

**PROPERTY TAX RULES COMMITTEE  
AGENDA**

The Committee convenes on Tuesday July 22, 2014, at **9:00 a.m.** at:

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

Welcome & Introductions	<i>Committee Chair Alan Dornfest</i>
Approval of Minutes	<i>Alan Dornfest</i> .....2
Rules Status Report	<i>Rick Anderson</i> .....4

**Rules Discussion (Property Tax Rules)**

Rule 006 – Incorporation by Reference.....	9
Rule 126 – NR – Property Tax Appraiser Certification Program.....	11
Rule 128 – NR – Cadastral Certification Program.....	13
Rule 204 – NR – Operating Property – Definitions [gathering lines].....	15

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.*

# DRAFT

Idaho State Tax Commission  
**PROPERTY TAX RULES COMMITTEE**  
Meeting Minutes  
*June 24, 2014*  
9:00 am – 12:00 am 1CR5

**ATTENDEES:**

<b>Committee Members:</b>	Alan Dornfest, Rick Anderson, Betty Dressen, Christopher Rich, Erick Shaner, Gene Kuehn, Glenna Young, Jan Barnard, Janet James, Sharon Worley, Steve Fiscus
<b>Commissioners:</b>	
<b>Rules Coordinator:</b>	Sherry Briscoe
<b>State Tax Commission Staff:</b>	Bill von Tagen, Carly Wantulok, George Brown, Jeff Servatius, Mat Button
<b>Guests:</b>	Ben Davenport, Bob McQuade, Brad Vanderpool, Brent Adamson, Brody Aston, Georgia Plischke, Ron Fisher, Seth Grigg, Terry Accordino

**MINUTES:** The May 29, 2014 minutes were approved.

**STATUS REPORT:** Rick presented a brief status report on the rules

<b>120</b>	<b>Draft 3 – had 2 changes.</b>	<b>negotiated</b>
<b>126</b>	Appraiser Certification Program – adds provision to challenge a course	Negotiated
<b>128</b>	Cadastral Certification Program – adds provision to challenge a course	Negotiated
<b>205T &amp; P</b>	Delete 205.03 b, a portion of fixture definition (ready to be published)	
<b>315</b>	Draft 1 – Boise School district –ratio studies naming all the individual exemptions (ready to be published)	Non-negotiated
<b>508</b>	Deletes entire rule – reporting by taxing district (ready to be published)	Non-negotiated
<b>509</b>	Deletes exempt Personal property reporting requirements (ready to be published)	Non-negotiated
<b>609</b>	Draft 1 provides optional removal of Homeowner’s exemption for part year ownership.	
<b>626T&amp;P</b>	Proposed version splits out taxpayer ownership; T-adds replacement fund adjustment provision	
<b>627</b>	Proposed version contains taxpayer ownership clarification	
<b>645</b>	Land devoted to agriculture – clarifies use of gross income for small farms	
<b>803</b>	Draft 1 – budget certification-602KK exemption adjustments. Personal property replacement reporting in the L2	Non-negotiated
<b>804</b>	Draft 1 – urban renewal, annexation base value	negotiated
<b>805</b>	Draft 3 - provisions for policing compliance with reporting	
<b>988</b>	QIE Designation for property – amended for consistency with personal property exemption rovisions	

# DRAFT

**995T&P** Draft 1 – adjust market value for assess purposes for pers. property exemption, certification of sales tax distribution negotiated

Sherry reviewed her tracking report on the progress of each rule going through the system.

## **OLD BUSINESS:**

**Rule 120: INVESTIGATION OF WRITTEN COMPLAINTS.** Discussion of volume & types of complaints. Alan removed the added language, and returned the proposed rule to its previous state with the original changes. (negotiated rule)

**Rule 126: PROPERTY TAX APPRAISER CERTIFICATION PROGRAM.** Jan described the changes due to so many calls regarding challenging of courses by testing. She will make the necessary changes to the rule and resubmit to the committee. Will be discussed in the August meeting.

**Rule 128: CADASTRAL CERTIFICATION PROGRAM.** Jan described the changes due to so many calls regarding challenging of courses by testing. She will make the necessary changes to the rule and resubmit to the committee. Will be discussed in the August meeting.

**Rule 609: PROPERTY EXEMPT FROM TAXATION – HOMESTEAD.** Regarding permissive language for part-year residents. 31 replies came in from assessors, and they were in favor of the changes. This is ready to be published.

**Rule 803: BUDGET CERTIFICATION – DOLLAR CERTIFICATION FORM (L-2).** Levy calculation process. Publish.

**Rule 804T-(P): TAX LEVY – CERTIFICATION – URBAN RENEWAL DISTRICTS.** Deals with increment values and split values. 804T will be presented to Commissioners in July.

**Rule 988: Qualified Property for Exemption.** Issue relates to reporting of exempt personal property. Publish.

**Rule 995T: CERTIFICATION OF SALES TAX DISTRIBUTION. Temporary and Proposed** regarding noncompliance. Present 995T to the Commissioners in July, it provides guidance for the distribution of the sales tax money to cities this year. No comments have been received on this rule. The proposed rule will be published in the September bulletin.

**Next Meeting Date:** Tuesday, July 22, 2014, 9:00 a.m. in 1CR5

*Alan Dornfest*  
Chairman

*Sherry Briscoe*  
Rules Coordinator

**2014-2015  
Property Tax Rules Status Report**

**July 22, 2014**

Rule No.	Rule Description and Proposed Change	Draft No. and date	Status of Proposed Administrative Rules Form			Comments/Status	Date Sent For Publication
			PARF Approved By Agency	Date Sent to DFM	Date Approved By DFM		
<b>006</b>	<b>Incorporation by Reference</b> – Update dates of publications that are referenced in the Property Tax Rules	3, July 15, 2014	4/15/14	4/15/14	5/9/14	Standard updates verified on July 15, 2014; <b>to be considered by the committee on July 22nd</b>	
<b>120 (NR)<sup>1</sup></b>	<b>Investigation of written complaints</b> –Confines subject of investigation to property tax assessment or administration matters but not personnel matters or matters relating to expenditure of funds. Adds time frame for hearing the complaint	3a, June 13, 2014	4/15/14	4/15/14	5/9/14	<b>Approved by the committee June 24th</b>	June 30 to for August Bulletin

1/ NR Denotes a Negotiated Rule

<b>Rule No.</b>	<b>Rule Description and Proposed Change</b>	<b>Draft No. and date</b>	<b>PARF Approved By Agency</b>	<b>Date Sent to DFM</b>	<b>Date Approved By DFM</b>	<b>Comments/Status</b>	<b>Date Sent For Publication</b>
<b>126 (NR)</b>	<b>Appraiser Certification Program</b>	1a, July 15, 2014	6/6/14	6/6/14	7/8/14	Adds provision to challenge a course; <b>to be considered by the committee on July 22</b>	
<b>128 (NR)</b>	<b>Cadastral Certification Program</b>	1a, June 15, 2014	6/6/14	6/6/14	7/8/14	Adds provision to challenge a course; <b>to be considered by the committee on July 22</b>	
<b>204 (NR)</b>	<b>Operating Property - Definitions</b>	2, June 25, 2014	6/6/14	6/6/14	7/8/14	Gathering lines as operating property; <b>to be considered by the July 22</b>	
<b>205T &amp;P</b>	<b>Property definition:</b> Delete 205.03.b., a portion of fixture definition ref. HB 441a	2a, May 5, 2014	4/17/14 4/23/14T	4/25/14	4/25/14	<b>Approved by the Committee 5/29/14</b>	4/29/14 T 6/30 for Aug. Bulletin
<b>315</b>	<b>Use of Ratio Study to equalize Boise School District;</b> Deletes the list of exemptions.	1, Feb. 19, 2014	4/15/14	4/15/14	5/9/14	Defines taxable value to exclude all exemptions. <b>Approved by the Committee 4/29/14</b>	6/30 for August Bulletin
<b>508T &amp; P</b>	<b>Notification of personal property exempt value-</b> Deletes entire rule.	1, Jan.29, 2014	4/15/14 4/23/14T	4/23/14	4/24/14	<b>Approved by the Committee 4/29/14</b>	4/29/14 T 6/30 - Aug. Bulletin

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<b>509T &amp; P</b>	<b>Reporting values on the abstract;</b> Deletes personal property (602KK) and 602OO report requirements	1, Jan.29, 2014	4/15/14 4/23/14T	4/23/14	4/24/14	Will not be known each year so will not be reported <b>Approved by the Committee 4/29/14</b>	4/29/14 T 6/30 Aug. Bulletin
<b>512</b>	<b>Secondary categories other than land or improvements;</b> Cat 59 - deletes the word fixture	1, April 4, 2014	4/15/14	4/15/14	5/9/14	Deletes “fixture” - category 59. <b>Approved by the Committee 5/29/14</b>	6/30 for August Bulletin
<b>609 (NR)</b>	<b>HOE</b> – Provides for optional removal if by April 15 the home is no longer owned by the applicant	2a, Apr 29., 2014	4/15/14	4/15/14	5/9/14	<b>Approved by the Committee 6/24/14</b>	6/30 for August Bulletin
<b>626T &amp; P</b>	<b>Personal Property - splits out taxpayer/ ownership; T- adds replacement fund provision</b>	1a, April 30, 2014	4/17/14 4/23/23T	4/23	4/24/14	- T-deletes taxing district reporting, 5year and other reporting requirement; <b>Approved by the Committee 5/29/14</b>	4/29/14 T  6/30 for August Bulletin
<b>Rule 627</b>	<b>Proposed version contains taxpayer /ownership clarification</b>	2, April 30, 2014	4/21/14	4/21/14	5/9/14	Contains taxpayer ownership clarification;	6/30 for August Bulletin

<b>Rule No.</b>	<b>Rule Description and Proposed Change</b>	<b>Draft No. and date</b>	<b>PARF Approved By Agency</b>	<b>Date Sent to DFM</b>	<b>Date Approved By DFM</b>	<b>Comments/Status</b>	<b>Date Sent For Publication</b>
<b>645</b>	<b>Land Actively Devoted to Agriculture;</b> Net vs gross income for 5Acres or less	1, Apr 21, 2014	4/15/14	4/15/14	5/9/14	Change to say gross income for sale of livestock; <b>Approved by the committee 4/29/14</b>	6/30 for August Bulletin
<b>803T &amp;P</b>	<b>Budget Certification Form (L-2)</b> Provide instructions to report personal property replacement funds	4a, Apr 8, 2014	4/15/14	4/23/14	4/25/14	Temp for Boise School district provisions - <b>Approved by the Committee 5/29/14</b>	4/29/14 T 6/30 for August Bulletin
<b>804 (NR)</b> <b>804T</b>	Tax Levy Certification - Urban Renewal – dealing with annexation base value and property splits and the handling of the PP exemption	2, Apr 29, 2014	4/15/14 7/9/14T	4/15/14	5/9/14 6/18/14	<b>Approved by the Committee 5/29/14</b> 804T – adds state-authorized plant facility levy(I. C. 33-909) to 804.5 list of urban renewal exclusions	7/16 for ? Bulletin
<b>805</b>	<b>Penalty for failure to provide budget hearing notice and adds HB 560 penalties</b>	3, Apr 29, 2014	4/15/14	4/15/14	5/12/14	Outline responsibilities under HB560 i. e. sales tax and budget increase withheld; <b>Approved by the Committee 5/29/14</b>	6/30 for August Bulletin

Rule No.	Rule Description and Proposed Change	Draft No. and date	PARF Approved By Agency	Date Sent to DFM	Date Approved By DFM	Comments/Status	Date Sent For Publication
988 (NR)	<b>(QIE) Designation of property for which exemptions may apply.</b>	3, April 7, 2014	4/15/14	4/15/14	5/9/14	Continuation of listing for locally assessed and operating property. <b>Approved by the Committee 5/29/14</b>	6/30 for August Bulletin
995T &P (NR)	Certification of Sales Tax Distribution – <b>Defining Market Value for Assessment Purposes – include the 602KK(2) exemption?</b>	2, Feb 26, 2014	4/15/14 7/9/14 T	4/15/14	5/9/14	Temp. provision affects distribution of sales tax to cities. Proposed provision adds responsibility to withhold sales tax under HB560 <b>Approved by the Committee 5/29/14</b>	6/30 for August Bulletin  995T – 7/16 for ?
<b>Discussion Issues</b>							
<b>Issue</b>			<b>Comments</b>				
Rule 218 Assessors Plat Book - Review			Hold for IAAO Standard Review				

1/ NR Denotes a Negotiated Rule

**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~~ July 14~~5~~, 2013~~4~~. (3-20-14)(    )

**b.** “Recreation Vehicle Guide of the National Automobile Dealers Association” published in 2014~~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 2014~~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 2014-~~5~~ and the first quarter in 2015~~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)

**126. PROPERTY TAX APPRAISER CERTIFICATION PROGRAM (RULE 126).**

Section 63-105A, Idaho Code. (5-8-09)

**01. Application for Certification.** The State Tax Commission (Commission) shall prescribe and make available the application for state certification form to each county assessor. (5-8-09)

**a.** After the applicant has completed the requirements of Subsection 126.02 of this rule, the applicant's supervisor shall submit the completed application form to the education director. The application shall list the following: (5-8-09)

i. The name and address of the applicant, (5-8-09)

ii. The applicant's employer, and (5-8-09)

iii. The courses completed. (5-8-09)

**b.** The application must be signed and dated by the applicant and by the applicant's supervisor certifying the completion of the minimum experience requirement. (5-8-09)

**c.** The education director shall make available information regarding the certification process and the application form to students attending the courses referenced in Subsection 126.02 of this rule. (5-8-09)

**02. Certification Requirements.** An applicant for certification must pass at least two (2) appraisal courses: Commission Course No. 1 or the International Association of Assessing Officers' (IAAO) Course 101; and IAAO Course No. 102 or IAAO Course 201 or IAAO Course 300 or equivalent courses, and must have a minimum of twelve (12) months experience appraising for tax assessment purposes in Idaho or equivalent property tax appraisal experience approved by the examination committee. These requirements must be completed in the five (5) year period immediately preceding application except when the applicant proves equivalent education and experience. (3-29-10)

**a.** Upon request to the education director, an applicant may take one required course and **may** challenge the second required course by passing ~~a~~ **the** test. ~~receive credit for Commission Course No. 1 by passing an examination developed for this purpose.~~ The education director shall set the time and place for the ~~examination test.~~ (5-8-09)(\_\_\_\_)

**b.** Equivalent courses may be approved by the education director and the examination committee. (5-8-09)

**c.** With the exceptions of the county assessor, the members of the county board of equalization, and the State Tax Commissioners, all persons making decisions regarding final values for assessment purposes shall be certified property tax appraisers. (5-8-09)

**03. Maintaining Property Tax Appraisal Certification.** (5-8-09)

**a.** To maintain certification each appraiser must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each appraiser shall have completed thirty two (32) hours of continuing education during the previous two (2) years. (5-8-09)

**b.** When any certified property tax appraiser fails to meet the continuing education requirements, the examination committee shall place this person on a six (6) month probation. When any certified property tax appraiser fails to meet the continuing education requirements within this probationary period, the person shall forfeit certification or may, on a one (1) time only basis, submit a written petition to the examination committee for a six (6) month extension of probation. This person must submit this petition at least thirty (30) days prior to the expiration date of the first probationary period. ~~(5-8-09)~~(\_\_\_\_)

**c.** For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant for recertification must satisfactorily complete a written examination approved by the committee. The committee shall decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the committee shall not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification: and a new certification number will be issued. ~~(5-8-09)~~(\_\_\_\_)

**04. Cross Reference.** See Section 63-201. (1)(a), Idaho Code for the requirement that only assessors or certified property tax appraisers place value on any assessment roll. See Rule 125 of these rules for the description of the examination committee. (5-8-09)

**128. CADASTRAL CERTIFICATION PROGRAM (RULE 128).**

Section 63-105A, Idaho Code.

(5-8-09)

**01. Application for Certification.** The State Tax Commission (Commission) shall prescribe and make available the application for state certification form to each county assessor.

(5-8-09)

**a.** After any applicant has completed the requirements provided in Subsection 128.02 of this rule, the applicant's supervisor shall submit the completed application form to the education director. The application shall list the following:

(5-8-09)

i. The name and address of the applicant,

(5-8-09)

ii. The applicant's employer, and

(5-8-09)

iii. The courses completed.

(5-8-09)

**b.** The application must be signed and dated by the applicant and by the applicant's supervisor certifying the completion of the minimum experience requirement.

(5-8-09)

**c.** The education director shall make available information regarding the certification process and the application form to students attending the courses mentioned in Subsection 128.02.

(5-8-09)

**02. Certification Requirements.** An applicant for certification must have passed the Commission's Basic Mapping Course and the International Association of Assessing Officers' (IAAO) Course 600 or IAAO Course 601 or both IAAO Courses 650 and 651, or equivalent courses, and must have a minimum of twelve (12) months experience working as a cadastral specialist in Idaho or equivalent cadastral experience approved by the examination committee. These requirements must be completed in the five (5) year period immediately preceding application except when the applicant proves equivalent education and experience.

(5-8-09)

**a.** Upon request to the ~~Commission's~~ education director, an applicant may take one required course and may challenge the second required course by passing a the test. receive credit for the Commission's Basic Mapping Course by passing an examination developed for this purpose. The education director shall set the time and place for the ~~examination test.~~(5-8-09)(\_\_\_\_)

**b.** Equivalent courses may be ~~established by the Commission~~ approved by the education director and ~~approved~~ by the examination committee. (5-8-09)(\_\_\_\_)

**03. Maintaining Cadastral Specialist Certification.**

(5-8-09)

**a.** To maintain certification, each cadastral specialist must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each cadastral specialist shall have completed thirty-two (32) hours of continuing education during the previous two (2) years.

**b.** When any certified cadastral specialist fails to meet the continuing education requirements, the education committee shall place this person on a six (6) month probation. When any certified cadastral specialist fails to meet the continuing education requirements within this probationary period, the person shall forfeit certification or may, on a one (1) time only basis, submit a written petition to the examination committee for a six (6) month extension of probation. This person must submit this petition at least thirty (30) days prior to the expiration date of the first probationary period. ~~(5-8-09)~~(\_\_\_\_)

**c.** For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant, for recertification, must satisfactorily complete a written examination approved by the committee. The committee shall decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the committee shall not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification: and a new certification number will be issued. ~~(5-8-09)~~(\_\_\_\_)

**04. Cross Reference.** See Rule 125 of these rules for the description of the examination committee. (5-8-09)

**204. Operating Property – Definitions (Rule 204)**

Sections 61-114, 63-201 and 63-405, Idaho Code.

Operating property required to be assessed by the State Tax Commission shall include gathering lines as defined in Section 61-114, Idaho Code, regardless of whether such lines are owned or operated in conjunction with a public utility, and shall also include property owned by the same taxpayer and associated with the extraction of any oil or gas to be carried by such gathering lines. ( )