

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 701

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING SECTION 63-602G, IDAHO CODE, AS AMENDED IN SECTION 1 OF HOUSE BILL NO. 449, IF ENACTED BY THE SECOND REGULAR SESSION OF THE SIXTY-SEVENTH IDAHO LEGISLATURE, 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 63-602G, Idaho Code, as amended in Section 1 of House Bill No. 449, if enacted by the Second Regular Session of the Sixty-seventh Legislature Idaho Legislature, be, and the same is hereby amended to read as follows:

63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax year, the first one hundred twenty-five thousand dollars (\$125,000) 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 exempt from property taxation.

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

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

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

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

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

(iii) He has not made application in any other county for the exemption and has not made application for the exemption on any other homestead in the county.

(d) For the purpose of this section, the definition of "owner" shall be the same definition set forth in section 63-701(7), Idaho Code. When an owner, pursuant to the provisions of section 63-701(7), Idaho Code, is

1 any person who is the beneficiary of a revocable or irrevocable trust,
2 or who is a partner of a limited partnership, a member of a limited lia-
3 bility company, or a shareholder of a corporation, he or she may provide
4 proof of the trust, limited partnership, limited liability company, or
5 corporation in the manner set forth in section 63-703(4), Idaho Code.

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

11 (f) For the purpose of this section, the definition of "primary
12 dwelling place" shall be the same definition set forth in section
13 63-701(8), Idaho Code.

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

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

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

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

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

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

36 (5) (a) The exemption allowed by this section shall be effective upon
37 the date of the application eligibility status change provided on the
38 approved application for the current tax year and must be taken before
39 the reduction in taxes provided by sections 63-701 through 63-710,
40 Idaho Code, is applied.

41 (b) If the eligibility status of the property eligible for the exemp-
42 tion changes during the tax year, the property taxes shall be prorated
43 based on the property's eligibility status during the year. The levy
44 rate shall be multiplied against the market value for assessment pur-
45 poses of the property, and the resulting tax due shall be divided by
46 three hundred sixty-five (365) days, or by three hundred sixty-six
47 (366) days if the tax year is a leap year, for the daily tax amount
48 and then multiplied by the number of days of the year such property
49 is subject to a given exemption eligibility status. For an owner who
50 qualifies for the homeowner exemption, the property taxes shall be cal-

1 culated using the market value for assessment purposes, reduced by the
 2 exemption amount provided in subsection (1) of this section. The levy
 3 rate shall be multiplied against such value and divided by the appropri-
 4 ate number of days, either three hundred sixty-five (365) days or, if a
 5 leap year, then three hundred sixty-six (366) days, and such resulting
 6 number shall be multiplied by the number of days such person is eligible
 7 for the exemption.

8 (c) If the eligibility status of the property changes during the tax
 9 year, the taxable value of the homestead or the tax shall be adjusted in
 10 one (1) of the following ways:

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

16 (ii) If the property becomes eligible on or after the second Mon-
 17 day of July, property taxes due shall be calculated as provided
 18 in paragraph (b) of this subsection and any reduction in property
 19 tax will result in a cancellation or refund as provided in section
 20 63-1202, Idaho Code;

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

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

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

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

38 (a) (i) Prior to granting an exemption, the county assessor shall
 39 investigate whether an applicant for the exemption has claimed the
 40 exemption for another homestead and shall not grant the exemption
 41 where it appears the exemption has been improperly claimed. The
 42 applicant shall be notified of the county assessor's refusal to
 43 grant the exemption.

44 (ii) Upon discovery of evidence, facts or circumstances indicat-
 45 ing any exemption allowed by this section was improperly claimed
 46 or approved, the county assessor shall decide whether the exemp-
 47 tion claimed should have been allowed and, if not, notify the tax-
 48 payer in writing, assess a recovery of property tax and notify the
 49 county treasurer of this assessment. If the county assessor de-
 50 termined that an exemption was improperly approved as a result of

1 county error, the county assessor shall present the discovered ev-
2 idence, facts or circumstances from the improperly approved ex-
3 emption to the board of county commissioners, at which time the
4 board may waive a recovery of the property tax and notify such tax-
5 payer in writing.

6 (iii) Upon the first instance of a taxpayer being discovered to
7 have claimed more than one (1) homestead exemption, the taxpayer
8 shall be subject to a penalty, payable to the county treasurer, in
9 an amount equal to the amount of property tax recovered pursuant
10 to subparagraph (ii) of this paragraph, which shall be paid in ad-
11 dition to such recovery amount. The taxpayer shall be notified of
12 the assessment of such penalty at the same time as the notice of the
13 assessor's refusal to grant the exemption in subparagraph (i) of
14 this paragraph.

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

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

26 (b) Upon request by a county assessor conducting an investigation under
27 paragraph (a) of this subsection, or when information indicating that
28 an improper claim for the exemption allowed by this section is discov-
29 ered by the state tax commission, the state tax commission shall dis-
30 close relevant information to the appropriate county assessor, board
31 of county commissioners, county clerk, and county treasurer and to the
32 secretary of state. Information disclosed to county officials and the
33 secretary of state by the state tax commission under this subsection:

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

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

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

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

44 (d) (i) An applicant for an exemption under this section may appeal
45 to the county board of equalization the county assessor's refusal
46 to grant an exemption pursuant to paragraph (a) of this subsection
47 within thirty (30) days of the date the county assessor sent notice
48 of the refusal.

49 (ii) The taxpayer may appeal to the county board of equalization
50 the decision by the county assessor to assess the recovery of prop-

1 erty tax within thirty (30) days of the date the county assessor
2 sent the notice to the taxpayer pursuant to this section. The
3 board may waive the collection of all or part of any costs, late
4 charges, and interest in order to facilitate the collection of the
5 recovery of the property tax.

6 (iii) The taxpayer may appeal the imposition of the penalty pro-
7 vided in paragraph (a) (iii) of this subsection within thirty (30)
8 days of the date the county assessor sent the notice to the tax-
9 payer pursuant to this section.

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

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

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

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

40 (i) Any unpaid recovered property taxes shall become a lien on the real
41 property in the same manner as provided for property taxes in section
42 63-206, Idaho Code, except such lien shall attach as of the first day of
43 January in the year following the year the county assessor sent the no-
44 tice to the taxpayer pursuant to this section.

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

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

49 (8) A homestead that previously qualified for exemption under this sec-
50 tion in the preceding year shall not lose such qualification due to: the

1 owner's, beneficiary's, partner's, member's or shareholder's absence in the
2 current year by reason of active military service or because the homestead
3 has been leased because the owner, beneficiary, partner, member or share-
4 holder is absent in the current year by reason of active military service.
5 An owner subject to the provisions of this subsection must apply for the ex-
6 emption with the county assessor every year on or before a deadline date as
7 specified by the county assessor for the county in which the homestead is
8 claimed. If an owner fails to apply on or before the established deadline,
9 the county may, at its discretion, discontinue the exemption for that year.

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

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

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

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

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

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

40 SECTION 2. That Section 63-903, Idaho Code, be, and the same is hereby
41 amended to read as follows:

42 63-903. WHEN PAYABLE. (1) All property taxes extended on the property
43 and operating property rolls shall be due and payable in full to the tax col-
44 lector without late charges and interest on or before December 20 of the year
45 in which the property taxes are levied. The property taxes may be paid in
46 full or paid in two (2) halves, the first half on or before December 20 with a
47 grace period extending to June 20 for the second half if the first half is to-
48 tally paid.

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

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

9 (4) If the second one-half (1/2) is not totally paid on or before June
10 20, late charges as defined in section 63-201, Idaho Code, and interest as
11 provided in section 63-1001, Idaho Code, shall be assessed. If the second
12 one-half (1/2) has been paid in part, late charges and interest shall be cal-
13 culated on the remaining property tax due.

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

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

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

29 SECTION 3. This act shall be in full force and effect on and after Jan-
30 uary 1, 2025.