

Dear Senators SIDDOWAY, Rice, Werk, and  
Representatives COLLINS, Wood, Burgoyne:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the  
State Tax Commission - Property Tax:

IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-1403);

IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-1406).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the  
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research  
and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative  
Services. The final date to call a meeting on the enclosed rules is no later than 11/07/2014. If a meeting is  
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis  
from Legislative Services. The final date to hold a meeting on the enclosed rules is 12/09/2014.

The germane joint subcommittee may request a statement of economic impact with respect to a  
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,  
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has  
been held.

To notify Research and Legislation, call 334-4834, or send a written request to the address on the  
memorandum attached below.



Eric Milstead  
Director

# Legislative Services Office

## Idaho State Legislature

*Serving Idaho's Citizen Legislature*

### MEMORANDUM

**TO:** Rules Review Subcommittee of the Senate Local Government & Taxation Committee and the House Revenue & Taxation Committee

**FROM:** Principal Legislative Research Analyst - Brooke Brouman

**DATE:** October 21, 2014

**SUBJECT:** State Tax Commission - Property Tax

IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-1403)

IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-1406)

**(1) IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-1403):** The State Tax Commission's proposed rule makes the following changes:

(a) Revises the property tax appraiser certification requirements by removing a provision that allows applicants to receive credit for Commission Course No. 1 by passing an examination and by adding a provision that allows applicants to take one course and challenge the second required course by passing a test; and

(b) Revises the cadastral certification requirements by removing a provision that allows applicants to receive credit for the Commission's Basic Mapping Course by passing an examination and by adding a provision that allows applicants to take one required course and challenge the second required course by passing a test.

Negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the August 6, 2014 Idaho Administrative Bulletin.

The proposed rule is within the authority granted to the Commission in Section 63-105, Idaho Code.

**(2) IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-1406):** The State Tax Commission's proposed rule clarifies that operating property required to be assessed by the Commission shall include gathering lines regardless of whether such lines are owned or operated in conjunction with a public utility, and shall also include property owned by the same taxpayer and associated with the extraction or production of any oil or gas to be carried by such gathering lines.

Negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the August 6, 2014 Idaho Administrative Bulletin.

The proposed rule is within the authority granted to the Commission in Section 63-105, Idaho Code.

Mike Nugent, Manager  
Research & Legislation

Cathy Holland-Smith, Manager  
Budget & Policy Analysis

April Renfro, Manager  
Legislative Audits

Glenn Harris, Manager  
Information Technology

cc: State Tax Commission - Property Tax  
Sherry Briscoe

**IDAPA 35 - STATE TAX COMMISSION**  
**35.01.03 - PROPERTY TAX ADMINISTRATIVE RULES**  
**DOCKET NO. 35-0103-1403**  
**NOTICE OF RULEMAKING - PROPOSED RULE**

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 63-105A, Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2014.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Property Tax Rule 126 is being amended to show the changes to the method of gaining the number of courses required for appraisal certification by providing an opportunity to challenge one of the two required courses by passing a test.

Property Tax Rule 128 is being amended to show changes to the method of gaining the number of courses required for cadastral certification by providing an opportunity to challenge one of the two required courses by passing a test.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: NA

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the August 6, 2014 Idaho Administrative Bulletin, [Vol. 14-8, page 103](#).

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Alan Dornfest at (208) 334-7742 or [alan.dornfest@tax.idaho.gov](mailto:alan.dornfest@tax.idaho.gov).

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2014.

DATED this 14th day of August, 2014.

Alan Dornfest  
Tax Policy Supervisor  
State Tax Commission  
P.O. Box 36  
Boise, ID 83722-0410  
(208) 334-7742  
[alan.dornfest@tax.idaho.gov](mailto:alan.dornfest@tax.idaho.gov)

THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 35-0103-1403  
(Only those Sections being amended are shown.)

**126. PROPERTY TAX APPRAISER CERTIFICATION PROGRAM (RULE 126).** (5-8-09)  
Section 63-105A, Idaho Code.

**01. Application for Certification.** The State Tax Commission (Commission) shall prescribe and make available the application for state certification form to each county assessor. (5-8-09)

**a.** After the applicant has completed the requirements of Subsection 126.02 of this rule, the applicant's supervisor shall submit the completed application form to the education director. The application shall list the following: (5-8-09)

i. The name and address of the applicant, (5-8-09)

ii. The applicant's employer, and (5-8-09)

iii. The courses completed. (5-8-09)

**b.** The application must be signed and dated by the applicant and by the applicant's supervisor certifying the completion of the minimum experience requirement. (5-8-09)

**c.** The education director shall make available information regarding the certification process and the application form to students attending the courses referenced in Subsection 126.02 of this rule. (5-8-09)

**02. Certification Requirements.** An applicant for certification must pass at least two (2) appraisal courses: Commission Course No. 1 or the International Association of Assessing Officers' (IAAO) Course 101; and IAAO Course No. 102 or IAAO Course 201 or IAAO Course 300 or equivalent courses, and must have a minimum of twelve (12) months experience appraising for tax assessment purposes in Idaho or equivalent property tax appraisal experience approved by the examination committee. These requirements must be completed in the five (5) year period immediately preceding application except when the applicant proves equivalent education and experience. (3-29-10)

**a.** Upon request to the education director, an applicant may ~~receive credit for Commission Course No. 1 by passing an examination developed for this purpose~~ **take one (1) required course and challenge the second required course by passing a test.** The education director shall set the time and place for the ~~examination test.~~ (5-8-09)( )

**b.** Equivalent courses may be approved by the education director and the examination committee. (5-8-09)

**c.** With the exceptions of the county assessor, the members of the county board of equalization, and the State Tax Commissioners, all persons making decisions regarding final values for assessment purposes shall be certified property tax appraisers. (5-8-09)

**03. Maintaining Property Tax Appraisal Certification.** (5-8-09)

**a.** To maintain certification each appraiser must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each appraiser shall have completed thirty two (32) hours of continuing education during the previous two (2) years. (5-8-09)

**b.** When any certified property tax appraiser fails to meet the continuing education requirements, the examination committee shall place this person on ~~a~~ six (6) month probation. When any certified property tax appraiser fails to meet the continuing education requirements within this probationary period, the person shall forfeit

certification or may, on a one (1) time only basis, submit a written petition to the examination committee for a six (6) month extension of probation. This person must submit this petition at least thirty (30) days prior to the expiration date of the first probationary period. (5-8-09)( )

c. For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant for recertification must satisfactorily complete a written examination approved by the committee. The committee shall decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the committee shall not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification and a new certification number will be issued. (5-8-09)( )

**04. Cross Reference.** See Section 63-201. (1)(a), Idaho Code for the requirement that only assessors or certified property tax appraisers place value on any assessment roll. See Rule 125 of these rules for the description of the examination committee. (5-8-09)

**(BREAK IN CONTINUITY OF SECTIONS)**

**128. CADASTRAL CERTIFICATION PROGRAM (RULE 128).** Section 63-105A, Idaho Code. (5-8-09)

**01. Application for Certification.** The State Tax Commission (Commission) shall prescribe and make available the application for state certification form to each county assessor. (5-8-09)

a. After any applicant has completed the requirements provided in Subsection 128.02 of this rule, the applicant's supervisor shall submit the completed application form to the education director. The application shall list the following: (5-8-09)

- i. The name and address of the applicant, (5-8-09)
- ii. The applicant's employer, and (5-8-09)
- iii. The courses completed. (5-8-09)

b. The application must be signed and dated by the applicant and by the applicant's supervisor certifying the completion of the minimum experience requirement. (5-8-09)

c. The education director shall make available information regarding the certification process and the application form to students attending the courses mentioned in Subsection 128.02. (5-8-09)

**02. Certification Requirements.** An applicant for certification must have passed the Commission's Basic Mapping Course and the International Association of Assessing Officers' (IAAO) Course 600 or IAAO Course 601 or both IAAO Courses 650 and 651, or equivalent courses, and must have a minimum of twelve (12) months experience working as a cadastral specialist in Idaho or equivalent cadastral experience approved by the examination committee. These requirements must be completed in the five (5) year period immediately preceding application except when the applicant proves equivalent education and experience. (5-8-09)

a. Upon request to the ~~Commission's~~ education director, an applicant may ~~receive credit for the Commission's Basic Mapping Course by passing an examination developed for this purpose~~ take one (1) required course and challenge the second required course by passing a test. The education director shall set the time and place for the examination test. (5-8-09)( )

b. Equivalent courses may be ~~established by the Commission~~ approved by the education director and ~~approved~~ by the examination committee. (5-8-09)( )

**03. Maintaining Cadastral Specialist Certification.** (5-8-09)

**a.** To maintain certification, each cadastral specialist must complete thirty-two (32) hours of continuing education within two (2) years of the certification date. Thereafter, by January 1 of each year, each cadastral specialist shall have completed thirty-two (32) hours of continuing education during the previous two (2) years. (5-8-09)

**b.** When any certified cadastral specialist fails to meet the continuing education requirements, the education committee shall place this person on ~~a~~ six (6) month probation. When any certified cadastral specialist fails to meet the continuing education requirements within this probationary period, the person shall forfeit certification or may, on a one (1) time only basis, submit a written petition to the examination committee for a six (6) month extension of probation. This person must submit this petition at least thirty (30) days prior to the expiration date of the first probationary period. (~~5-8-09~~)( )

**c.** For recertification, an applicant must apply to the examination committee within five (5) years of the date certification was canceled. An applicant, for recertification, must satisfactorily complete a written examination approved by the committee. The committee shall decide the time and place of the examination. If more than five (5) years have lapsed since certification was canceled, the committee shall not grant recertification. After the five (5) year period, an applicant must apply for certification under the same conditions as required for initial certification and a new certification number will be issued. (~~5-8-09~~)( )

**04. Cross Reference.** See Rule 125 of these rules for the description of the examination committee. (5-8-09)

**IDAPA 35 - STATE TAX COMMISSION**  
**35.01.03 - PROPERTY TAX ADMINISTRATIVE RULES**  
**DOCKET NO. 35-0103-1406**  
**NOTICE OF RULEMAKING - PROPOSED RULE**

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 63-105A, Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2014.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Property Tax Rule 204 is a new rule that will be developed regarding operating property required to be assessed by the State Tax Commission that shall include gathering lines as defined in Section 61-114, Idaho Code, regardless of whether such lines are owned or operated in conjunction with a public utility, and shall also include property owned by the same taxpayer and associated with the extraction of any oil or gas to be carried by such gathering lines.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: NA

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the August 6, 2014 Idaho Administrative Bulletin, [Vol. 14-8, page 137](#).

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Alan Dornfest at (208) 334-7742 or [alan.dornfest@tax.idaho.gov](mailto:alan.dornfest@tax.idaho.gov).

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2014.

DATED this 14th day of August, 2014.

Alan Dornfest  
Tax Policy Supervisor  
State Tax Commission  
P.O. Box 36  
Boise, ID 83722-0410  
(208) 334-7742  
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THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 35-0103-1406  
(Only those Sections being amended are shown.)

**204. OPERATING PROPERTY -- DEFINITIONS (RULE 204).**  
Sections 61-114, 63-201 and 63-405, Idaho Code.

Operating property required to be assessed by the State Tax Commission shall include gathering lines as defined in Section 61-114, Idaho Code, regardless of whether such lines are owned or operated in conjunction with a public utility, and shall also include property owned by the same taxpayer and associated with the extraction or production of any oil or gas to be carried by such gathering lines. ( )