

2013 Legislative Session January 7 thru April 4



**Property Tax Related
Legislation – 2013 Session
State Tax Commission**

HB 014 – Technical correction to Idaho Code Section 63-205A concerning the appraisal of section 42, low income housing properties

- Section 63-205A (2) (b) (iii) was amended to say that expenses are to be deducted from effective income rather than from net income.

House Bill 24 - Sales Tax Distribution to Counties for elections costs

- Amends I. C. § 63-3638 (8) to require any increase resulting from the cost of living adjustment to be distributed all based on county population.

H B 025 - provides six technical corrections to clarify the property tax code.

- 63-215 amended to require contact information when a district or raa forms or changes boundaries.
- 63-317 amended to change date from Jan. 1 to April 15 to reflect the proper date of the homeowner's applicants time window.
- 63-509 amended to correctly reference the increment value rather than the value of exempt urban renewal agency owned property.
- 63-602G amended so that the taxpayer may appeal the assessor's decision to recover previously granted homeowner's exemption to the county boe therefore making it also appealable to the bta.
- 63-706 amended to accept PTR claims on the next business day should April 15 fall on a holiday or weekend.
- 63-810 amended to extend date for discovering erroneous levies from January 30 to February 15.

HB 052 – Provides clarifications to the property tax deferral program (§ 63-713 I.C.)

- Defines “Sufficient equity”
 - The property cannot be security for a reverse mortgage or a home equity line of credit
 - Previous deferrals plus superior liens cannot total more than 80% of the property’s market value.
- Provides that the ISTC may recover deferred amounts if sufficient equity is not found.

HB 140 – Amends § 63-602A exempting certain federally recognized Indian lands

- Adds property belonging to a federally recognized Indian tribe which property is located within the boundaries of the reservation of the Indian tribe to the list of exempt government property.

HB 141 – Adds to Idaho Code, Section 63-602 OO exempting certain oil or gas property

- New Section 63-60200. PROPERTY EXEMPT FROM TAXATION -- OIL OR GAS RELATED WELLS.
- The following property is exempt from taxation:
 - wells drilled for the production of oil, gas or hydrocarbon condensate.

HB 202 – Amends the Idaho Procedures act to require a fiscal impact statement for ISTC rules

- The notice of proposed rule making shall include:
 - If a notice of proposed rulemaking of the Idaho state tax commission, a specific description of any negative or positive fiscal impact greater than ten thousand dollars (\$10,000) during the fiscal year when the pending rule will become effective;
 - provided however, notwithstanding section 67-5231, Idaho Code, the absence or accuracy of a fiscal impact statement provided pursuant to this paragraph shall not affect the validity or the enforceability of the rule;

HB 242 – Amends the site improvement exemption [§63-602W(4)]

- a transfer of title to real property to a legal entity of which at least fifty percent (50%) is owned by the land developer, the land developer's original entity or the same principals who owned the land developer's original entity shall not be considered a conveyance to a third party.
- the amount of the exemption shall be
 - the difference between the market value of the land with site improvements and the market value of the land without site improvements as shall be determined by a comparative market analysis of a similarly situated parcel or parcels of real property that have not been improved with such site improvements contemplated by this subsection.
 - or in the case the market value of land without site improvements cannot be reasonably assessed because of the absence of comparable sales, an exemption value of seventy-five percent (75%) of the market value of land with site improvements shall be granted to that parcel.

HB-244

Fire District Consolidation

- Amends I.C. §31-1413 - 2 or more Fire Districts consolidation treated as annexation by fire district with highest levy rate.
 - If highest levy rate exceeds the lowest levy rate by 3% then at a public hearing commissioners of consolidating districts will recommend a rate, between the highest and lowest rate, sufficient to defray costs of equipping/maintaining new consolidated district. **This rate is for the purposes of property tax budget authority only.**
 - If recommended levy rate exceeds lowest levy rate by 3% then an election is be held with voters approving/disapproving the recommended levy rate and the consolidation of the fire districts.
 - Requires simple majority voter approval.
- STC offers assistance if you are planning on doing a consolidation.

HB 315 – Personal Property Exemption

- An item of personal property, purchased after 1/1/2013 is exempt if the item costs \$3,000 or less. (affects tax base mostly in 2014 and later) (I.C. §63-602KK(1))
- \$100,000 exemption per taxpayer per county. (I.C. §63-602KK(2))
- Provides for replacement money paid to each county ½ on Dec. 20th and ½ on June 20th.
 - County will distribute to each qualifying taxing district.
 - No replacement for “item” exemption.
 - No change in future replacement.
 - 2013 levies critical

SB 1009 – Amends § 63-511 changing the date for county auditors to submit to the BTA

- County auditors must submit the appeal information to the BTA within thirty days of being notified of the appeal (“or by October 1” is no longer an option)

SB 1107 – Electronic assessment notices permitted (§63-308) I.C.

- At the taxpayer's request, on a form provided by the assessor, the valuation assessment notice may be transmitted electronically to the taxpayer.