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Director

Legislative Services Office Idaho State Legislature

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MEMORANDUM

TO: Senators RICKS, Schroeder, Rabe and,
Representatives MONKS, Cannon, Necochea

FROM: Kristin Ford - Division Manager

DATE: June 12, 2023

SUBJECT: Temporary Rule

IDAPA 35.01.03 - Property Tax Administrative Rules - Adoption of Temporary Rules - Docket No.
35-0103-2302

We are forwarding this temporary rule to you for your information only. No analysis was done by LSO. This rule is posted on our web site. If you have any questions, please call Kristin Ford at the Legislative Services Office at (208) 334-4845. Thank you.

Attachment: Temporary Rule

Paul Headlee, Deputy Director Kristin Ford, Manager Keith Bybee, Manager April Renfro, Manager Glenn Harris, Manager
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IDAPA 35 – STATE TAX COMMISSION
35.01.03 – PROPERTY TAX ADMINISTRATIVE RULES
DOCKET NO. 35-0103-2302
NOTICE OF RULEMAKING – ADOPTION OF TEMPORARY RULE

EFFECTIVE DATE: The effective date of the temporary rule is May 8, 2023.

AUTHORITY: In compliance with Sections 67-5226, Idaho Code, notice is hereby given this agency has adopted a temporary rule. This rulemaking action is authorized pursuant to Section 63-105, Idaho Code.

DESCRIPTIVE SUMMARY: The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule:

Temporary Rule 810 – Recently enacted House Bill 292 includes several administrative functions that will require information to be submitted by counties and other entities. These are not specified in statute in sufficient detail to ensure that we will receive all necessary information in a format and time for us to complete our calculations and certification of tax relief amounts.

JUSTIFICATION: Pursuant to Section(s) 67-5226(1)(c), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

Temporary Rule 810 –Specifics necessary for proper administration include:

1. Instructions to school districts regarding which funds are subject to subtraction for amounts received from the state;
2. Need to include net taxable value on the homeowners' tax reduction roll;
3. Need to identify applicable levies – in addition to eligible levies since, for example, some fire districts do not levy against land;
4. Need to identify increment value associated with homes for urban renewal allocations;
5. Need to determine and identify prorata shares of property taxes levied within each county for multi-county taxing districts; and
6. Need to lock in relief amounts per taxing district based on November certification and not further adjust based on later tax cancellations or levy corrections.

FEE SUMMARY: Pursuant to Section 67-5226(2), the Governor has found that the fee or charge being imposed or increased is justified and necessary to avoid immediate danger and the fee is described herein: N/A

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning the temporary rule, contact Alan Dornfest, (208) 334-7742.

DATED this 7th day of June, 2023.

Alan Dornfest, Property Tax Policy Bureau Chief
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THE FOLLOWING IS THE TEXT OF THE TEMPORARY RULE FOR DOCKET NO. 35-0103-2302

810. PROPERTY TAX RELIEF (RULE 810).

Sections 33-911, 57-810, 63-724, 63-902, and 63-315, Idaho Code. (5-8-23)T

01. Procedures Regarding School District Facilities Fund. The State Tax Commission will notify each county clerk no later than the first Monday in September each year of the amounts being distributed annually, pursuant to Section 33-911, Idaho Code, to each school district. Amounts received by each school district must be reported on the L2 form and subtracted from property tax otherwise to be certified for the following funds: (5-8-23)T

a. Bonds. (5-8-23)T

b. Temporary Supplemental Funds. (5-8-23)T

02. Additional School District Facilities Funds. If the amount received by the school district from the school district facilities fund exhausts the payments for bonds and temporary supplemental funds, the remaining sums of money are saved in a reserve account and not subtracted from other school district levies. (5-8-23)T

03. Procedures Regarding Homeowner Property Tax Relief. (5-8-23)T

a. The homeowner property tax relief roll certified in August will be the preliminary roll and will include the market value, amount of homestead exemption granted, and net taxable value for the portion of each homestead, as defined in Section 63-701, Idaho Code, granted the homestead exemption. (5-8-23)T

i. No property granted the homestead exemption after the second Monday in July each year is to be included in this roll. (5-8-23)T

ii. No improvement granted the homestead exemption on property subject to occupancy tax, as provided in Section 63-317, Idaho Code, is to be included in this roll. Land associated with such improvement may be included if it is part of the homestead and if it has a homestead exemption granted by the second Monday in July. (5-8-23)T

iii. The amount of each homestead property's net taxable value attributable to increment and base, as defined in Section 50-2903, Idaho Code, will be shown on this roll. (5-8-23)T

iv. The amount of taxable value to which tax levies will apply will be shown on this roll. In the case of taxing districts that do not levy property tax against all otherwise taxable property, the net taxable value of the homestead applicable to each taxing district will be shown. (5-8-23)T

b. The completed homeowner property tax relief roll certified by the fourth Monday in October will include the following information in addition to the information provided in Subsection 03 of these rules. (5-8-23)T

i. The current year's tax levy applicable to the homestead and eligible for homeowner property tax relief pursuant to Section 63-724, Idaho Code. (5-8-23)T

ii. The amount of property taxes levied on the homestead based on levies eligible for homeowner property tax relief. (5-8-23)T

iii. The total homeowner property tax relief for all eligible properties in the county. (5-8-23)T

iv. The total amount of homeowner property tax relief based on increment value. (5-8-23)T

c. Actual tax relief provided to each homestead and shown on property tax notices will be based on the percentage and amounts certified to the county by the State Tax Commission as provided in Section 63-724,

Idaho Code. Alternatively: “a uniform percentage of eligible property taxes owed for each homeowner property tax relief homestead, determined by dividing the moneys received by the county pursuant to Section 63-724(6), Idaho Code, by the eligible property taxes to be paid by homeowners in that county.” (5-8-23)T

d. The provision in Section 63-724, Idaho Code, that requires homeowner property tax relief monies to be distributed in the same manner as property tax includes allocation to urban renewal agencies and all taxing districts as otherwise required. (5-8-23)T

04. Procedures for Additional Property Tax Relief. The procedures in this Subsection pertain to the distributions to each county pursuant to Section 57-810(2), Idaho Code, other than the amounts distributed to the school district facilities fund. (5-8-23)T

a. The amount of property tax levied for the current year and approved by the State Tax Commission will be the total amount based on approved property tax budgets for all taxing districts and amounts otherwise allocated to urban renewal agencies in each county. When this amount is determined for taxing districts located in more than one county, each county’s share will be based on the prorated amount of the district’s property tax being levied in that county. (5-8-23)T

b. In addition to the market values submitted to the State Tax Commission pursuant to Section 63-510, Idaho Code, each county auditor will include the net taxable value and increment value applicable to each urban renewal revenue allocation area within each taxing district. (5-8-23)T

c. Tax relief amounts provided pursuant to Section 57-810(2), Idaho Code, will be subtracted prior to determining amounts otherwise certified to the State Tax Commission on the property tax reduction roll pursuant to Section 63-707, Idaho Code. (5-8-23)T

05. Tax Cancellations and Levy Corrections. Tax cancellations and levy corrections pursuant to Section 63-810, Idaho Code, occurring after certification of tax relief amounts to be paid by the State Tax Commission to each county will not alter amounts to be paid by the State Tax Commission. Counties receiving tax relief payments that exceed the amount that would have been paid had the tax cancellations or levy corrections been known at the time of the certification of tax relief amounts will remit the excessive amount to the state general fund using the procedure required for homeowner property tax relief overpayments in Section 63-724, Idaho Code. (5-8-23)T