TITLE 63
REVENUE AND TAXATION

CHAPTER 13
MISCELLANEOUS PROVISIONS OF TAX LAW

63-1301. APPLICATION TO TAXING DISTRICTS. The provisions of this title governing and in aid of the appraisal, assessment, levy and collection of state and county property taxes, are hereby made applicable to all general and special taxes of any taxing district incorporated, organized or chartered under any general or special laws of this state and authorized to collect revenue under the provisions of the laws of this state.

[63-1301 added 1996, ch. 98, sec. 14, p. 391.]

63-1302. CANCELLATION AND REFUND OF PROPERTY TAX. (1) The county commissioners may, at any time when in session, cancel property taxes which for any lawful reason should not be collected, and may refund to any taxpayer any money to which he may be entitled by reason of a double payment of property taxes on any property for the same year, or the double assessment or erroneous assessment of property through error. Notwithstanding any other provisions of law, in any case in which the county commissioners find that, due to error or otherwise by fault of the county, an excess amount of property tax was paid, the county commissioners may refund the excess amount so collected plus pay the same late charges and delinquency interest rate on that amount which the county would regularly require of a taxpayer who is delinquent, and the county commissioners may adopt an ordinance or resolution to establish such payments.

(2) The county commissioners may refund to the purchaser of any property when it has been determined by the county commissioners that such sale is void or invalid, the amount paid by such purchaser to the county with interest thereon from the date of such payment at the rate of six percent (6%) per annum.

(3) All proceedings of the county commissioners in the cancellation or refund of property taxes or refund of payments made at void sale must be recorded in the official minutes. All such refund of property taxes or payments must be paid upon warrants drawn on the county current expense fund by the county auditor or upon checks issued by the county tax collector. All such refunds shall be apportioned to the various funds or taxing districts.

[63-1302 added 1996, ch. 98, sec. 14, p. 391.]

63-1303. ADJUSTMENT OF PROPERTY TAXES BY COUNTY COMMISSIONERS -- DUTIES OF TAX COLLECTOR. (1) Whenever the county commissioners shall make any adjustments correcting errors or any other tax adjustments coming within the authority vested by law in such body, the clerk of the board shall, without delay, prepare and deliver to the county tax collector, a copy of the proceedings of the county commissioners.

(2) It shall be the duty of the tax collector to make the necessary corrections. All such copies shall be full authority for the tax collector to make adjustments as ordered; however, the tax collector shall assume no personal responsibility as to the legality of the orders but such responsibility shall rest entirely with the county commissioners.

[63-1303 added 1996, ch. 98, sec. 14, p. 391.]

63-1304. ADJUSTMENT OF LATE CHARGES OR INTEREST. The county commissioners of any county within the state of Idaho may, by resolution, authorize the county tax collector to make adjustments of late charges, interest and fees, not to exceed the designated limit as set by the county commissioners, in order to facilitate the collection of property taxes.

[63-1304 added 1996, ch. 98, sec. 14, p. 391.]

63-1305. REFUND OR CREDIT OF PROPERTY TAXES BY ORDER OF COURT OR BOARD OF TAX APPEALS. (1) When any court or the board of tax appeals orders a refund of any property taxes imposed under chapters 1 through 17, title 63, the county commissioners of the county or counties which collected the taxes may either refund taxes or apply the amount to be refunded as a credit against taxes due from the taxpayer in the following year. The county commissioners may use a combination of both a payment and a credit to effect the refund.

(2) As used in this section, "refund" includes property tax described in subsection (1) of this section found by the court or the board of tax appeals to have been overpaid and not lawfully due, interest due on the refund of such tax, costs and other amounts ordered paid by a court or the board of tax appeals.

(3) In the event a refund is paid, payments must be made by warrants drawn on the county's current expense fund by the county auditor. The auditor shall apportion the amount of property taxes cancelled as credit to the tax collector. The auditor shall charge the various funds and taxing districts with their proportionate share of the refund and credit the current expense account.

(4) If a credit is given the following year, the credit shall be allowed against actual property taxes assessed to the taxpayer by the taxing districts which received the taxes ordered to be refunded.

(5) Amounts equal to the refunds or credits allowed in this section may be included in amounts certified pursuant to sections 63-802 through 63-807, Idaho Code, but shall not be a part of the operating budget within the meaning of section 63-802, Idaho Code.

[63-1305 added 1996, ch. 98, sec. 14, p. 392.]

63-1305C. TAXATION AND REFUND OF PROPERTY TAXES COLLECTED ON A TAX EXEMPT PROPERTY. (1) It is the intent of the legislature that property that is being constructed or renovated to fulfill a purpose that is exempt from taxation under the constitution or the laws of Idaho shall not be subject to property tax during the period of construction or renovation preparatory to its completion for a tax exempt use.

(2) A property owner may apply to the board of county commissioners for a provisional property tax exemption at the time that a building permit is applied for or at the time that construction or renovation of the property begins, whichever is earlier, or at any time thereafter during construction or renovation of the property. If the board of county commissioners finds that the intended use of the property, once construction or renovation has been completed, qualifies for a property tax exemption under the constitution or the laws of the state of Idaho, it shall grant a provisional property tax exemption, conditioned on the achievement of the intended tax exempt purpose. Any property with a provisional property tax exemption shall

not be included on the county assessor's new construction roll, and no taxes shall be assessed on the property during the period of its exemption.

(3) Once construction or renovation of a property with a provisional property tax exemption has been completed, the board of county commissioners shall review the tax exempt status of the completed property. In the event that the property does not qualify for a tax exemption, the board of county commissioners shall revoke the provisional property tax exemption and the property owner shall be liable for back taxes that would have been due on the property during construction, if not for the granting of the provisional property tax exemption. Property that is actually used for its intended tax exempt purpose shall be granted a property tax exemption by the board of county commissioners, if such approval is required under section 63-602, Idaho Code.

(4) In the event that property taxes have been assessed and collected on a property during the time that it qualified for a provisional property tax exemption and whose owner applied for a provisional property tax exemption during construction or renovation, the property owner may apply to the board of county commissioners for a refund of the property taxes within five (5) years of the payment of such taxes. The board of county commissioners shall order a refund of any property taxes imposed on a tax exempt property. The county commissioners shall refund the collected taxes to the owner within forty-five (45) days of a finding by the county commissioners or of an order by the board of tax appeals or a court that the taxes should not have been collected on the property. If the property is only partially exempt, the county commissioners may apply the amount to be refunded as a credit against taxes due from the taxpayer in the following year or may use a combination of both a payment and a credit to effect the refund.

(5) As used in this section, "refund" includes property tax described in subsection (4) of this section found by the county commissioners, the board of tax appeals or a court to have been overpaid and not lawfully due, interest due on the refund of such tax, costs and any other amounts ordered paid by a court or the board of tax appeals.

(6) In the event a refund is paid, payments must be made by warrants drawn on the county's current expense fund by the county auditor. The auditor shall apportion the amount of property taxes canceled as credit to the tax collector. The auditor shall charge the various funds and taxing districts with their proportionate share of the refund and credit the current expense fund.

(7) If a credit is given the following year, the credit shall be allowed against actual property taxes assessed to the taxpayer by the taxing districts that received the taxes being refunded.

(8) Amounts equal to the refunds or credits allowed in this section may not be included in amounts certified pursuant to sections 63-802 through 63-807, Idaho Code.

[63-1305C, added 2018, ch. 194, sec. 1, p. 430.]

63-1306. PROCEDURE AND PROOF OF PAYMENT. (1) No procedure or action relating to the appraisal or assessment of property or the collection of property taxes is illegal on account of informality.

(2) Proof of payment of property taxes shall be the sole responsibility of the taxpayer.

[63-1306 added 1996, ch. 98, sec. 14, p. 392.]

63-1307. TRANSMISSION OF FUNDS TO STATE TREASURER. All moneys required under the provisions of this title to be transmitted to the state treasurer shall be transmitted at the expense of the county.

[63-1307 added 1996, ch. 98, sec. 14, p. 392.]

63-1308. PROPERTY TAX PAID UNDER PROTEST -- APPORTIONMENT -- ACTION FOR RECOVERY. (1) All property taxes paid under protest shall be apportioned as other property taxes are apportioned.

(2) An action against a county, an officer, or officer de facto, for property taxes or money paid to such county, officer, or officer de facto under protest, or seized by such officer, in his official capacity as a collector of taxes, and which it is claimed ought to be refunded, shall be commenced within sixty (60) days after such payment or seizure.

[63-1308 added 1996, ch. 98, sec. 14, p. 392.]

63-1309. SPECIAL TAXING DISTRICT OR BOND PROPOSAL DEFEATED IN ELECTION BARS SUBSEQUENT ELECTIONS FOR SPECIFIED TIME -- EXCEPTION -- BOARD OF EDUCATION MAY CONDUCT ELECTION -- MUNICIPALITIES, WATER OR SEWER DISTRICTS MAY CONDUCT BOND ELECTION. If any election has been held for the formation of any special taxing district, or for the approval of any bond issue or other proposal that would have resulted in a property tax levy, and the proposal submitted at such election was defeated, no subsequent election shall be held within two (2) months from and after the date of such prior election for the same or a similar purpose in any district that includes any part of the area that was affected by the prior election. In the event any school building is destroyed or rendered unusable for school purposes by reason of fire, flood or other catastrophe, and a school bond election for the purpose of the replacement of such building is prohibited by the provisions of this section or by the provisions of section 34-106, Idaho Code, the state board of education shall have the power to authorize an election for such purpose by order based upon a finding of such facts. The provisions of this section shall not apply to school elections held solely for determining property tax levies for general school purposes not involving the issuance of bonds. This time requirement between elections shall not apply to municipalities or water and/or sewer districts when bond issues are being proposed for the installation or improvement of water supply systems or public sewerage systems that have been deemed necessary by the Idaho department of environmental quality to bring such system or systems in conformance with state statutes or rules.

[63-1309, added 1996, ch. 98, sec. 14, p. 392; am. 2009, ch. 341, sec. 144, p. 1064; am. 2025, ch. 47, sec. 18, p. 239.]

63-1310. DESTRUCTION OF PERSONAL PROPERTY. In the event of the destruction of personal property by fire, flood or other natural disaster after the first day of January of any year the lien of the personal property tax shall attach to and follow any insurance that may be upon said property and the insurer shall pay to the county tax collector from the insurance money all property taxes, late charges, interest and costs incurred that may be due unless cancelled by the county commissioners.

[63-1310 added 1996, ch. 98, sec. 14, p. 393.]

63-1311. FEES FOR SERVICES. (1) Notwithstanding any other provision of law, the governing board of any taxing district may impose and cause to be collected fees for those services provided by that district which would otherwise be funded by property tax revenues. The fees collected pursuant to this section shall be reasonably related to, but shall not exceed, the actual cost of the service being rendered.

(2) No charge, other than property taxes shall be included on a tax notice unless the taxing district placing such charge has received approval by the board of county commissioners to place such charge on the tax notice and meets the criteria set forth in section 63-902, Idaho Code.

[63-1311, added 1996, ch. 98, sec. 14, p. 393; am. 1997, ch. 117, sec. 35, p. 333.]

63-1311A. ADVERTISEMENT OF AND HEARING ON FEE INCREASES. No taxing district may make a decision approving a fee increase that is in excess of five percent (5%) of the amount of the fee last collected or a decision imposing a new fee, unless it first holds a hearing upon such proposed fee increase or fee imposition at a regular or special meeting of the district's governing body and after it gives public notice of such hearing in the manner provided in this section. Any taxing district that is required to hold a hearing and give public notice of the hearing as provided in this section, and which fails to do so, shall have the validity of all or a portion of the fee increase that it collects be voidable.

The taxing district shall give public notice of its intent to make a decision on a proposed fee increase, that is in excess of five percent (5%) of the amount of fees last collected prior to such decision, or a decision to impose a new fee by giving public notice either by advertising in at least one (1) newspaper as defined in section 60-106, Idaho Code, or by holding three (3) public meetings in three (3) different locations in the district or by a single mailing notice to all district residents, providing that the same information is given and providing the meeting shall be held not less than seven (7) days after mailing of the notice. An advertisement used to satisfy the requirements of this section shall be run once each week for the two (2) weeks preceding the week during which the hearing required by this section will be held. The advertisement shall state that the taxing district will meet on a certain day, time and place fixed in the advertisement, for the purpose of hearing public comments regarding any proposed fee increase beyond the limits prescribed by this section, or imposition of a new fee and to explain the reasons for such action.

[63-1311A, added 1997, ch. 117, sec. 36, p. 333; am. 2007, ch. 159, sec. 1, p. 482.]

63-1312. MUNICIPAL PROPERTY TAXES -- NOTIFICATION OF VALUATION. (1) Prior to the fourth Monday of March of the current year the county auditor must notify every taxing district or authority, other than school districts, of the total taxable valuation of all the taxable property situated within such districts for the preceding calendar year for the purpose of assisting such governing authorities in their determination of tax rates to be levied for the current year and other informational purposes.

(2) Prior to the first Monday in August the auditor of each county in the state shall notify the state tax commission and the clerk of each taxing unit in his county of the taxable valuation of all the taxable property situ-

ated within that taxing district from the property roll for the current year, from the operating property roll for the previous year, from the prior year's actual or current year's estimated subsequent property roll and missed property roll, and the amount of value subject to occupancy tax notwithstanding exemptions authorized in chapter 6, title 63, Idaho Code, for the previous year.

(3) The auditor shall furnish the valuation from the current operating property roll upon receipt from the state tax commission.

(4) Subsequent to the notification of the county auditor of revenues sufficient to cover expenses as provided in section 50-2903(5), Idaho Code, taxable value as used in this section shall also include the value that exceeds the value of the base assessment roll for the portion of any taxing district within a revenue allocation area.

[63-1312 added 1996, ch. 98, sec. 14, p. 393; am. 2002, ch. 143, sec. 8, p. 404; am. 2012, ch. 38, sec. 5, p. 117; am. 2016, ch. 13, sec. 1, p. 15.]

63-1313. LIMITATION ON PROPERTY TAXES -- VALUE OF REAL AND PERSONAL PROPERTY -- SPECIAL TAX LEVIES.

(1) (a) Except as provided in section 63-802, Idaho Code, during any one (1) tax year, the maximum amount of all property taxes from all sources on any property subject to appraisal, assessment, and property taxation within the state of Idaho shall not exceed one percent (1%) of the market value for assessment purposes of such property, including the current market values of all residential improvements, notwithstanding any exemption of a portion of such values from property taxation.

(b) The limitation provided for in paragraph (a) of this subsection shall not apply to property taxes or special assessments to pay the principal of and the interest and redemption charges on any indebtedness incurred prior to the time this section becomes effective, nor shall the limitation provided for in paragraph (a) of this subsection apply to property taxes to pay the principal of and the interest and redemption charges on any indebtedness incurred on or after November 7, 1978, as prescribed by the constitution of the state of Idaho, nor shall the limitation provided for in paragraph (a) of this subsection apply to special assessments levied on or after November 7, 1978, as provided by law.

(2) The market value for assessment purposes of real and personal property subject to appraisal by the county assessor shall be determined by the county assessor according to the rules prescribed by the state tax commission, as provided in section 63-208, Idaho Code, but where real property is concerned it shall be the actual and functional use of the real property. All taxable property shall be annually appraised or indexed to reflect that valuation.

[63-1313 added 1996, ch. 98, sec. 14, p. 394.]

63-1314. COSTS FOR PROFESSIONAL SERVICES TO BE LIEN ON PROPERTY. Costs and fees for professional services incurred by the county in the collection of property taxes are a perpetual lien on the property and may be attached to the property taxes, current and delinquent.

Such professional services shall include, but not be limited to, attorney fees and title searches.

[63-1314 added 1996, ch. 98, sec. 14, p. 394.]

63-1315. FUNDING OF A JUDICIALLY CONFIRMED OBLIGATION. (1) A nonschool taxing district having a population of less than seven thousand five hundred (7,500) may certify a budget request for an amount of property tax revenues to finance an annual budget in excess of the limitations imposed by section 63-802, Idaho Code, for the purpose of paying an obligation that has been judicially confirmed pursuant to chapter 13, title 7, Idaho Code, provided that all of the following conditions are met:

(a) The taxing district has, within the previous five (5) years, held at least three (3) elections to obtain voter approval to incur the debt;

(b) The taxing district first budgets the maximum amount of property tax permitted pursuant to section 63-802, Idaho Code, including any available forgone amount;

(c) All surplus funds available to the taxing district are used to pay the obligation;

(d) The obligation was judicially confirmed after March 1, 2018, but before December 31, 2019;

(e) The obligation amount exceeds one-third (1/3) of the property tax revenues used to finance the taxing district's highest annual budget in the preceding three (3) years; and

(f) The amount in excess of the limitations imposed by section 63-802, Idaho Code, authorized by this section does not increase the budget that would otherwise be applicable by more than the amount raised by a levy rate of one-tenth of one percent (0.1%).

(2) The provisions of subsection (1) of this section pertain regardless of whether the obligation is paid in cash, redeemable warrants, the proceeds of bonded indebtedness permitted as an ordinary and necessary expense, or any combination of these methods of payment.

(3) The state tax commission may promulgate rules necessary to administer the provisions of this section.

(4) The levy resulting from the provisions of subsection (1) of this section may be imposed only until the obligation is paid in full.

[63-1315, added 2019, ch. 205, sec. 1, p. 625.]

63-1316. ELECTION -- AUTHORIZATION OF GOVERNING BODY. (1) No nonschool taxing district shall exercise any powers provided pursuant to section 63-1315, Idaho Code, unless a majority of qualified electors have voted to approve the obligation provided for in section 63-1315, Idaho Code, within the five (5) years prior to the budget request.

(2) The election provided for in this section shall be held in accordance with the provisions of section 34-106, Idaho Code.

[63-1316, added 2019, ch. 205, sec. 2, p. 626.]