

# PROPERTY TAX RELATED



**2012 Legislative Session  
Report  
State Tax Commission**

# HB 356 – Amends Property Tax Exemption Procedures found in Idaho Code Sections 63-501, 63-501A and 63-602

- Changes the role of the county BOE from denying or allowing exemption applications to that of hearing appeals of exemption decisions
- Provides a comprehensive list of Idaho Code references providing for property tax exemptions
  - 14 titles including title 63, and
  - 5 chapters within title 63
- Provides that the board of county commissioners shall approve annually all exemptions unless otherwise provided
  - Provides a list of references for those exemptions that do not require an application or approval by the board of commissioners.

## List of references for those exemptions that do not require an application or approval by the board of commissioners

- 63-602A – Government Property
- 63-602F – Poss. Int. P.L., P.cem lib
- 63-602I – Household goods
- 63-602J – Registered Veh/Vessels
- 63-602K – Spec. portion of Ag
- 63-602L(1) – Intangible P. P.
- 63-602M – Secured dues/credits
- 63-602R - Crops
- 63-602S – Fruits and Veggies
- 63-602U – P.P. “in transit”
- 63-602V – More P.P.-original pack
- 63-602W – Business Inventory
- 63-602Z – Occupancy tax, same
- 63-602DD(1) – Manf. Hm. - Dealer
- 63-602EE – Ag M and E
- 63-2431 - Fuels
- 63-3502 – Co-op elect. assn.
- 63-3502A – Co-op nat. gas assn.
- 63-3502B – Wind, geo-therm. plt

The application process is as specified in the exemption statute or, if no process is specified and application is necessary to identify the exempt property an annual application is required

- No process specified-Application is necessary to Identify property

- 63-602B – Religious
- 63-602C - Charitable
- 63-602D – Certain hospitals-NP
- 63-602E – Property used for schools
- 63-602H – Residential zoning change
- 63-602N – Water rights, canals
- 63-602P – Pollution control equip
- 63-602Q - Cooperative telephone co.
- 63-602X – Casualty loss
- 63-602GG – Low income housing -NP
- 63-602HH – Significant Investment
- 63-602KK – Personal Property \$100K
- 63-4502 – Over \$400 Billion
- 63-606A – ITC property

- Application process is specified in the exemption statute

- 63-602G - Homestead
- 63-602AA - Hardship
- 63-602BB – Remediated land
- 63-602CC – Equip – P.C. waste
- 63-602GG – Low Inc. Housing-NP
- 63-602II – unused infrastructure
- 63-602NN – New plant investment
- 63-603[63-602O] – Utility plant used to general power for pumping water

Exemptions that require an application pertaining to property that is otherwise assessed by the state tax commission

- 63-602J – Registered Vehicles
- 63-602P – Pollution Control Equipment
- 63 – 602L(2) – Intangible Personal Property

# Exemptions found in titles other than title 63 do not require applications

§21-114)	Registered Aircraft	§31-3908A	Certain Personal Property and Unimproved Real Property May Be Granted Exemption from Taxation by Ambulance District
§22-2722	Property Owned/ Used by Soil Conservation District		
§25-2402	Operating or Personal Property Exempt from Taxation by Herd District	§31-4117	Certain Real Property May Be Exempt from Taxation by Translator District
§26-2138	Personal Property Owned by Credit Union		
§26-2186	Personal Property Owned by Idaho Corporate Credit Union	§31-4208	All Property Owned by County Housing Authority Except by Agreement
§31-1422	Operating Property Exempt from Taxation by Fire District Unless by Agreement	§33-2133	All Property Owned by a Dormitory Housing Commission
§31-1422	Certain Unimproved Real Property May Be Granted Exemption from Taxation by Fire District	§39-1452	All Property Owned by Idaho Health Facility Authority
		§41-405	Personal Property Owned by Insurers or Agents

*(continued)* Exemptions found in titles other than title 63 do not require applications

§42-3115	Personal and Operating Property Exempt from Taxation by Flood Control District
§42-3708	Personal and Operating Property Exempt from Taxation by Watershed Improvement District with Exceptions
§42-4115	Property Owned by Water and Sewer District
§42-3238	Private community sewer system exempt from water and sewer district levies
§42-4416	Personal and Operating Property Exempt from Taxation by Levee District
§49-401	Registration fee in lieu of property tax

§50-1908	Property Owned by Housing Authority Except by Agreement
§50-2014	Property Owned by Urban Renewal Agency
§67-6208	Real Property Owned by Idaho Housing Agency Except by Agreement
§70-2206	Property of an intermodal commerce authority



# HB-358A Notification of Aggregate Valuation Within County

- Affects only cemetery, highway, and hospital districts
- Amends I.C. § 27-120, 39-1332 and 40-802 which required value notification by assessor by 1<sup>st</sup> Monday in July
  - changed to notification by county auditor by 3<sup>rd</sup> Monday in July.
- Aggregate value undefined – STC recommends that county send current year's locally assessed value, plus prior year's operating property value.
- Is retroactive and is currently in effect 1/1/12.
- (Signed 3/6/12)

# (Continued)HB-358 A – Amends Idaho Code Section 63 -810(erroneous levy) and Section 63 - 1312(notification of values)

- Amends I.C. §63-810 Erroneous Levy – eliminates the requirement to advertise and hold a public hearing **IF** the change to the levy is made prior to tax bills being mailed or before the 4<sup>th</sup> Monday of November.
- Amends I.C. §63-1312 Municipal Property Taxes – Notification of Valuation.
  - County Auditor still notifies non-school districts of prior year-end value by the 4<sup>th</sup> Monday of March
  - STC notifies State Board of Education and State Department of Education of School district year-end value.
- This legislation is retroactive to 1/1/2012 and is currently in effect.

# HB-452 Bond Elections

- Replaced previous I.C. §34-439
- Information to include in ballot and notice for bonded indebtedness elections.
- Key additions:
  - Description of purpose of bonds
  - Length of time to pay off bonds
- In effect now (Signed 4/3/2012)

# HB-462 Public Utility Regulation of Gathering Lines

- Includes gathering lines in the definition of Pipeline
- Defines gathering lines to be all fixtures, valves, pipes, etc. used to transport gas or oil from the wellhead to the treatment facility.
- Pipeline corporations subject to the supervision and regulation of the PUC.

# HB-519

## Site Improvement Exemption

- **Amends I.C. §63-602W:**
  - (4) Exempts Site improvements such as roads and utilities, on real property held by a land developer for sale or consumption, until other improvements, such as buildings or structural components of buildings, are begun or title to the land is conveyed from the land developer.
- **Amends I.C. §63-301A New Construction Roll:**
  - Any reduction in value in 2012 will be reflected as a deduction from the 2013 new construction roll.
- **Temporary Rule 620 approved April 10, 2012**
  - Application date for 2012 is May 1; future years April 15
- Retroactive January 1, 2012. (Law w/o Signature 3/26)

# HB-519 – Developers Site Improvement Exemption

- No effect on budget and levy process in 2012.
- Will be changing new construction roll deduction form for 2013

# HB-576 – Levy Election Disclosure

- New Section I.C. §34-439A
  - Affects all levy elections except:
    - School permanent overrides
    - City permanent overrides if 2/3 majority required
    - Other district permanent overrides
  - Requires ballot and notice of election to include;
    - Purpose of levy
    - Date of election
    - Estimated dollar amount to be collected each year
      - \$ **not** required for Charter School District supplemental.
  - \$ **not** required for school bonds.
- In effect July 1, 2012.

# HB-584a Homeowner's Exemption Amendment

- Previously qualified in the preceding year homeowners will get the homeowner's exemption for the year of their death and for the next year providing the property remains in the estate of the originally qualified homeowner.



# HB-697 – Payment of Judgment Ordered by Court

- Creates new I.C. §63-1305A: Outlines procedures for non-school districts to levy for payment of court ordered judgments.
- Creates new I.C. §63-1305B: Requires simple majority election to permit district to use authority provided in I.C. §63-1305A.
- This levy is exempt from the provisions of I.C. §63-802.
- If approved the amount or property tax revenue can be levied until the judgment is satisfied.
- Is retroactive to 1/1/2012 and the provisions of this legislation sunset 7/1/2017. Signed by Governor 4/5/2012.
- Will discuss detail later in presentation.

# SB-1366 relating to administrative rules

- Provides that prior to the adoption, amendment or repeal of a rule the agency shall determine whether negotiated rule making is feasible.
- If feasible the agency shall use negotiated rules procedures.
- The main difference is that a notice of intent to promulgate a rule must be published in the administrative bulletin at the beginning of the process.