



Idaho State Tax Commission
PROPERTY TAX RULES COMMITTEE
Meeting Minutes
February 19, 2013
9:30 am – 11:30 am 1CR5

ATTENDEES: Alan Dornfest, Rick Anderson, Betty Dressen, Dwayne Hines, Gene Kuehn, Steve Fiscus, Tom Katsilometes, Bob McQuade, Brett Endicott, Carolyn Watts, Erin Brady, Glenna Young, Jan Barnard, Linda Jones, Ron Fisher, Brad Vanderpool, George Brown, Sherry Cann, and Terry Accordino.

MINUTES: The January 15, 2013 minutes were unanimously approved.

LEGISLATIVE UPDATE: Alan Dornfest reviewed:

HB 14	Technical corrections - regarding subtraction that wasn't correct with expenses on section 42 property valuation process.	This has been corrected and is to the Governor
HB 24	Technical corrections - sales tax distribution	To the Governor
HB 25	This is a series of technical things correcting dates, gap in Circuit Breaker dates	To the Governor
HB 42	boundary description of four counties listed, clean up in state affairs	Passed the House / in Senate Affairs
HB 52	To get a good definition of the term "sufficient equity" for property tax deferral program	Passed both Houses and to the Governor
HB 71	Replacement monies, Section 31-808 Idaho Code, trust fund counties get from the state	Not doing well
HB 95	Regarding the processing of exemption applications	Held last week by the House Rev & Taxation committee
HB 135	this would amend Title 50 Urban Renewal districts	No vote for this
HB 140	New - property belonging to Indian Tribes that receive property tax exemptions	Do-pass recommendation
HB 141	Exempts wells for oil, gas or hydrocarbon from property taxation. Gene will follow up on getting a better description of the 'well'.	This is retroactive and needs a temporary rule. Has a do-pass recommendation
HB 158	Deals with the levies when two fire districts consolidate.	Held
S-1009	This is a current law on board appeals, which requires the auditor to submit the appeal within 30 days or by October 1st. This proposal takes out the October 1 st , giving only 30 days.	Is moving through both houses
Personal Property Exemption Bill	Under one version, operating property is eligible for the exemptions. This exempts all personal property except usual items such as RVs and boats. This would have a six-year phase out, but has an off-ramp provision in	hasn't had a hearing yet

	which the Governor could delay the next phase. This does have replacement money with some limitations.	
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STATUS REPORT: Rick presented a brief status report on the rules and discussion items:

Rule 006	The rule that incorporates certain cost manuals, guidelines, and standards referenced in property tax rules is being updated to recognize the most recent editions.	Tabled until June 2013
Rule 020	The rule that determines value calculation for RVs, horse trailers and utility trailers that also have living quarters as a portion of the vehicle.	TBD
Rule 407	The rule that guides the appeal process for operating property will be reviewed by a subcommittee of the rules committee.	Referred to subcommittee – no draft at this time.
Rule 704	Disclosure of information: Government agencies and officials	TBD
Rule 803	The budget certification rule adding a provision to insure that levy rates are computed based on amounts that do not exceed amounts proposed in the notice of budget hearing. Alan brought up the signatures on the L2 forms in the counties.	Tabled until April 2013
Rule 804	Urban Renewal Districts; this was referred to a subcommittee.	Subcommittee to meet this spring
Discussion	The following discussion issues were listed on the status report:	
	o Definition of word category as used in Code and Rule	Open – continuing review
	o Improvements v. improved property as used in Code and Rule	Open
	o Rule 961 – Forestlands	Open – Legal staff has advised that the statute does not support the position in the rule that the home site be excluded from the determination of five acres to qualify for assessment as forest land. – not resolved

OLD BUSINESS:

Rule 407: The subcommittee reported on the Operating Property Appeal process. Two meetings have been held. A third meeting is scheduled for later today.

Proposed Property Tax Rule 020: Value of Recreational Vehicles for Annual Registration and taxation of Unregistered Recreational Vehicles. Brett did some research and found that approximately 50% of the value of these trailers is living quarters. He will talk to the motor vehicle staff about this topic. He would also like to see the language taken out about the number of features in the RV. There was concern over the tiering of the price difference, and it was questioned if we could ease into this increase. Carolyn will also do some further research. This item is tabled until April.

NEW BUSINESS:

Property: An issue has arisen from a Circuit Breaker claimant that was denied the deduction six years ago. He recently contacted his Congressman with his complaint. Our dilemma deals with what are we allowed to disclose to a third party? According to the administrative and enforcement rules, the public official contacting us on behalf of the taxpayer constitutes a power of attorney. We need to get clarity regarding disclosure in cases like this. More research will be done on this issue.

Rule 802: Tim Tallman submitted a question asking how long deductions for the site improvement exemption from the new construction roll must continue. Rule 802 may not be clear and this may have to be clarified.

Next Meeting Date: Thursday, March 21, 2013, 9:30 a.m. in 1CR5

Alan Dornfest
Chairman

Sherry A. E. Cann
Rules Coordinator