

LEGISLATURE OF THE STATE OF IDAHO
Sixty-first Legislature Second Regular Session - 2012

IN THE SENATE

SENATE BILL NO. 1249

BY WERK, MALEPEAI, BILYEU, BOCK, LEFAVOUR, SCHMIDT

AN ACT

RELATING TO PROPERTY TAXATION; AMENDING SECTION 63-602G, IDAHO CODE, TO
PROVIDE THAT THE FIRST ONE HUNDRED FIFTY THOUSAND DOLLARS OF THE MARKET
VALUE FOR ASSESSMENT PURPOSES OF THE HOMESTEAD OR FIFTY PERCENT OF THE
MARKET VALUE FOR ASSESSMENT PURPOSES OF THE HOMESTEAD, WHICHEVER IS
THE LESSER, SHALL BE EXEMPT FROM PROPERTY TAXATION AND TO REVISE DATES;
DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-602G, Idaho Code, be, and the same is hereby
amended to read as follows:

63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) During the
tax year ~~2006~~¹² and each year thereafter, subject to annual adjustment as
provided herein, the first ~~seventy-five~~ one hundred fifty thousand dollars
(\$~~71~~⁵⁰,000) of the market value for assessment purposes of the homestead as
that term is defined in section 63-701, Idaho Code, or fifty percent (50%)
of the market value for assessment purposes of the homestead as that term is
defined in section 63-701, Idaho Code, whichever is the lesser, shall be ex-
empt from property taxation. Beginning for tax year ~~2007~~¹³, the state tax
commission shall publish adjustments to the maximum amount subject to prop-
erty tax exemption to reflect cost-of-living fluctuations. The adjustments
shall effect changes in the amount subject to tax exemption by a percent-
age equal as near as practicable to the annual change in the Idaho housing
price index as determined by the United States office of federal housing en-
terprise oversight. The state tax commission shall publish the adjustments
required by this subsection each and every year the office of federal hous-
ing enterprise oversight announces a change in the Idaho housing price in-
dex. The adjustments shall be published no later than October 1 of each year
and shall be effective for claims filed in and for the following property tax
year. The publication of adjustments under this subsection shall be exempt
from the provisions of chapter 52, title 67, Idaho Code, but shall be pro-
vided to each county and to members of the public upon request and without
charge.

(2) The exemption allowed by this section may be granted only if:

(a) The homestead is owner-occupied and used as the primary dwelling
place of the owner as of January 1, provided that in the event the home-
stead is owner-occupied after January 1 but before April 15, the owner
of the property is entitled to the exemption. The homestead may consist
of part of a multidwelling or multipurpose building and shall include
all of such dwelling or building except any portion used exclusively for
anything other than the primary dwelling of the owner. The presence of
an office in a homestead, which office is used for multiple purposes,

1 including business and personal use, shall not prevent the owner from
2 claiming the exemption provided in this section; and

3 (b) The tax commission has certified to the board of county commission-
4 ers that all properties in the county which are subject to appraisal by
5 the county assessor have, in fact, been appraised uniformly so as to se-
6 cure a just valuation for all property within the county; and

7 (c) The owner has certified to the county assessor by April 15 that:

8 (i) He is making application for the exemption allowed by this
9 section;

10 (ii) That the homestead is his primary dwelling place; and

11 (iii) That he has not made application in any other county for the
12 exemption, and has not made application for the exemption on any
13 other homestead in the county.

14 (d) For the purpose of this section, the definition of "owner" shall be
15 the same definition set forth in section 63-701(7), Idaho Code.

16 When an "owner," pursuant to the provisions of section 63-701(7),
17 Idaho Code, is any person who is the beneficiary of a revocable or irrev-
18 ocable trust, or who is a partner of a limited partnership, a member of
19 a limited liability company, or shareholder of a corporation, he or she
20 may provide proof of the trust, limited partnership, limited liability
21 company, or corporation in the manner set forth in section 63-703(4),
22 Idaho Code.

23 (e) Any owner may request in writing the return of all copies of any
24 documents submitted with the affidavit set forth in section 63-703(4),
25 Idaho Code, that are held by a county assessor, and the copies shall
26 be returned by the county assessor upon submission of the affidavit in
27 proper form.

28 (f) For the purpose of this section, the definition of "primary
29 dwelling place" shall be the same definition set forth in section
30 63-701(8), Idaho Code.

31 (g) For the purpose of this section, the definition of "occupied" shall
32 be the same definition set forth in section 63-701(6), Idaho Code.

33 (3) An owner need only make application for the exemption described in
34 subsection (1) of this section once, as long as all of the following condi-
35 tions are met:

36 (a) The owner has received the exemption during the previous year as a
37 result of his making a valid application as defined in subsection (2) (c)
38 of this section.

39 (b) The owner or beneficiary, partner, member or shareholder, as appro-
40 priate, still occupies the same homestead for which the owner made ap-
41 plication.

42 (c) The homestead described in subsection (3) (b) of this section is
43 owner-occupied or occupied by a beneficiary, partner, member or share-
44 holder, as appropriate, and used as the primary dwelling place of the
45 owner or beneficiary, partner, member or shareholder, as appropriate,
46 as of January 1; provided however, that in the event the homestead is
47 owner-occupied after January 1, but before April 15, the owner of the
48 property is entitled to the exemption.

1 (4) The exemption allowed by this section must be taken before the re-
2 duction in taxes provided by sections 63-701 through 63-710, Idaho Code, is
3 applied.

4 (5) Recovery of property tax exemptions allowed by this section but im-
5 properly claimed or approved:

6 (a) Upon discovery of evidence, facts or circumstances indicating any
7 exemption allowed by this section was improperly claimed or approved,
8 the county assessor shall decide whether the exemption claimed should
9 have been allowed and if not, notify the taxpayer in writing, assess
10 a recovery of property tax and notify the county treasurer of this
11 assessment. If the county assessor determined that an exemption was
12 improperly approved as a result of county error, the county assessor
13 shall present the discovered evidence, facts or circumstances from the
14 improperly approved exemption to the board of county commissioners, at
15 which time the board may waive a recovery of the property tax and notify
16 such taxpayer in writing.

17 (b) When information indicating that an improper claim for the exemp-
18 tion allowed by this section is discovered by the state tax commission,
19 the state tax commission may disclose this information to the ap-
20 propriate county assessor, board of county commissioners and county
21 treasurer. Information disclosed to county officials by the state tax
22 commission under this subsection may be used to decide the validity of
23 any entitlement to the exemption provided in this section and is not
24 otherwise subject to public disclosure pursuant to chapter 3, title 9,
25 Idaho Code.

26 (c) The assessment and collection of the recovery of property tax must
27 begin within the seven (7) year period beginning the date the assessment
28 notice reflecting the improperly claimed or approved exemption was re-
29 quired to be mailed to the taxpayer.

30 (d) The taxpayer may appeal to the board of county commissioners the
31 decision by the county assessor to assess the recovery of property tax
32 within thirty (30) days of the date the county assessor sent the notice
33 to the taxpayer pursuant to this section. The board may waive the col-
34 lection of all or part of any costs, late charges and interest, in order
35 to facilitate the collection of the recovery of the property tax.

36 (e) For purposes of calculating the tax, the amount of the recovered
37 property tax shall be for each year the exemption allowed by this sec-
38 tion was improperly claimed or approved, up to a maximum of seven (7)
39 years. The amount of the recovery of property tax shall be calculated
40 using the product of the amount of exempted value for each year multi-
41 plied by the levy for that year plus costs, late charges and interest for
42 each year at the rates equal to those provided for delinquent property
43 taxes during that year.

44 (f) Any recovery of property tax shall be due and payable no later than
45 the date provided for property taxes in section 63-903, Idaho Code, and
46 if not timely paid, late charges and interest, beginning the first day
47 of January in the year following the year the county assessor sent the
48 notice to the taxpayer pursuant to this section, shall be calculated at
49 the current rate provided for property taxes.

1 (g) Recovered property taxes shall be billed, collected and dis-
2 tributed in the same manner as property taxes, except each taxing dis-
3 trict or unit shall be notified of the amount of any recovered property
4 taxes included in any distribution.

5 (h) Thirty (30) days after the taxpayer is notified, as provided in
6 subsection (5) (a) of this section, the assessor shall record a notice
7 of intent to attach a lien. Upon the payment in full of such recovered
8 property taxes prior to the attachment of the lien as provided in sub-
9 section (5) (i) of this section, or upon the successful appeal by the
10 taxpayer, the county assessor shall record a rescission of the intent to
11 attach a lien within seven (7) business days of receiving such payment
12 or within seven (7) business days of the county commissioners' decision
13 granting the appeal. If the real property is sold to a bona fide pur-
14 chaser for value, prior to the recording of the notice of the intent to
15 attach a lien, the county assessor and treasurer shall cease the recov-
16 ery of such unpaid recovered property tax.

17 (i) Any unpaid recovered property taxes shall become a lien upon the
18 real property in the same manner as provided for property taxes in sec-
19 tion 63-206, Idaho Code, except such lien shall attach as of the first
20 day of January in the year following the year the county assessor sent
21 the notice to the taxpayer pursuant to this section.

22 (j) For purposes of the limitation provided by section 63-802, Idaho
23 Code, moneys received pursuant to this subsection as recovery of prop-
24 erty tax shall be treated as property tax revenue.

25 (6) The legislature declares that this exemption is necessary and just.

26 (7) A homestead, having previously qualified for exemption under this
27 section in the preceding year, shall not lose such qualification due to: the
28 owner's, beneficiary's, partner's, member's or shareholder's absence in
29 the current year by reason of active military service in a designated combat
30 zone, as defined in section 112 of the Internal Revenue Code, or because the
31 homestead has been leased because the owner, beneficiary, partner, member or
32 shareholder is absent in the current year by reason of active military ser-
33 vice in a designated combat zone, as defined in section 112 of the Internal
34 Revenue Code. If an owner fails to timely apply for exemption as required
35 in this section solely by reason of active duty in a designated combat zone
36 by the owner, beneficiary, partner, member or shareholder, as appropriate,
37 as defined in section 112 of the Internal Revenue Code, and such homestead
38 would have otherwise qualified under this section, then the board of county
39 commissioners of the county in which the homestead is located shall refund
40 property taxes, if previously paid, in an amount equal to the exemption which
41 would otherwise have applied.

42 SECTION 2. An emergency existing therefor, which emergency is hereby
43 declared to exist, this act shall be in full force and effect on and after its
44 passage and approval, and retroactively to January 1, 2012.