

**PROPERTY TAX RULES COMMITTEE  
AGENDA**

The Committee convenes on Tuesday January 27, 2015, at **9:30 a.m.** at:

Idaho State Tax Commission  
Room 1CR5 / Plaza IV / 800 Park Ave / Boise, Idaho

Welcome & Introductions  
Legislation Report  
Rules Status Report

*Committee Chair Alan Dornfest*  
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Rick Anderson.....2

**Rules Discussion (Property Tax Rules)**

Rule 006 – Incorporation by Reference.....3  
Rule 632 – Property exempt from taxation – oil or gas related wells.....5

**Misc. Matters for Discussion**

Loss of exemption – timing of assessment

Next meeting date:

Meeting adjourned

*For more information, please contact the Committee Chair, or the Rules Coordinator at [sherry.briscoe@tax.idaho.gov](mailto:sherry.briscoe@tax.idaho.gov) or at 208.334.7544. All agendas and rules related documents are posted on our website under the appropriate committee.*

**2015-2016  
Property Tax Rules Status Report  
January 27, 2015**

| <b>Rule #</b> | <b>Date PARF Approved By Agency</b> | <b>Date DFM Sent (ISTC Number)</b> | <b>Date Approved By DFM</b> | <b>Rule Status</b> | <b>Date of Draft</b>   | <b>Comments</b>   | <b>Date Sent For Publication</b> |
|---------------|-------------------------------------|------------------------------------|-----------------------------|--------------------|------------------------|---|----------------------------------|
| 006<br>(TBD)  |                                     |                                    |                             | On today's agenda  | Draft 1, Dec 14, 2014  | Adopt by reference – updates standard reference manuals and guides              |                                  |
| 132<br>(TBD)  |                                     |                                    |                             | On today's agenda  | Draft 1, Jan. 27, 2015 | Conforms rule to law (SB 1213, 2014) 63-602 by deleting application requirement |                                  |
|               |                                     |                                    |                             |                    |                        |   |                                  |
|               |                                     |                                    |                             |                    |                        |   |                                  |
|               |                                     |                                    |                             |                    |                        |   |                                  |
|               |                                     |                                    |                             |                    |                        |   |                                  |
|               |                                     |                                    |                             |                    |                        |   |                                  |

| <b>Discussion Issues</b> |                 |
|--------------------------|-----------------|
| <b>Issue</b>             | <b>Comments</b> |
|                          |                 |
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|                          |                 |

**006. INCORPORATION BY REFERENCE (RULE 006).**

Unless provided otherwise, any reference in these rules to any document identified in Rule 006 of these rules shall constitute the full incorporation into these rules of that document for the purposes of the reference, including any notes and appendices therein. The term “documents” includes codes, standards, or rules adopted by an agency of the state or of the United States or by any nationally recognized organization or association. (5-3-03)

**01. Availability of Reference Material.** Copies of the documents incorporated by reference into these rules are available at the main office of the State Tax Commission as listed in Rule 005 of these rules or can be electronically accessed as noted in Subsection 006.02 of this rule. (5-8-09)

**02. Documents Incorporated by Reference.** The following documents are incorporated by reference into these rules: (5-3-03)

**a.** “Standard on Ratio Studies” published in 2013, “Standard on Digital Cadastral Maps and Parcel Identifiers” published in 2012, “Standard on Mass Appraisal of Real Property” published in 2013, “Standard on Verification and Adjustment of Sales” published in 2010, all published by the International Association of Assessing Officers. These documents can be electronically accessed at <http://www.iaao.org/documents/index.cfm?Category=23>  
[http://www.iaao.org/wcm/Resources/Publications\\_access/Technical\\_Standards/wmc/Resources\\_Content/Pubs/Technical\\_Standards.aspx?hkey=93ba7851-659f-4d02-80a2-9a52ef21f995](http://www.iaao.org/wcm/Resources/Publications_access/Technical_Standards/wmc/Resources_Content/Pubs/Technical_Standards.aspx?hkey=93ba7851-659f-4d02-80a2-9a52ef21f995) which was last accessed and verified on ~~June~~ December 14 ~~8,~~ 2012 ~~4.~~ (~~3-20-14~~)(    )

**b.** “Recreation Vehicle Guide of the National Automobile Dealers Association” published in 2013~~5~~ for the September through December period by the National Appraisal Guides Incorporated. (~~3-20-14~~)(    )

**c.** “Van/Truck Conversion and Limousine Appraisal Guide of the National Automobile Dealers Association” published in 2013~~5~~ for the September through December period by the National Appraisal Guides Incorporated. (~~3-20-14~~)(    )

**d.** “Official Railway Equipment Register” published for the last three (3) quarters in 2012~~5~~ and the first quarter in 2014~~6~~ by R. E. R. Publishing Corporation, Agent as a publication of UBM Global Trade. (~~3-20-14~~)(    )

**e.** “Forest Habitat Types of Northern Idaho: A Second Approximation” published by the Government Printing Office for the U. S. Forest Service in 1991, General Technical Report INT-236, written by Cooper, Stephen V., Neiman, Kenneth E., Rev, David W., and Roberts, Kenneth E. (4-6-05)

**f.** “Forest Habitat Types of Central Idaho” published by the Government Printing Office for the Intermountain Forest and Range Experimentation Station of the U. S. Forest Service in 1981, General Technical Report INT-114, written by Kittams, Jay A., Pfister, Robert D., Ryker, Russell A., and Steele, Robert. (5-3-03)

**g.** “Yield of Even-Aged Stands of Ponderosa Pine” published by the Government

Printing Office for the U. S. Department of Agriculture in 1938, Technical Bulletin No. 630.  
(5-3-03)

**h.** “Second-Growth Yield, Stand, and Volume Table for the Western White Pine Type” published by the Government Printing Office for the U. S. Department of Agriculture in 1932, Technical Bulletin No. 323. (5-3-03)

**i.** “Manual of Surveying Instructions” published by the Federal Bureau of Land Management and the Public Land Survey System Foundation in 2009. (4-04-13)(0-00-13)

**632. PROPERTY EXEMPT FROM TAXATION - OIL OR GAS RELATED WELLS  
(RULE 632).**

Section 63-60200, Idaho Code. (3-20-14)

**01. Definitions of Oil or Gas Well.** (3-20-14)

**a.** Wells drilled for the production of oil, gas or hydrocarbon condensate may include the well, casing, and other structures permanently affixed inside the well, and the land inside the perimeter of the well. (3-20-14)

**b.** The well shall include the part where the gas producing stratum has been successfully cased off from any oil. (3-20-14)

**02. Ineligible Land and Equipment.** (3-20-14)

**a.** Wellheads and gathering lines or any line extending above ground level shall not qualify. Equipment used for the extraction, storage, or transportation of oil, gas, or hydrocarbon condensate shall not qualify. (3-20-14)

**b.** Land, other than that used for the well as defined in Subsection 632.01 of these rules, shall not qualify. If the presence of the well increases the market value of nearby land, the assessed value of such land shall reflect the increase, unless the land qualifies independently for any other property tax exemption. (3-20-14)

**03. Application.** ~~As provided in Section 63-602(3), Idaho Code, annual application is required for the exemption provided in this section and must be made to the county commissioners by April 15.~~ (3-20-14)(    )

December 2014 – Matter for Property Tax Rules Committee

Gene,

Good afternoon. After several discussions, amongst staff and Legal, I am authorizing Sandy to provide the necessary programming to allow the placing of value on the missed roll for property that lost its ag exemption during the year. The law appears to be too ambiguous to make a clear determination as to whether 63-602Y I.C. applies to this procedure, or not.

Our intention is to review this issue and work it through the rules process to get a much better procedure.

Thank you,

\* \* \*

Steve

Thanks for getting back to me on this. Once we get Sandy to complete the programing we will move forward with this. This should make for a good discussion at rules.

Thanks Again

Gene

Rick: Let's please put this issue in our hopper for some discussion at rules early next year.

Alan.

**Property Tax Rule 312**

**312.PARTIAL YEAR ASSESSMENT OF REAL AND PERSONAL PROPERTY (RULE 312).**  
Sections 63-311 and 63-602Y, Idaho Code. (5-3-03)

**01. Quarterly Assessment.** For each partial year assessment of any non-transient personal property, the assessment shall comply with the quarterly schedules provided in Sections 63-311 and 63-602Y, Idaho Code. (5-3-03)

**02. Change of Status.** The real or personal property that has a change of status as described in Section 63-602Y, Idaho Code, does not include federal or state of Idaho property. The property of the United States, except when taxation thereof is authorized by the Congress of the United States, the state, counties, cities, school districts, and other taxing districts that is transferred to a private owner continues to maintain a non-taxable status until January 1 of the year immediately after transfer. However, property owned by an urban renewal agency that is transferred to a private owner is subject to property tax according to the proration as described in Section 63-602Y, Idaho Code. (3-29-12)

**03. Cross Reference.** The partial year assessment of any non-transient personal property shall comply with the Idaho Supreme Court decision in Xerox Corporation v. Ada County Assessor, 101 Idaho 138, 609 P.2d 1129 (1980). When assessing all non-transient personal property, each assessor should be aware of the following quotation from this decision: "Where the county undertakes to update its initial (personal property) declarations during the course of the tax year, it cannot increase a taxpayer's tax burden to reflect the taxpayer's acquisition of non-exempt property without decreasing that tax burden to reflect the fact that property reported by the taxpayer in an earlier declaration was no longer subject to the county's ad valorem tax." (Clarification added.) (5-3-03)



# Idaho Statutes

## TITLE 63 REVENUE AND TAXATION

### CHAPTER 6 EXEMPTIONS FROM TAXATION

63-602Y. PROPERTY EXEMPT FROM TAXATION -- EFFECT OF CHANGE OF STATUS. (1) If any property, real or personal, which is exempted from taxation on the first day of January shall thereafter have a changed status during the year, either by change in ownership or otherwise, in a manner that if the changed status had existed on the first day of January the property would have been taxable at that time, then the property shall be assessed in the following manner: If the status changed before the first day of April, then for its full market value for assessment purposes; if on the first day of April and before the first day of July, then for three-fourths (3/4) of its full market value for assessment purposes; if on the first day of July and before the first day of October, then for one-half (1/2) of its full market value for assessment purposes; and if the status changed on or after the first day of October, then for one-fourth (1/4) of its full market value for assessment purposes. However, if the changed status results from the leasing or rental of property normally constituting business inventory, the same shall be subject to property tax only for the period it is so leased or rented and upon its return to business inventory shall again be exempt. Each owner of such property shall, on the first Monday of November of each year, file with the assessor for the home county of the owner with a copy for every other county involved, a statement listing and sufficiently identifying such property, the counties where it was situated and the periods of the preceding twelve (12) calendar months during which the property was leased or rented within each county.

(2) At the time of filing such statement with the assessor of his home county, the owner of such leased or rented property shall provide such assessor with a copy for every other county involved.

(3) The assessor of such home county shall ascertain the portion of said preceding twelve (12) calendar months during which such property was leased or rented in the home county and shall enter such property upon the subsequent or missed property roll and the tax collector of the home county shall compute and collect the property tax thereon. The assessor shall indorse the full market value for assessment purposes of each item of such property upon copies of the statement and the owner of the property shall, within five (5) days, furnish an indorsed copy of the owner's statement to the assessor of each county of the state wherein such property was located during the lease or rental period, and each such other county assessor shall likewise assess and the tax collector shall collect the property taxes due for the portion of the preceding twelve (12) calendar months the leased or rented property was situate in their county.

(4) The property taxes due thereon shall be a first and prior lien upon such property and all real and personal property of the owner thereof within the state until all property taxes due have been paid.

#### **History:**

[63-602Y added 1996, ch. 98, sec. 7, p. 358.]

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# Idaho Statutes

## TITLE 63 REVENUE AND TAXATION

### CHAPTER 3 ASSESSMENT OF REAL AND PERSONAL PROPERTY

63-311. COMPLETION AND DELIVERY OF SUBSEQUENT AND MISSED PROPERTY ROLLS. (1) The assessor shall assess all personal property and all improvements to real property except as otherwise provided in section [63-317](#), Idaho Code, which have been completed or discovered between the fourth Monday of June and the fourth Monday of November and which were not included on the property roll delivered on the fourth Monday of June, and shall enter such assessments on the subsequent property roll to be delivered to the clerk of the board on the fourth Monday of November of the current year.

(2) If other real or personal property is discovered and assessed between the fourth Monday of November and December 31st, it shall be assessed and entered on the missed property roll to be delivered to the clerk of the board on the first Monday of January of the following year.

(3) Personal property coming into the state from without the state after the first day of January shall be assessed as of the date of its entry into the state as follows; if before the first day of April, for its full market value for assessment purposes; if on the first day of April and before the first day of July, for three-fourths (3/4) of its full market value for assessment purposes; if on the first day of July and before the first day of October, for one-half (1/2) of its full market value for assessment purposes; and if on the first day of October and on or before the thirty-first day of December, for one-fourth (1/4) of its full market value for assessment purposes, and the taxes so levied thereupon shall be a first and prior lien on such property from the date of its entry into the state so assessed, and upon all other personal or real property, belonging to the same owner, and no personal property of any kind shall be exempt from such lien.

#### **History:**

[63-311 added 1996, ch. 98, sec. 4, p. 331.]

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