include increases already reported
25 on the new construction roll as permitted in paragraphs (i) and (j) of
26 this subsection, increases in value over the base value of property
27 on the base assessment roll within an urban renewal revenue alloca-
28 tion area that has been terminated pursuant to section 50-2914, Idaho
29 Code, to the extent that this increment exceeds the incremental value
30 as of December 31, 2006, or, for revenue allocation areas formed af-
31 ter December 31, 2006, eighty percent (80%) of the increment value.
32 Notwithstanding other provisions of this section, the new construction
33 roll shall not include new construction located within an urban renewal
34 district's revenue allocation area, except as provided in this para-
35 graph or paragraph (k) of this subsection;

36 (g) New construction, in any one (1) of the immediate five (5) tax years
37 preceding the current tax year, allowable but never included on a new
38 construction roll, provided however, that for such property the value
39 on the new construction roll shall reflect the taxable value that would
40 have been included on the new construction roll for the first year in
41 which the property should have been included;

42 (h) Formerly exempt improvements on state college-owned or state uni-
43 versity-owned land for student dining, housing, or other education-re-
44 lated purposes approved by the state board of education and board of
45 regents of the university of Idaho as proper for the operation of such
46 state college or university, provided such improvements were never in-
47 cluded on any previous new construction roll;

48 (i) Increases in base value when due to previously determined incre-
49 ment value added to the base value as required in sections 50-2903 and
50 50-2903A, Idaho Code, due to a modification of the urban renewal plan.

1 In this case, the amount added to the new construction roll will equal
2 eighty percent (80%) of the amount by which the increment value in the
3 year immediately preceding the year in which the base value adjustment
4 described in this subsection occurs exceeds the incremental value as of
5 December 31, 2006, or, for revenue allocation areas formed after Decem-
6 ber 31, 2006, the entire increment value; and

7 (j) Increases in base value when due to previously determined incre-
8 ment value added to the base value as a result of a de-annexation within
9 a revenue allocation area as defined in section 50-2903, Idaho Code.
10 In this case, the amount added to the new construction roll will equal
11 eighty percent (80%) of the amount by which the increment value in the
12 year immediately preceding the year in which the de-annexation de-
13 scribed in this subsection occurs exceeds the incremental value as of
14 December 31, 2006, or, for revenue allocation areas formed after Decem-
15 ber 31, 2006, the entire increment value within the area subject to the
16 de-annexation.

17 (k) In the case of a fire protection district or ambulance service
18 district that encompasses all or part of any urban renewal revenue
19 allocation area that such district withdrew from pursuant to section
20 50-2906(5), Idaho Code, eighty percent (80%) of the increment value may
21 be included on the new construction roll for the year in which the dis-
22 trict withdrew from such urban renewal revenue allocation area. Each
23 year thereafter, ninety percent (90%) of the taxable value of otherwise
24 qualifying new construction shall be included in the new construction
25 roll for such fire protection district or ambulance service district
26 and for fire protection districts and ambulance service districts that
27 are not subject to the financing provisions of an urban renewal revenue
28 allocation area pursuant to section 50-2906(4), Idaho Code, even if
29 such new construction would not otherwise qualify because it was lo-
30 cated within a revenue allocation area.

31 (4) The amount of taxable market value of new construction shall be the
32 change in net taxable market value that is attributable directly to the new
33 construction or loss of the exemption provided by section 63-602W(3) or (4),
34 Idaho Code. It shall not include any change in value of existing property
35 that is due to external market forces such as general or localized inflation,
36 except as provided in subsection (3) (f) of this section.

37 (5) The amount of taxable market value of new construction shall not in-
38 clude any new construction of property that has been granted a provisional
39 property tax exemption, pursuant to section 63-1305C, Idaho Code. A prop-
40 erty owner may apply to the board of county commissioners, if an application
41 is required pursuant to section 63-602, Idaho Code, for an exemption from
42 property tax at the time the initial building permits are applied for or at
43 the time construction of the property has begun, whichever is earlier, or at
44 any time thereafter.

45 (6) The amount of taxable market value of new construction shall not in-
46 clude any new construction of property for which an exemption from sales and
47 use tax has been granted pursuant to section 63-3622VV, Idaho Code.

48 SECTION 2. An emergency existing therefor, which emergency is hereby
49 declared to exist, this act shall be in full force and effect on and after its
50 passage and approval, and retroactively to January 1, 2026.