

LEGISLATURE OF THE STATE OF IDAHO
Sixty-eighth Legislature First Regular Session - 2025

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 354

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO PROPERTY TAXES; AMENDING SECTION 63-208, IDAHO CODE, TO REVISE PROVISIONS REGARDING RULES PERTAINING TO MARKET VALUE; AMENDING SECTION 63-511, IDAHO CODE, TO REVISE PROVISIONS REGARDING APPEALS FROM THE COUNTY BOARD OF EQUALIZATION; AMENDING SECTION 63-602G, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE HOMESTEAD EXEMPTION; AMENDING SECTION 63-903, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE DEADLINE FOR THE PAYMENT OF PROPERTY TAXES; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. That Section 63-208, Idaho Code, be, and the same is hereby amended to read as follows:

63-208. RULES PERTAINING TO MARKET VALUE -- DUTY OF ASSESSORS. (1) It shall be the duty of the state tax commission to prepare and distribute to each county assessor and the county commissioners within the state of Idaho rules prescribing and directing the manner in which market value for assessment purposes is to be determined for the purpose of taxation. The rules promulgated by the state tax commission shall require each assessor to find market value for assessment purposes of all property, except that expressly exempt under chapter 6, title 63, Idaho Code, within his county according to recognized appraisal methods and techniques as set forth by the state tax commission; provided, that the actual and functional use shall be a major consideration when determining market value for assessment purposes. The recognized appraisal methods shall, at a minimum, require the assessment of such property to reflect, within reasonable statistical certainty, the median ratio of assessed value to market value for the categories of property being tested within a range of ninety percent (90%) to one hundred ten percent (110%) of such median ratio, using statistical methods such as confidence intervals to determine compliance and requiring corrective actions if the ratio falls outside of this range.

(2) To maximize uniformity and equity in assessment of different categories of property, such rules shall, to the extent practical, require the use of reproduction or replacement cost less depreciation as opposed to historic cost less depreciation whenever cost is considered as a single or one (1) of several factors in establishing the market value of depreciable property. The state tax commission shall also prepare and distribute amendments and changes to the rules as shall be necessary in order to carry out the intent and purposes of this title. The rules shall be in the form as the commission shall direct, and shall be made available upon request to other public officers and the general public in reasonable quantities without charge. In ascertaining the market value for assessment purposes of any item of property, the assessor of each county shall, and is required to, abide by, adhere to and conform with rules promulgated by the state tax commission.

1 (3) When establishing the real property market value for assessment
2 purposes of income-producing property, the assessor may use one (1) or more
3 market valuation methods, provided that the market value shall not include
4 contract rent related to the real estate only and shall exclude any value
5 of exempt intangible personal property as provided in section 63-602L,
6 Idaho Code. Upon request by the property owner, the assessor shall provide
7 the property owner with the assessor's calculations used to derive the in-
8 come-producing property owner's market value, including any value exempted
9 by statute.

10 SECTION 2. That Section 63-511, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 63-511. APPEALS FROM COUNTY BOARD OF EQUALIZATION. (1) Any time within
13 thirty (30) days after mailing of notice of a decision of the board of equal-
14 ization, or pronouncement of a decision announced at a hearing, an appeal of
15 any act, order or proceeding of the board of equalization, or the failure of
16 the board of equalization to act may be taken to the board of tax appeals.
17 Such appeal may only be filed by the property owner, the assessor, the state
18 tax commission or by a person aggrieved when he deems such action illegal or
19 prejudicial to the public interest. Nothing in this section shall be con-
20 strued so as to suspend the payment of property taxes pending said appeal.

21 (2) Notice of such appeal stating the grounds therefor shall be filed
22 with the county auditor, who shall forthwith transmit to the board of tax ap-
23 peals a copy of said notice, together with a certified copy of the minutes
24 of the proceedings of the board of equalization resulting in such act, or-
25 der or proceeding, or a certificate to be furnished by the clerk of the board
26 that said board of equalization has failed to act in the time required by
27 law on any complaint, protest, objection, application or petition in regard
28 to assessment of the complainant's property, or a petition of the state tax
29 commission. The county auditor shall also forthwith transmit all evidence
30 taken in connection with the matter appealed. The county auditor shall sub-
31 mit all such appeals to the board of tax appeals within thirty (30) days of
32 being notified of the appeal. The board of tax appeals may receive further
33 evidence and will hear the appeal as provided in chapter 38, title 63, Idaho
34 Code.

35 (3) Any appeal that may be taken to the board of tax appeals may, during
36 the same time period, be taken to the district court for the county in which
37 the property is located.

38 (4) In any appeal taken to the board of tax appeals or the district court
39 pursuant to this section, the burden of proof shall fall upon the party seek-
40 ing affirmative relief to establish that the valuation from which the appeal
41 is taken is erroneous, or that the board of equalization erred in its deci-
42 sion regarding a claim that certain property is exempt from taxation, the
43 value thereof, or any other relief sought before the board of equalization;
44 provided, however, that the burden of proof shall fall upon the party seek-
45 ing an increase in taxable value if the increase in value exceeds ten percent
46 (10%) of the value from the previous year, and the increase was due in part
47 to an assessment of the taxable value that resulted from the assessor failing
48 to use the equalization methods required pursuant to section 63-208, Idaho
49 Code. A preponderance of the evidence shall suffice to sustain the burden of

1 ~~proof. The burden of proof shall fall upon the party seeking affirmative re-~~
 2 ~~lief and the~~ The burden of going forward with the evidence shall shift as in
 3 other civil litigation. The board of tax appeals or the district court shall
 4 render its decision in writing, including therein a concise statement of the
 5 facts found by the court and the conclusions of law reached by the court. The
 6 board of tax appeals or the court may affirm, reverse, modify or remand any
 7 order of the board of equalization, and shall grant other relief, invoke such
 8 other remedies, and issue such orders in accordance with its decision, as ap-
 9 propriate.

10 SECTION 3. That Section 63-602G, Idaho Code, be, and the same is hereby
 11 amended to read as follows:

12 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax
 13 year, the first one hundred twenty-five thousand dollars (\$125,000) of the
 14 market value for assessment purposes of the homestead as that term is defined
 15 in section 63-701, Idaho Code, or fifty percent (50%) of the market value
 16 for assessment purposes of the homestead as that term is defined in section
 17 63-701, Idaho Code, whichever is the lesser, shall be exempt from property
 18 taxation.

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

20 (a) The homestead is owner-occupied and used as the primary dwelling
 21 place of the owner. The homestead may consist of part of a multidwelling
 22 or multipurpose building and shall include all of such dwelling or
 23 building except any portion used exclusively for anything other than
 24 the primary dwelling of the owner. The presence of an office in a home-
 25 stead, which office is used for multiple purposes, including business
 26 and personal use, shall not prevent the owner from claiming the exemp-
 27 tion provided in this section; and

28 (b) The state tax commission has certified to the board of county com-
 29 missioners that all properties in the county subject to appraisal by the
 30 county assessor have, in fact, been appraised uniformly so as to secure
 31 a just valuation for all property within the county; and

32 (c) The owner has certified to the county assessor that:

33 (i) He is making application for the exemption allowed by this
 34 section;

35 (ii) The homestead is his primary dwelling place; and

36 (iii) He has not made application in any other county for the ex-
 37 emption and has not made application for the exemption on any other
 38 homestead in the county.

39 (d) For the purpose of this section, the definition of "owner" shall be
 40 the same definition set forth in section 63-701(7), Idaho Code. When an
 41 owner, pursuant to the provisions of section 63-701(7), Idaho Code, is
 42 any person who is the beneficiary of a revocable or irrevocable trust,
 43 or who is a partner of a limited partnership, a member of a limited lia-
 44 bility company, or a shareholder of a corporation, he or she may provide
 45 proof of the trust, limited partnership, limited liability company, or
 46 corporation in the manner set forth in section 63-703(4), Idaho Code.

47 (e) Any owner may request in writing the return of all copies of any
 48 documents submitted with the affidavit set forth in section 63-703(4),
 49 Idaho Code, that are held by a county assessor, and the copies shall

1 be returned by the county assessor upon submission of the affidavit in
2 proper form.

3 (f) For the purpose of this section, the definition of "primary
4 dwelling place" shall be the same definition set forth in section
5 63-701(8), Idaho Code.

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

8 (3) The county assessor of each county shall prescribe and make avail-
9 able forms to be used by a homeowner to apply for the homestead exemption pro-
10 vided in this section. The homeowner shall provide on such forms the home-
11 owner's full name, date of birth, complete address, and most recent previ-
12 ous complete address. The homeowner shall also provide, if applicable, such
13 homeowner's state-issued driver's license number or state-issued identifi-
14 cation card number.

15 (4) An owner need make application for the exemption described in sub-
16 section (1) of this section only once, as long as all of the following condi-
17 tions are met:

18 (a) The owner has received the exemption during the previous year as a
19 result of making a valid application as set forth in subsection (2) (c)
20 of this section.

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

24 (c) The homestead described in paragraph (b) of this subsection is
25 owner-occupied or occupied by a beneficiary, partner, member or share-
26 holder, as appropriate, and used as the primary dwelling place of the
27 owner or beneficiary, partner, member or shareholder, as appropriate.

28 (5) (a) The exemption allowed by this section shall be effective upon
29 on the date of the application eligibility status change provided on
30 the approved application for the current tax year and must be taken be-
31 fore the reduction in taxes provided by sections 63-701 through 63-710,
32 Idaho Code, is applied.

33 (b) If the eligibility status of the property eligible for the exemp-
34 tion changes during the tax year, the property taxes shall be prorated
35 based on the property's eligibility status during the year. The levy
36 rate shall be multiplied against the market value for assessment pur-
37 poses of the property, and the resulting tax due shall be divided by
38 three hundred sixty-five (365) days, or by three hundred sixty-six
39 (366) days if the tax year is a leap year, for the daily tax amount and
40 then multiplied by the number of days of the year such property has a
41 given exemption eligibility status. For an owner who qualifies for the
42 homeowner exemption, the property taxes shall be calculated using the
43 market value for assessment purposes, reduced by the exemption amount
44 provided in subsection (1) of this section. The levy rate shall be
45 multiplied against such value and divided by three hundred sixty-five
46 (365) days, or by three hundred sixty-six (366) days if the tax year is
47 a leap year, and then multiplied by the number of days such person is
48 eligible for the exemption.

1 (c) If the eligibility status of the property changes during the tax
 2 year, the taxable value of the homestead or the tax amount shall be ad-
 3 justed in one (1) of the following ways:

4 (i) If the property becomes eligible before the second Monday of
 5 July, the reduced taxable value shall be entered on the property
 6 roll pursuant to section 63-301, Idaho Code, and the homeowner
 7 property tax relief roll pursuant to section 63-724(4), Idaho
 8 Code;

9 (ii) If the property becomes eligible on or after the second Mon-
 10 day of July, property taxes due shall be calculated as provided
 11 in paragraph (b) of this subsection and any reduction in property
 12 tax will result in a cancellation or refund as provided in section
 13 63-1202, Idaho Code;

14 (iii) If the property becomes ineligible for the exemption before
 15 the second Monday of July, any additional taxable value shall be
 16 entered on the property roll pursuant to section 63-301, Idaho
 17 Code, and the homeowner property tax relief roll pursuant to sec-
 18 tion 63-724(4), Idaho Code;

19 (iv) If the property becomes ineligible for the exemption on or
 20 after the second Monday of July but no later than the fourth Monday
 21 of November, the additional value shall be assessed and entered on
 22 the subsequent or missed property roll pursuant to the provisions
 23 of section 63-301, Idaho Code; or

24 (v) If the property becomes ineligible for the exemption on or af-
 25 ter the fourth Monday of November, the tax on the additional value
 26 may be calculated as provided in paragraph (b) of this subsection
 27 and billed as provided for the recovery of the property tax exemp-
 28 tion pursuant to this subsection.

29 (6) Recovery of property tax exemptions allowed by this section but im-
 30 properly claimed or approved:

31 (a) (i) Prior to granting an exemption, the county assessor shall
 32 investigate whether an applicant for the exemption has claimed the
 33 exemption for another homestead and shall not grant the exemption
 34 where it appears the exemption has been improperly claimed. The
 35 applicant shall be notified of the county assessor's refusal to
 36 grant the exemption.

37 (ii) Upon discovery of evidence, facts or circumstances indicat-
 38 ing any exemption allowed by this section was improperly claimed
 39 or approved, the county assessor shall decide whether the exemp-
 40 tion claimed should have been allowed and, if not, notify the tax-
 41 payer in writing, assess a recovery of property tax and notify the
 42 county treasurer of this assessment. If the county assessor de-
 43 termined that an exemption was improperly approved as a result of
 44 county error, the county assessor shall present the discovered ev-
 45 idence, facts or circumstances from the improperly approved ex-
 46 emption to the board of county commissioners, at which time the
 47 board may waive a recovery of the property tax and notify such tax-
 48 payer in writing.

49 (iii) Upon the first instance of a taxpayer being discovered to
 50 have claimed more than one (1) homestead exemption, the taxpayer

1 shall be subject to a penalty, payable to the county treasurer, in
2 an amount equal to the amount of property tax recovered pursuant
3 to subparagraph (ii) of this paragraph, which shall be paid in ad-
4 dition to such recovery amount. The taxpayer shall be notified of
5 the assessment of such penalty at the same time as the notice of the
6 assessor's refusal to grant the exemption in subparagraph (i) of
7 this paragraph.

8 (iv) Any subsequent violation within seven (7) years of an in-
9 stance pursuant to subparagraph (iii) of this paragraph shall be a
10 misdemeanor, subject to the penalties provided in section 18-113,
11 Idaho Code. The county assessor shall notify the county prosecut-
12 ing attorney of any conduct that would constitute a misdemeanor
13 pursuant to this subparagraph.

14 (v) Nothing in this paragraph shall prohibit a taxpayer from
15 claiming a homestead exemption after January 1 for a property that
16 is not already subject to the homestead exemption, provided any
17 claim for an exemption is consistent with the requirements of sub-
18 section (2) (c) (iii) of this section.

19 (b) Upon request by a county assessor conducting an investigation under
20 paragraph (a) of this subsection, or when information indicating that
21 an improper claim for the exemption allowed by this section is discov-
22 ered by the state tax commission, the state tax commission shall dis-
23 close relevant information to the appropriate county assessor, board
24 of county commissioners, county clerk, and county treasurer and to the
25 secretary of state. Information disclosed to county officials and the
26 secretary of state by the state tax commission under this subsection:

27 (i) May be used to decide the validity of any entitlement to the
28 exemption provided in this section;

29 (ii) Shall, as necessary, be used to determine a person's resi-
30 dence for voting purposes under title 34, Idaho Code; and

31 (iii) Is not otherwise subject to public disclosure pursuant to
32 chapter 1, title 74, Idaho Code.

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

37 (d) (i) An applicant for an exemption under this section may appeal
38 to the county board of equalization the county assessor's refusal
39 to grant an exemption pursuant to paragraph (a) of this subsection
40 within thirty (30) days of the date the county assessor sent notice
41 of the refusal.

42 (ii) The taxpayer may appeal to the county board of equalization
43 the decision by the county assessor to assess the recovery of prop-
44 erty tax within thirty (30) days of the date the county assessor
45 sent the notice to the taxpayer pursuant to this section. The
46 board may waive the collection of all or part of any costs, late
47 charges, and interest in order to facilitate the collection of the
48 recovery of the property tax.

49 (iii) The taxpayer may appeal the imposition of the penalty pro-
50 vided in paragraph (a) (iii) of this subsection within thirty (30)

1 days of the date the county assessor sent the notice to the tax-
2 payer pursuant to this section.

3 (e) For purposes of calculating the tax, the amount of the recovered
4 property tax shall be for each year the exemption allowed by this sec-
5 tion was improperly claimed or approved, up to a maximum of seven (7)
6 years. The amount of the recovery of property tax shall be calculated
7 using the product of the amount of exempted value for each year multi-
8 plied by the levy for that year plus costs, late charges, and interest
9 for each year at the rates equal to those provided for delinquent prop-
10 erty taxes during that year.

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

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

21 (h) Thirty (30) days after the taxpayer is notified, as provided in
22 paragraph (a) of this subsection, the assessor shall record a notice
23 of intent to attach a lien. Upon the payment in full of such recov-
24 ered property taxes prior to the attachment of the lien as provided in
25 paragraph (i) of this subsection, or upon the successful appeal by the
26 taxpayer, the county assessor shall record a rescission of the intent to
27 attach a lien within seven (7) business days of receiving such payment
28 or within seven (7) business days of the county board of equalization
29 decision granting the appeal. If the real property is sold to a bona
30 fide purchaser for value prior to the recording of the notice of the in-
31 tent to attach a lien, the county assessor and treasurer shall cease the
32 recovery of such unpaid recovered property tax.

33 (i) Any unpaid recovered property taxes shall become a lien on the real
34 property in the same manner as provided for property taxes in section
35 63-206, Idaho Code, except such lien shall attach as of the first day of
36 January in the year following the year the county assessor sent the no-
37 tice to the taxpayer pursuant to this section.

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

41 (7) The legislature declares that this exemption is necessary and just.

42 (8) A homestead that previously qualified for exemption under this sec-
43 tion in the preceding year shall not lose such qualification due to: the
44 owner's, beneficiary's, partner's, member's or shareholder's absence in the
45 current year by reason of active military service or because the homestead
46 has been leased because the owner, beneficiary, partner, member or share-
47 holder is absent in the current year by reason of active military service.
48 An owner subject to the provisions of this subsection must apply for the ex-
49 emption with the county assessor every year on or before a deadline date as
50 specified by the county assessor for the county in which the homestead is

1 claimed. If an owner fails to apply on or before the established deadline,
2 the county may, at its discretion, discontinue the exemption for that year.

3 (9) A homestead that previously qualified for exemption under this
4 section in the preceding year shall not lose such qualification due to the
5 owner's, beneficiary's, partner's, member's or shareholder's death during
6 the year of the owner's, beneficiary's, partner's, member's or share-
7 holder's death and the tax year immediately following such death, provided
8 that the homestead continues to be a part of the owner's, beneficiary's,
9 partner's, member's or shareholder's estate. After such time, the new owner
10 shall reapply to receive the exemption pursuant to this section and shall
11 meet the qualification criteria contained in this section.

12 (10) The amount by which each exemption approved under this section ex-
13 ceeds one hundred thousand dollars (\$100,000) may, in the discretion of the
14 governing board of a taxing district, be deducted from the new construction
15 roll for the following year prepared by the county assessor in accordance
16 with section 63-301A, Idaho Code, but only to the extent that the amount ex-
17 ceeds the same deduction made in the previous year.

18 (11) By July 1, 2023, the state tax commission shall establish a data-
19 base of all active exemptions claimed under this section, which database
20 shall be searchable by a person's name and by the address of the homestead
21 for which the exemption is claimed. The database shall be made accessible
22 to officials listed in subsection (6) (b) of this section for the purpose of
23 verifying that:

24 (a) Multiple active exemptions have not been claimed by the same per-
25 son; and

26 (b) A person's residence for voting purposes is the same as the home-
27 stead for which such person has an active exemption pursuant to this
28 section, if an exemption is so claimed.

29 (12) Increases in taxable value resulting from any change in status of
30 a property formerly or newly receiving the homeowner exemption shall be in-
31 cluded by the county assessor on the property roll or subsequent property
32 roll required pursuant to section 63-301, Idaho Code.

33 SECTION 4. That Section 63-903, Idaho Code, be, and the same is hereby
34 amended to read as follows:

35 63-903. WHEN PAYABLE. (1) All property taxes extended on the property
36 and operating property rolls shall be due and payable in full to the tax col-
37 lector without late charges and interest on or before December 20 of the year
38 in which the property taxes are levied. The property taxes may be paid in
39 full or paid in two (2) halves, the first half on or before December 20 with a
40 grace period extending to June 20 for the second half if the first half is to-
41 tally paid.

42 (2) Any portion of a property tax may be paid at any time, but nothing
43 in this section shall excuse costs, interest or late charges pursuant to sec-
44 tion 63-1002, Idaho Code.

45 (3) If the first one-half (1/2) is not totally paid on or before Decem-
46 ber 20, late charges as defined in section 63-201, Idaho Code, and interest
47 as provided in section 63-1001, Idaho Code, shall be assessed. If the first
48 one-half (1/2) of the property tax has been paid in part, late charges and in-
49 terest shall be calculated on the remaining first half tax due.

1 (4) If the second one-half (1/2) is not totally paid on or before June
2 20, late charges as defined in section 63-201, Idaho Code, and interest as
3 provided in section 63-1001, Idaho Code, shall be assessed. If the second
4 one-half (1/2) has been paid in part, late charges and interest shall be cal-
5 culated on the remaining property tax due.

6 (5) Property taxes on the subsequent or missed property roll shall be
7 billed within thirty (30) days after delivery of the property roll to the
8 county tax collector or as otherwise provided. The tax collector shall no-
9 tify the property owner of the property taxes due ~~without delay after deliv-~~
10 ~~ery of the property roll.~~ The deadline for paying such property tax shall be
11 the same as provided in subsection (4) of this section. Delinquency occurs
12 if the tax remains unpaid thirty (30) days after the bills are mailed after
13 June 20. Late charges as defined in section 63-201, Idaho Code, and inter-
14 est as provided in section 63-1001, Idaho Code, shall be assessed in the same
15 manner as all other property taxes.

16 (6) All property taxes and fees, together with any costs, late charges
17 and interest collected by the county tax collector shall be remitted to the
18 county auditor as provided in section 63-1201, Idaho Code.

19 (7) Payment of any current property taxes shall not invalidate any pro-
20 ceeding in the collection of a delinquency.

21 SECTION 5. This act shall be in full force and effect on and after Jan-
22 uary 1, 2026.