2026 Idaho REALTORS Legislative Session Review

The Second Regular Session of the 68th Idaho Legislature completed its work on April 2, 2026, taking 81 legislative working days – 8 days fewer than 2025.

Idaho REALTORS® (IR) was happy to see several housing related pieces of legislation either introduced or passed into law this session – many of which were authored and supported by IR.

After three years and a unanimous Idaho Supreme Court decision over the summer, Idaho REALTORS®, along with our industry partners and the leadership of Representative Jordan Redman and Senator Todd Lakey, ushered our Short-Term Rental bill (HB583) across the finish line with Governor Brad Little signing it into law on March 16, 2026.

In addition, IR helped author and pass SB1352aa, 1354aa & HB843 which will allow for developers to build starter home subdivisions – making homeownership more attainable, allow homeowners to build an Accessory Dwelling Unit (ADU) on their property and enable your clients to apply for and receive the full $125,000 Homeowner's Exemption at any time of year (without proration).

Idaho REALTOR® Sponsored Legislation Signed Into Law:

HB583 – Short-Term Rentals:

- Limits local governments from treating short-term rentals differently by saying cities and counties cannot pass rules that effectively ban them or add special requirements that are not also imposed on similar single-family homes.

- Allows only a narrow set of local safety rules, such as smoke alarms, fire extinguishers, carbon monoxide detectors, escape ladders, occupancy limits tied to building code, and a basic safety handout for guests.

SB1352aa – Starter Home Subdivisions:

- Directs larger cities (more than 10,000 residents) to allow "starter home subdivisions" in residential areas. The bill defines those as new residential subdivisions on at least 4 acres, designed for smaller, more affordable single-family homes on lots of no more than 1,500 square feet.

- The bill limits some local zoning rules that can make those projects harder to build. Cities cannot require minimum lot sizes above 1,500 square feet, overly large setbacks, wider lots than 30 feet, or higher permit, impact, or utility connection fees than they charge for other single-family subdivisions.

- The bill still lets cities enforce health, safety, and infrastructure rules. It does not override building codes, fire safety, floodplain rules, utility capacity limits, or similar protections.

SB1354aa – Accessory Dwelling Units (ADUs):

- This bill allows property owners residing in cities over 10,000 people to construct an accessory dwelling unit on their property (ADUs) in residential zoning areas.

- It requires cities to update their land-use rules so ADUs can be approved more easily.

- The bill allows local governments to enforce health and safety rules. It does not override building codes, fire safety standards, floodplain rules, utility requirements, or setback rules for rights-of-way and easements, and it does not apply in historic districts.

HB843 – Homeowner's Exemption Proration:

- The bill removes the proration rule for the homeowner's property tax exemption. In other words, homeowners no longer get a partial exemption calculated by the number of days they qualified during the year.

- The bill makes the exemption simpler to administer - once a completed application is approved, the full exemption applies for the tax year instead of having to be prorated.

Idaho REALTOR® Supported Legislation Signed Into Law:

HB645 – Portable Benefits (1099 Employees):

- This bill sets up a way for independent contractors and self-employed workers to have benefits that stay with them instead of being tied to one job.

- The bill allows hiring parties to voluntarily contribute to a worker's portable benefit account. The bill is designed so those contributions do not automatically turn the worker into an employee.

HB562a – Notice of Cancellation or Nonrenewal of Property Insurance:

- This legislation strengthens consumer protections for commercial and homeowner policyholders by extending the required notice periods for policy non-renewals and cancellations non-renewal and cancellation notice to a uniform 60 days.
- The bill applies to policies with effective dates after the law takes effect, and the act becomes effective January 1, 2027.

IDAHO
REALTORS®