

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 590

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY VALUATION; AMENDING SECTION 63-208, IDAHO CODE, TO  
2 REVISE PROVISIONS REGARDING THE METHOD OF DETERMINING MARKET VALUE FOR  
3 ASSESSMENT PURPOSES OF PROPERTY AND TO MAKE TECHNICAL CORRECTIONS; AND  
4 DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.  
5

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

7 SECTION 1. That Section 63-208, Idaho Code, be, and the same is hereby  
8 amended to read as follows:

9 63-208. RULES PERTAINING TO MARKET VALUE FOR ASSESSMENT PURPOSES --  
10 DUTY OF ASSESSORS. (1) It shall be the duty of the state tax commission to  
11 prepare and distribute to each county assessor and the county commissioners  
12 within the state of Idaho, rules prescribing and directing the manner in  
13 which market value for assessment purposes is to be determined for the pur-  
14 pose of taxation. The rules promulgated by the state tax commission shall  
15 require each assessor to find market value for assessment purposes of all  
16 property, except that expressly exempt under chapter 6, title 63, Idaho  
17 Code, within his county according to recognized appraisal methods and tech-  
18 niques as set forth by the state tax commission; provided, that the actual  
19 and functional use shall be a major consideration when determining market  
20 value for assessment purposes. The cost approach appraisal method shall  
21 establish the maximum market value for assessment purposes of the property.  
22 Any improvement shall be valued based on its actual and functional use and  
23 as if vacant and unoccupied, and each improvement shall be valued at no more  
24 than its depreciated cost. Costs to be excluded include entrepreneurial  
25 or developer profit incentive, marketing costs, lease-up costs, off-site  
26 costs, or any other costs that do not represent the actual costs of acquir-  
27 ing, designing, engineering, permitting, and constructing the property. No  
28 value increment shall be included in any valuation approach for any lease,  
29 franchise, or contract.

30 (2) To maximize uniformity and equity in assessment of different cat-  
31 egories of property, such rules shall, to the extent practical, require the  
32 use of reproduction or replacement cost less depreciation as opposed to his-  
33 toric cost less depreciation ~~whenever~~ whether cost is considered as a single  
34 or one (1) of several factors in establishing the market value of depreciable  
35 property. The state tax commission shall also prepare and distribute amend-  
36 ments and changes to the rules as shall be necessary in order to carry out the  
37 intent and purposes of this title. The rules shall be in the form as the com-  
38 mission shall direct, and shall be made available upon request to other pub-  
39 lic officers and the general public in reasonable quantities without charge.  
40 In ascertaining the market value for assessment purposes of any item of prop-  
41 erty, the assessor of each county shall, and is required to, abide by, adhere  
42 to and conform with rules promulgated by the state tax commission.

1           SECTION 2. An emergency existing therefor, which emergency is hereby  
2 declared to exist, this act shall be in full force and effect on and after its  
3 passage and approval, and retroactively to January 1, 2020.