



MEMO – April 7, 2017

TO: All County Assessors

FROM: Alan Dornfest, Property Tax Policy Bureau Chief

RE: House Bill 156 – Park Model Trailers Eligible for Licensing and Registration

There have been several questions about the assessor's role in administering the new law that defines some park model trailers as recreational vehicles eligible for licensing and registration, in which case they are also exempt from property tax. This law goes into effect July 1, 2017 and the tax commission is working on both temporary and permanent rules to help clarify issues related to eligibility and what may be includable on various property rolls. While we expect to complete the temporary rule by the end of this month or early in May, we thought some preliminary guidance prior to the adoption of the rule would be helpful. The following issues have been identified to date:

1. Taxability for 2017.

If you considered the park model recreational vehicle to be taxable as of January 1, 2017, there are two options:

- 1) If the recreational vehicle meets any of the following criteria, it is fully taxable, not eligible for licensing or registration, and may be included on any property roll (first roll, subsequent roll, or missed roll):
 - a) It is permanently attached to a foundation,
 - b) It has an attached building addition,
 - c) It has been substantially modified so that it no longer meets the definition of a park model recreational vehicle in section 49-117, Idaho Code.

- 2) If, in your opinion, the recreational vehicle does not meet any of the disqualifying criteria (above) and therefore will be eligible for licensing and registration as of July 1, 2017, the value of the recreational vehicle should not be included on the property roll. In this instance, if the required licensing fee is not paid by August 31, 2017, the owner should be sent an assessment notice. If the fee is paid by November 27, 2017, the property would become exempt and the assessment cancelled as provided in Rule 020. Otherwise, the recreational vehicle would be included on either the subsequent or missed property roll.

2. Determination of taxability.

The assessor makes the determination. If you determine that the park model recreational vehicle does not qualify under current law and will not qualify under HB 156 for licensing or registration (as provided above), then you may include the taxable value on the property roll (or other rolls if that is your preference). In this case, an assessment notice must be sent to the taxpayer.

3. Assessment of associated property.

Regardless of the taxable status of the park model recreational vehicle, all other taxable property associated with the parcel remains taxable. The exemption for licensed and registered recreational vehicles applies to the park model trailer only, not to unattached buildings, land, and other real or personal property.

4. Applicability of homeowner's exemption.

Regardless of the taxable status of the park model recreational vehicle, provided this vehicle is the owner's primary residence and otherwise meets all of the criteria for the homeowner's exemption found in section 63-602G, Idaho Code, the exemption may be applied to land and associated property on the parcel, if such property would be considered eligible if the recreational vehicle were taxable.

I hope this clarifies this issue. Please feel free to call me at 334-7742 to let me know if you have any questions.

cc. Steve Fiscus, Property Tax Division Administrator
Tom Katsilometes, Tax Commissioner
Consulting appraisers
Rick Anderson, Tax Policy Specialist
George Brown, Deputy Attorney General