

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 376

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAX RELIEF; AMENDING SECTION 63-3638, IDAHO CODE, AS  
2 AMENDED IN SECTION 15 OF HOUSE BILL NO. 292, IF ENACTED BY THE FIRST REG-  
3 ULAR SESSION OF THE SIXTY-SEVENTH IDAHO LEGISLATURE, TO PROVIDE FOR THE  
4 DISTRIBUTION OF CERTAIN SALES TAX REVENUES TO THE TRANSPORTATION EXPAN-  
5 SION AND CONGESTION MITIGATION FUND AND TO LOCAL UNITS OF GOVERNMENT FOR  
6 HIGHWAY PROJECTS; AND DECLARING AN EMERGENCY.  
7

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

9 SECTION 1. That Section 63-3638, Idaho Code, as amended in Section 15  
10 of House Bill No. 292, if enacted by the First Regular Session of the Sixty-  
11 seventh Legislature Idaho Legislature, be, and the same is hereby amended to  
12 read as follows:

13 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
14 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,  
15 and 63-3709, Idaho Code, shall be distributed by the state tax commission as  
16 follows:

17 (1) An amount of money shall be distributed to the state refund account  
18 sufficient to pay current refund claims. All refunds authorized under this  
19 chapter by the state tax commission shall be paid through the state refund  
20 account, and those moneys are continuously appropriated.

21 (2) Five million dollars (\$5,000,000) per year is continuously appro-  
22 priated and shall be distributed to the permanent building fund, provided by  
23 section 57-1108, Idaho Code.

24 (3) Four million eight hundred thousand dollars (\$4,800,000) per year  
25 is continuously appropriated and shall be distributed to the water pollution  
26 control fund established by section 39-3628, Idaho Code.

27 (4) An amount equal to the sum required to be certified by the chair-  
28 man of the Idaho housing and finance association to the state tax commis-  
29 sion pursuant to section 67-6211, Idaho Code, in each year is continuously  
30 appropriated and shall be paid to any capital reserve fund established by  
31 the Idaho housing and finance association pursuant to section 67-6211, Idaho  
32 Code. Such amounts, if any, as may be appropriated hereunder to the capital  
33 reserve fund of the Idaho housing and finance association shall be repaid for  
34 distribution under the provisions of this section, subject to the provisions  
35 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-  
36 tion, as soon as possible, from any moneys available therefor and in excess  
37 of the amounts the association determines will keep it self-supporting.

38 (5) An amount equal to the sum required by the provisions of sections  
39 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
40 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
41 paid as provided by sections 63-709 and 63-717, Idaho Code.

1 (6) An amount required by the provisions of chapter 53, title 33, Idaho  
2 Code.

3 (7) An amount required by the provisions of chapter 87, title 67, Idaho  
4 Code.

5 (8) For fiscal year 2011 and each fiscal year thereafter, four million  
6 one hundred thousand dollars (\$4,100,000), of which two million two hundred  
7 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four  
8 (44) counties in equal amounts and one million nine hundred thousand dol-  
9 lars (\$1,900,000) shall be distributed to the forty-four (44) counties in  
10 the proportion that the population of the county bears to the population of  
11 the state. For fiscal year 2012 and for each fiscal year thereafter, the  
12 amount distributed pursuant to this subsection shall be adjusted annually  
13 by the state tax commission in accordance with the consumer price index for  
14 all urban consumers (CPI-U) as published by the U.S. department of labor,  
15 bureau of labor statistics, but in no fiscal year shall the total amount  
16 allocated for counties under this subsection be less than four million one  
17 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-  
18 justment required in this section shall be distributed to each county in the  
19 proportion that the population of the county bears to the population of the  
20 state. Each county shall establish a special election fund to which shall  
21 be deposited all revenues received from the distribution pursuant to this  
22 subsection. All such revenues shall be used exclusively to defray the costs  
23 associated with conducting elections as required of county clerks by the  
24 provisions of section 34-1401, Idaho Code.

25 (9) One dollar (\$1.00) on each application for certificate of title  
26 or initial application for registration of a motor vehicle, snowmobile,  
27 all-terrain vehicle or other vehicle processed by the county assessor or the  
28 Idaho transportation department, excepting those applications in which any  
29 sales or use taxes due have been previously collected by a retailer, shall be  
30 a fee for the services of the assessor of the county or the Idaho transporta-  
31 tion department in collecting such taxes and shall be paid into the current  
32 expense fund of the county or state highway account established in section  
33 40-702, Idaho Code.

34 (10) Eleven and five-tenths percent (11.5%) of revenues collected un-  
35 der this chapter, following any distributions required by sections 63-3203,  
36 63-3620F, and 63-3709, Idaho Code, and by subsection (1) of this section, is  
37 continuously appropriated and shall be distributed to the revenue-sharing  
38 account, which is hereby created in the state treasury, and the moneys in the  
39 revenue-sharing account will be paid in installments each calendar quarter  
40 by the state tax commission as follows:

41 (a) Forty-five and two-tenths percent (45.2%) shall be paid to the var-  
42 ious cities as follows:

43 (i) The revenue-sharing amount calculated by the state tax com-  
44 mission for the various cities for each quarter of fiscal year 2020  
45 shall be the base amount for current quarterly revenue distribu-  
46 tion amounts. The state tax commission shall calculate the per  
47 capita distribution for each city resulting from the previous fis-  
48 cal year's distributions.

49 (ii) If there is no change in the amount of the revenue-sharing  
50 account from the same quarter of the previous fiscal year, then the

1 various cities shall receive the same amount received for the same  
2 quarter of the previous fiscal year.

3 (iii) If the balance of the revenue-sharing account for the cur-  
4 rent quarter is greater than the balance of the revenue-sharing  
5 account for the same quarter of the previous fiscal year, then:

6 1. If the distributions made to the cities during the same  
7 quarter of the previous fiscal year were below the base  
8 amount established in fiscal year 2020, then the various  
9 cities shall first receive a proportional increase up to the  
10 base amount for each city and up to a one percent (1%) in-  
11 crease over such base amount. Any remaining moneys shall be  
12 distributed to cities with a below-average per capita dis-  
13 tribution in the proportion that the population of that city  
14 bears to the population of all cities with below-average per  
15 capita distributions within the state.

16 2. If the distributions made to the cities during the same  
17 quarter of the previous fiscal year were at or above the  
18 base amount established in fiscal year 2020, then the cities  
19 shall receive the same distribution they received during the  
20 same quarter of the previous fiscal year plus a proportional  
21 increase up to one percent (1%). Any remaining moneys shall  
22 be distributed to the cities with a below-average per capita  
23 distribution in the proportion that the population of that  
24 city bears to the population of all cities with a below-aver-  
25 age per capita distribution within the state.

26 (iv) If the balance of the revenue-sharing account for the cur-  
27 rent quarter is less than the balance of the revenue-sharing ac-  
28 count for the same quarter of the previous fiscal year, then the  
29 cities shall first receive a proportional reduction down to the  
30 base amount established in fiscal year 2020. If further reduc-  
31 tions are necessary, the cities shall receive reductions based on  
32 the proportion that each city's population bears to the population  
33 of all cities within the state.

34 (b) Forty-seven and one-tenth percent (47.1%) shall be paid to the var-  
35 ious counties as follows:

36 (i) Fifty-nine and eight-tenths percent (59.8%) of the amount to  
37 be distributed under this paragraph (b) of this subsection shall  
38 be distributed as follows:

39 1. One million three hundred twenty thousand dollars  
40 (\$1,320,000) annually shall be distributed one forty-fourth  
41 (1/44) to each of the various counties; and

42 2. The balance of such amount shall be paid to the various  
43 counties, and each county shall be entitled to an amount in  
44 the proportion that the population of that county bears to  
45 the population of the state; and

46 (ii) Forty and two-tenths percent (40.2%) of the amount to be dis-  
47 tributed under this paragraph (b) of this subsection shall be dis-  
48 tributed as follows:

49 1. Each county that received a payment under the provisions  
50 of section 63-3638(e), Idaho Code, as that subsection ex-

1           isted immediately prior to July 1, 2000, during the fourth  
2           quarter of calendar year 1999, shall be entitled to a like  
3           amount during succeeding calendar quarters.

4           2. If the dollar amount of money available under this sub-  
5           section (10) (b) (ii) in any quarter does not equal the amount  
6           paid in the fourth quarter of calendar year 1999, each  
7           county's payment shall be reduced proportionately.

8           3. If the dollar amount of money available under this sub-  
9           section (10) (b) (ii) in any quarter exceeds the amount paid  
10          in the fourth quarter of calendar year 1999, each county  
11          shall be entitled to a proportionately increased payment,  
12          but such increase shall not exceed one hundred five percent  
13          (105%) of the total payment made in the fourth quarter of  
14          calendar year 1999.

15          4. If the dollar amount of money available under this sub-  
16          section (10) (b) (ii) in any quarter exceeds one hundred five  
17          percent (105%) of the total payment made in the fourth quar-  
18          ter of calendar year 1999, any amount over and above such  
19          one hundred five percent (105%) shall be paid to the various  
20          counties in the proportion that the population of the county  
21          bears to the population of the state; and

22          (c) Seven and seven-tenths percent (7.7%) of the amount appropriated in  
23          this subsection shall be paid to the several counties for distribution  
24          to special purpose taxing districts as follows:

25           (i) Each such district that received a payment under the provi-  
26           sions of section 63-3638(e), Idaho Code, as such subsection ex-  
27           isted immediately prior to July 1, 2000, during the fourth quarter  
28           of calendar year 1999, shall be entitled to a like amount during  
29           succeeding calendar quarters.

30           (ii) If the dollar amount of money available under this subsec-  
31           tion (10) (c) in any quarter does not equal the amount paid in the  
32           fourth quarter of calendar year 1999, each special purpose taxing  
33           district's payment shall be reduced proportionately.

34           (iii) If the dollar amount of money available under this subsec-  
35           tion (10) (c) in any quarter exceeds the amount distributed under  
36           paragraph (c) (i) of this subsection, each special purpose tax-  
37           ing district shall be entitled to a share of the excess based on  
38           the proportion each such district's current property tax budget  
39           bears to the sum of the current property tax budgets of all such  
40           districts in the state. The state tax commission shall calculate  
41           district current property tax budgets to include any unrecovered  
42           forgone amounts as determined under section 63-802(1) (e), Idaho  
43           Code. When a special purpose taxing district is situated in more  
44           than one (1) county, the state tax commission shall determine the  
45           portion attributable to the special purpose taxing district from  
46           each county in which it is situated.

47           (iv) If special purpose taxing districts are consolidated, the  
48           resulting district is entitled to a base amount equal to the sum of  
49           the base amounts received in the last calendar quarter by each dis-  
50           trict prior to the consolidation.

1 (v) If a special purpose taxing district is dissolved or disincorporated, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or disincorporation. The board of county commissioners shall determine any redistribution of moneys so received.

2  
3  
4  
5  
6  
7 (vi) Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this paragraph (c) of this subsection.

8  
9  
10 (vii) For purposes of this paragraph (c) of this subsection, a special purpose taxing district is any taxing district that is not a city, a county, or a school district.

11  
12  
13 (11) Amounts calculated in accordance with section 2, chapter 356, laws of 2001, for annual distribution to counties and other taxing districts beginning in October 2001 for replacement of property tax on farm machinery and equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool districts, the state tax commission shall distribute one-fourth (1/4) of this amount certified quarterly to each county. For school districts, the state tax commission shall distribute one-fourth (1/4) of the amount certified quarterly to each school district. For nonschool districts, the county auditor shall distribute such amounts to each district within thirty (30) calendar days from receipt of moneys from the state tax commission. Moneys received by each taxing district for replacement shall be utilized in the same manner and in the same proportions as revenues from property taxation. The moneys remitted to the county treasurer for replacement of property exempt from taxation pursuant to section 63-602EE, Idaho Code, may be considered by the counties and other taxing districts and budgeted at the same time, in the same manner and in the same year as revenues from taxation on personal property which these moneys replace. If taxing districts are consolidated, the resulting district is entitled to an amount equal to the sum of the amounts received in the last calendar quarter by each district pursuant to this subsection prior to the consolidation. If a taxing district is dissolved or disincorporated, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or disincorporation. The board of county commissioners shall determine any redistribution of moneys so received. If a taxing district annexes territory, the distribution of moneys received pursuant to this subsection shall be unaffected. Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this subsection. School districts shall receive an amount determined by multiplying the sum of the year 2000 school district levy minus .004 times the market value on December 31, 2000, in the district of the property exempt from taxation pursuant to section 63-602EE, Idaho Code, provided that the result of these calculations shall not be less than zero (0). The result of these school district calculations shall be further increased by six percent (6%). For purposes of the limitation provided by section 63-802, Idaho Code, moneys received pursuant to this section as property tax replacement for property exempt from taxation pursuant to section 63-602EE, Idaho Code, shall be treated as property tax revenues.

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49

1 (12) Amounts necessary to pay refunds as provided in section 63-3641,  
2 Idaho Code, to a developer of a retail complex shall be remitted to the demon-  
3 stration pilot project fund created in section 63-3641, Idaho Code.

4 (13) Amounts calculated in accordance with section 63-602KK(4), Idaho  
5 Code, for annual distribution to counties and other taxing districts for  
6 replacement of property tax on personal property tax exemptions pursuant  
7 to section 63-602KK(2), Idaho Code, which amounts are continuously ap-  
8 propriated unless the legislature enacts a different appropriation for a  
9 particular fiscal year. For purposes of the limitation provided by section  
10 63-802, Idaho Code, moneys received pursuant to this section as property tax  
11 replacement for property exempt from taxation pursuant to section 63-602KK,  
12 Idaho Code, shall be treated as property tax revenues. If taxing districts  
13 are consolidated, the resulting district is entitled to an amount equal to  
14 the sum of the amounts that were received in the last calendar year by each  
15 district pursuant to this subsection prior to the consolidation. If a taxing  
16 district or revenue allocation area annexes territory, the distribution of  
17 moneys received pursuant to this subsection shall be unaffected. Taxing  
18 districts and revenue allocation areas formed after January 1, 2022, are not  
19 entitled to a payment under the provisions of this subsection.

20 (14) For fiscal years 2023 and 2024 only, a sum of thirty-four million  
21 dollars (\$34,000,000) shall be distributed each year by the state tax com-  
22 mission to the forty-four (44) counties in the proportion that the expen-  
23 ditures of each county for indigent defense services during county fiscal  
24 year 2021, excluding any state funding or grants, bear to the expenditures  
25 of all counties in the state for indigent defense services during county fis-  
26 cal year 2021, excluding any state funding or grants. No later than July 1,  
27 2022, the state public defense commission shall certify to the state tax com-  
28 mission each county's proportionate share of all counties' indigent defense  
29 expenses in county fiscal year 2021, excluding any state funding or grants.

30 (15) For fiscal year 2024 and each fiscal year thereafter, two and  
31 twenty-five hundredths percent (2.25%) of revenues collected under this  
32 chapter, following any distributions required by sections 63-3203,  
33 63-3620F, and 63-3709, Idaho Code, and by subsections (1), (10), and ~~(10)~~  
34 (16) of this section, is continuously appropriated and shall be distributed  
35 annually to the homeowner property tax relief account established in section  
36 63-724, Idaho Code.

37 (16) Four and five-tenths percent (4.5%) of revenues collected under  
38 this chapter, following any distributions required by sections ~~63-3203,~~  
39 ~~63-3620F,~~ and 63-3709, Idaho Code, and by subsections (1) and (10) of this  
40 section, ~~or~~ but no less than eighty million dollars (\$80,000,000) and no more  
41 than one hundred forty million dollars (\$140,000,000), whichever is less,  
42 shall be distributed as follows:

43 (a) Eighty million dollars (\$80,000,000) is continuously appropriated  
44 and shall be distributed to the transportation expansion and congestion  
45 mitigation fund established in section 40-720, Idaho Code; and

46 (b) The remaining moneys in excess of eighty million dollars  
47 (\$80,000,000) provided for in this subsection is continuously ap-  
48 propriated and shall be apportioned to local units of government for  
49 local highway projects in the same percentages provided for in section  
50 40-709(1) through (3), Idaho Code. Local units of government may pool

1 funds allocated to them pursuant to this paragraph for local highway  
2 projects.

3 (17) Beginning in fiscal year 2024 and each fiscal year thereafter,  
4 three hundred thirty million dollars (\$330,000,000) shall be distributed  
5 annually to the public school income fund created in section 33-903, Idaho  
6 Code, and eighty million dollars (\$80,000,000) shall be distributed annu-  
7 ally to the in-demand careers fund established in section 33-4305, Idaho  
8 Code. The state tax commission shall make such transfers in quarterly in-  
9 stallments.

10 (18) For fiscal year 2024 and each fiscal year thereafter, two and  
11 twenty-five hundredths percent (2.25%) of revenues collected under this  
12 chapter, following any distributions required by sections 63-3203,  
13 63-3620F, and 63-3709, Idaho Code, and by subsections (1), (10), and ~~(10)~~  
14 (16) of this section, is continuously appropriated and shall be distributed  
15 annually to the school district facilities fund established pursuant to sec-  
16 tion 33-911, Idaho Code.

17 (19) Any moneys remaining over and above those necessary to meet and  
18 reserve for payments under other subsections of this section shall be dis-  
19 tributed to the general fund.

20 SECTION 2. An emergency existing therefor, which emergency is hereby  
21 declared to exist, this act shall be in full force and effect on and after its  
22 passage and approval.