

IN THE SENATE

SENATE BILL NO. 1053

BY LOCAL GOVERNMENT AND TAXATION COMMITTEE

AN ACT

RELATING TO PROPERTY TAXATION; AMENDING SECTION 63-604, IDAHO CODE, TO  
PROVIDE FOR CERTAIN CERTIFICATION TO THE ASSESSOR RELATING TO LAND AC-  
TIVELY DEVOTED TO AGRICULTURE.

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

SECTION 1. That Section 63-604, Idaho Code, be, and the same is hereby  
amended to read as follows:

63-604. LAND ACTIVELY DEVOTED TO AGRICULTURE DEFINED. (1) For prop-  
erty tax purposes, land which is actively devoted to agriculture shall be el-  
igible for appraisal, assessment and taxation as agricultural property each  
year it meets one (1) or more of the following qualifications:

(a) The total area of such land, including the homesite, is more than  
five (5) contiguous acres, and is actively devoted to agriculture which  
means:

(i) It is used to produce field crops including, but not limited  
to, grains, feed crops, fruits and vegetables; or

(ii) It is used to produce nursery stock as defined in section  
22-2302(11), Idaho Code; or

(iii) It is used by the owner for the grazing of livestock to be  
sold as part of a for-profit enterprise, or is leased by the owner  
to a bona fide lessee for grazing purposes; or

(iv) It is in a cropland retirement or rotation program.

(b) The area of such land is five (5) contiguous acres or less and such  
land has been actively devoted to agriculture within the meaning of sub-  
section (1)(a) of this section during the last three (3) growing sea-  
sons; and

(i) It agriculturally produces for sale or home consumption  
the equivalent of fifteen percent (15%) or more of the owner's or  
lessee's annual gross income; or

(ii) It agriculturally produced gross revenues in the immediately  
preceding year of one thousand dollars (\$1,000) or more. When the  
area of land is five (5) contiguous acres or less, such land shall  
be presumed to be nonagricultural land until it is established  
that the requirements of this subsection have been met.

On or before March 15 of each year, a landowner seeking to qualify for  
appraisal, assessment and taxation pursuant to the provisions of this sub-  
section, shall certify with the assessor the basis for qualifying for such  
treatment. For land that is five (5) acres or less in size, the certification  
shall include proof of income received in the preceding year.

(2) Land shall not be classified or valued as agricultural land which is  
part of a platted subdivision with stated restrictions prohibiting its use  
for agricultural purposes, whether within or without a city.

1 (3) Land utilized for the grazing of a horse or other animals kept  
2 primarily for personal use or pleasure rather than as part of a bona fide  
3 for-profit enterprise shall not be considered to be land actively devoted to  
4 agriculture.

5 (4) Land actively devoted to agriculture, having previously qualified  
6 for exemption under this section in the preceding year, or which would have  
7 qualified under this section during the current year, shall not lose such  
8 qualification due to the owner's or lessee's absence in the current year by  
9 reason of active military service in a designated combat zone, as defined in  
10 section 112 of the Internal Revenue Code. If an owner fails to timely ap-  
11 ply for exemption as required in this section solely by reason of active duty  
12 in a designated combat zone, as defined in section 112 of the Internal Rev-  
13 enue Code, and the land would otherwise qualify for exemption under this sec-  
14 tion, then the board of county commissioners of the county in which the land  
15 actively devoted to agriculture is located shall refund property taxes, if  
16 previously paid, in an amount equal to the exemption which would otherwise  
17 have applied.

18 (5) If the land qualified for exemption pursuant to section 63-602FF,  
19 Idaho Code, in 2005, then the land will qualify in 2006 for the exemption pur-  
20 suant to section 63-602K, Idaho Code, upon the filing of a statement by the  
21 owner with the board of county commissioners that the land will be actively  
22 devoted to agriculture pursuant to this section in 2006.

23 (6) For purposes of this section, the act of platting land actively de-  
24 voted to agriculture does not, in and of itself, cause the land to lose its  
25 status as land being actively devoted to agriculture if the land otherwise  
26 qualifies for the exemption under this section.

27 (7) As used in this section:

28 (a) "Contiguous" means being in actual contact or touching along a  
29 boundary or at a point, except no area of land shall be considered not  
30 contiguous solely by reason of a roadway or other right-of-way.

31 (b) "For-profit" means the enterprise will, over some period of time,  
32 make or attempt to make a return of income exceeding expenses.

33 (c) "Platting" means the filing of the drawing, map or plan of a subdivi-  
34 sion or a replatting of such, including certification, descriptions  
35 and approvals with the proper county or city official.