

REVISED

STATEMENT OF PURPOSE

RS27784 / H0562

Idaho Code 63-602G allows a “homeowners exemption” for the first one hundred thousand dollars (\$100,000) of market value or fifty percent (50%) of the value, whichever is less. However, in order to receive the exemption, the property must already have a homeowner’s exemption in place, or the homeowner must file an application prior to April 15. If a home buyer purchases a home without an existing homeowner’s exemption (i.e. a rental property that the buyer intends to occupy as their primary residence) after April 15, the buyer does not qualify for the exemption and will pay higher property taxes for the remainder of the year. This legislation simply removes the April 15 date, so a homeowner can apply and receive the homeowner’s exemption at any point in the year. The legislation also provides that the law will take effect on January 1, 2021. This allows the taxing district to complete the current cycle without disruption

FISCAL NOTE

There is no impact to the state general fund. Any cost to a taxing district would vary across the state depending on the number of properties sold after April 15 without an existing homeowner’s exemption in place. The home price, levy rate and the fraction of these properties being transitioned from rental properties to primary residences will also determine the cost to a taxing district. Ada County had the largest number of these properties sold without a homeowner’s exemption in place after April 15 in 2019 (1,621). The average price of these properties in Ada County is \$250,000. If each home was purchased on April 16, received the exemption, and all transitioned into a primary residence, the cost to Ada County would be \$1,000,967. This calculation, however, does not take into account properties that will remain non-owner (rental properties) occupied and properties throughout the taxing district that transition from owner-occupied to rental. The fiscal impact to a taxing district decreases the further away from April 15 that the property is purchased if it becomes a primary residence. Ada County (1,621), Canyon County (889) & Kootenai County (819) have the largest number of properties that could be affected by the change in the law. Many taxing districts across Idaho would see fewer affected properties and a smaller fiscal impact.

Contact:

Representative Robert Anderst
(208) 332-1178
Max Pond , Idaho REALTORS
(208) 230-6703

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).