



Idaho State Tax Commission
PROPERTY TAX RULES COMMITTEE
 Meeting Minutes
March 21, 2013
 9:30 am – 1:00 pm 1CR5

ATTENDEES: Alan Dornfest, Rick Anderson, Betty Dressen, Brenda Richards, Christopher Rich, Dwayne Hines, Erick Shaner, Gene Kuehn, Steve Fiscus, Ken Roberts, Tom Katsilometes, Bob McQuade, Brent Adamson, Brett Endicott, Erin Brady, Glenna Young, Greg Heinrich, Greg Himes, Jan Barnard, June Fullmer, Katrina Bayse, Linda Jones, Pam Waters, Ron Fisher, Sharon Worley, Brad Vanderpool, George Brown, Sherry Cann, Marc Shigeta, Trudy Charles, Brad Wills (via telephone) and Terry Accordino.

MINUTES: The February 19, 2013 minutes were unanimously approved.

LEGISLATIVE UPDATE: Alan and Rick reviewed:

House Bills 14, 24 and 25	Clean up bills (technical corrections)	Have become law
HB 42	Clarified boundaries	Became law
HB 140	Indian Reservation property	To the Governor
HB 141	Exemption on oil & gas wells	To the Governor; needs a temp rule
HB 202	Tax commission rules negative and positive fiscal impacts	In State Affairs
HB 242	Site improvement	In 2 nd reading of the Senate
HB 244	Consolidation of Fire districts	Heading to the Governor's office
HB 276	Personal property exemption bill	Hung up in the House Rev & Tax
HB 308	Changing maximum levy rate in the indigent fund	Became law
HB 315	\$100,000 exemption per taxpayer, per county	In the Senate local Government

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 per the most recent editions.	Tabled until June 2013
Rule 020	Determines what percentage will be attributed to the RV value calculation for RVs, horse trailers and utility trailers that also have living quarters as a portion of the vehicle, for licensing purposes.	Will be discussed at the next meeting

FINAL

Rule 407	The rule that guides the appeal process for operating property will be reviewed by a subcommittee of the rules committee.	Subcommittee report is on today's agenda
Rule 700	Disclosure of PTR applicant information to state or federal elected officials	On today's agenda
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.	Will be reviewed by a subcommittee later this year
Discussion	The following discussion issues were listed on the status report:	
	<ul style="list-style-type: none"> ○ Definition of word category as used in Code and Rule 	Closed – was only brought up in Valley County
	<ul style="list-style-type: none"> ○ Improvements v. improved property as used in Code and Rule 	Open
	<ul style="list-style-type: none"> ○ Rule 961 – Forestlands – 5 acre issue the Timber community has decided not to mess with this, they are going to leave it alone. 	Closed
	<ul style="list-style-type: none"> ○ Rule 802 -Tim Tallman's question concerning deduction of change of status property from new construction. 	Closed – Alan responded to Tim

OLD BUSINESS:

Rule 407: The subcommittee reported on the Operating Property Appeal process. A first draft has been completed. Ted Spangler submitted a summary of proposed changes. This is still being worked on by the subcommittee. Another meeting the first part of April will be held to continue looking at this issue.

NEW BUSINESS:

Proposed Rule 700: Definitions for Property Tax Reduction Benefit – This discussion has to do with the taxpayer that was upset after being denied the circuit breaker exemption, many years ago, and finally contacted his Congressman about it. First concern was the confidentiality issue. But the Administrative and Enforcement Rules provides that when a taxpayer writes to an elected official, which constitutes a Power of Attorney, giving us the ability to discuss their situation with the Congressman. A cross reference to Administration and Enforcement Rule 702 is being added to Property Tax Rule 700 to provide a readily available explanation. Alan suggested we wait on this Rule to give everyone time to think about it. We'll bring it back up at the next meeting and vote on it then.

FINAL

House Bill 242 (Site Improvement Exemption): We are allowing the current temporary rule to expire. Do we need a new rule? Gene doesn't feel a new rule is necessary.

Rule 632T: New exemption oil & gas wells. There was a concern that the term for well was insufficient. Dwayne also commented on the gathering lines as something to be considered in this definition. The land encompassing the well also needs to be looked at. The committee gave a general consensus without a vote to proceed with pursuing a rule for this.

Rule 626: Property exempt from taxation – certain personal property - May need extensive, immediate revisions if HB 315 becomes law. There was a lengthy discussion as to the components of this rule. It was decided to break it into two parts, one being items we may want to consider for the permanent rule, which can be looked at later; and things we absolutely have to have in the next two weeks. George Brown will also look at section 267 of the internal revenue code – deduction for losses – to try to address relationships in determining single tax payers.

Rule 802: Look at for the fire district consolidation issue, to make sure no levy issues exist.

Rule 902: What do you do when the tax bill goes to zero, this is in respect to HB 315. Rule 902 currently is in effect and requires information to be listed on the tax notice even when the amount of the bill goes to \$0.

Next Meeting Date: Thursday, April 23, 2013, 9:00 a.m. in 1CR5

Alan Dornfest
Chairman

Sherry A. E. Cann
Rules Coordinator