

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 325, As Amended in the Senate, As Amended in the Senate

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

1 RELATING TO SALES TAX; AMENDING SECTION 63-3638, IDAHO CODE, TO PROVIDE
2 FUNDING FOR THE TRANSPORTATION EXPANSION AND CONGESTION MITIGATION
3 FUND AND THE BRIDGE MAINTENANCE AND REPLACEMENT PROGRAM FUND AND TO MAKE
4 TECHNICAL CORRECTIONS; AMENDING SECTION 40-720, IDAHO CODE, TO PROVIDE
5 FOR THE BRIDGE MAINTENANCE AND REPLACEMENT PROGRAM; AND PROVIDING EF-
6 FECTIVE DATES.
7

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

9 SECTION 1. That Section 63-3638, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
12 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,
13 and 63-3709, Idaho Code, and except as provided in subsection (16) of this
14 section, shall be distributed by the state tax commission as follows:

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

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

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

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

36 (5) An amount equal to the sum required by the provisions of sections
37 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
38 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
39 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

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

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

32 (10) Eleven and five-tenths percent (11.5%) is continuously appro-
33 priated and shall be distributed to the revenue-sharing account, which is
34 hereby created in the state treasury, and the moneys in the revenue-sharing
35 account will be paid in installments each calendar quarter by the state tax
36 commission as follows:

37 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
38 various cities as follows:

39 (i) Fifty percent (50%) of such amount shall be paid to the vari-
40 ous cities, and each city shall be entitled to an amount in the pro-
41 portion that the population of that city bears to the population of
42 all cities within the state; and

43 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
44 ous cities, and each city shall be entitled to an amount in the pro-
45 portion that the preceding year's market value for assessment pur-
46 poses for that city bears to the preceding year's market value for
47 assessment purposes for all cities within the state.

48 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
49 various counties as follows:

1 (i) One million three hundred twenty thousand dollars
2 (\$1,320,000) annually shall be distributed one forty-fourth
3 (1/44) to each of the various counties; and

4 (ii) The balance of such amount shall be paid to the various coun-
5 ties, and each county shall be entitled to an amount in the propor-
6 tion that the population of that county bears to the population of
7 the state;

8 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
9 priated in this subsection shall be paid to the several counties for
10 distribution to the cities and counties as follows:

11 (i) Each city and county ~~which that~~ received a payment under the
12 provisions of section 63-3638(e), Idaho Code, during the fourth
13 quarter of calendar year 1999, shall be entitled to a like amount
14 during succeeding calendar quarters.

15 (ii) If the dollar amount of money available under this subsection
16 (10) (c) in any quarter does not equal the amount paid in the fourth
17 quarter of calendar year 1999, each city's and county's payment
18 shall be reduced proportionately.

19 (iii) If the dollar amount of money available under this subsec-
20 tion (10) (c) in any quarter exceeds the amount paid in the fourth
21 quarter of calendar year 1999, each city and county shall be en-
22 titled to a proportionately increased payment, but such increase
23 shall not exceed one hundred five percent (105%) of the total pay-
24 ment made in the fourth quarter of calendar year 1999.

25 (iv) If the dollar amount of money available under this subsection
26 (10) (c) in any quarter exceeds one hundred five percent (105%) of
27 the total payment made in the fourth quarter of calendar year 1999,
28 any amount over and above such one hundred five percent (105%)
29 shall be paid fifty percent (50%) to the various cities in the pro-
30 portion that the population of the city bears to the population of
31 all cities within the state and fifty percent (50%) to the various
32 counties in the proportion that the population of the county bears
33 to the population of the state; and

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

37 (i) Each such district ~~which that~~ received a payment under the
38 provisions of section 63-3638(e), Idaho Code, as such subsection
39 existed immediately prior to July 1, 2000, during the fourth quar-
40 ter of calendar year 1999, shall be entitled to a like amount dur-
41 ing succeeding calendar quarters.

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

46 (iii) If the dollar amount of money available under this subsec-
47 tion (10) (d) in any quarter exceeds the amount distributed under
48 paragraph (i) of this subsection (10) (d), each special purpose
49 taxing district shall be entitled to a share of the excess based on
50 the proportion each such district's current property tax budget

1 bears to the sum of the current property tax budgets of all such
2 districts in the state. The state tax commission shall calculate
3 district current property tax budgets to include any unrecovered
4 forgone amounts as determined under section 63-802(1) (e), Idaho
5 Code. When a special purpose taxing district is situated in more
6 than one (1) county, the state tax commission shall determine the
7 portion attributable to the special purpose taxing district from
8 each county in which it is situated.

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

13 (v) If a special purpose taxing district is dissolved or disin-
14 corporated, the state tax commission shall continuously distrib-
15 ute to the board of county commissioners an amount equal to the
16 last quarter's distribution prior to dissolution or disincorpora-
17 tion. The board of county commissioners shall determine any re-
18 distribution of moneys so received.

19 (vi) Taxing districts formed after January 1, 2001, are not enti-
20 tled to a payment under the provisions of this subsection (10) (d).

21 (vii) For purposes of this subsection (10) (d), a special purpose
22 taxing district is any taxing district that is not a city, a county
23 or a school district.

24 (11) Amounts calculated in accordance with section 2, chapter 356, laws
25 of 2001, for annual distribution to counties and other taxing districts be-
26 ginning in October 2001 for replacement of property tax on farm machinery and
27 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
28 districts, the state tax commission shall distribute one-fourth (1/4) of
29 this amount certified quarterly to each county. For school districts, the
30 state tax commission shall distribute one-fourth (1/4) of the amount certi-
31 fied quarterly to each school district. For nonschool districts, the county
32 auditor shall distribute to each district within thirty (30) calendar days
33 from receipt of moneys from the state tax commission. Moneys received by
34 each taxing district for replacement shall be utilized in the same manner
35 and in the same proportions as revenues from property taxation. The moneys
36 remitted to the county treasurer for replacement of property exempt from
37 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
38 counties and other taxing districts and budgeted at the same time, in the
39 same manner and in the same year as revenues from taxation on personal prop-
40 erty which these moneys replace. If taxing districts are consolidated, the
41 resulting district is entitled to an amount equal to the sum of the amounts
42 received in the last calendar quarter by each district pursuant to this
43 subsection prior to the consolidation. If a taxing district is dissolved
44 or disincorporated, the state tax commission shall continuously distribute
45 to the board of county commissioners an amount equal to the last quarter's
46 distribution prior to dissolution or disincorporation. The board of county
47 commissioners shall determine any redistribution of moneys so received. If
48 a taxing district annexes territory, the distribution of moneys received
49 pursuant to this subsection shall be unaffected. Taxing districts formed
50 after January 1, 2001, are not entitled to a payment under the provisions

1 of this subsection. School districts shall receive an amount determined by
2 multiplying the sum of the year 2000 school district levy minus .004 times
3 the market value on December 31, 2000, in the district of the property exempt
4 from taxation pursuant to section 63-602EE, Idaho Code, provided that the
5 result of these calculations shall not be less than zero (0). The result of
6 these school district calculations shall be further increased by six per-
7 cent (6%). For purposes of the limitation provided by section 63-802, Idaho
8 Code, moneys received pursuant to this section as property tax replacement
9 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,
10 shall be treated as property tax revenues.

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

14 (13) Amounts calculated in accordance with subsection (4) of section
15 63-602KK, Idaho Code, for annual distribution to counties and other taxing
16 districts for replacement of property tax on personal property tax exemp-
17 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
18 amounts are continuously appropriated unless the legislature enacts a dif-
19 ferent appropriation for a particular fiscal year. For purposes of the
20 limitation provided by section 63-802, Idaho Code, moneys received pursuant
21 to this section as property tax replacement for property exempt from taxa-
22 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
23 tax revenues. If taxing districts are consolidated, the resulting district
24 is entitled to an amount equal to the sum of the amounts that were received in
25 the last calendar year by each district pursuant to this subsection prior to
26 the consolidation. If a taxing district or revenue allocation area annexes
27 territory, the distribution of moneys received pursuant to this subsection
28 shall be unaffected. Taxing districts and revenue allocation areas formed
29 after January 1, 2013, are not entitled to a payment under the provisions of
30 this subsection.

31 (14) Amounts collected from purchasers and paid to the state of Idaho by
32 retailers that are not engaged in business in this state and which retailer
33 would not have been required to collect the sales tax, less amounts other-
34 wise distributed in subsections (1) and (10) of this section, shall be dis-
35 tributed to the tax relief fund created in section 57-811, Idaho Code. The
36 state tax commission will determine the amounts to be distributed under this
37 subsection.

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

41 (16) (a) One Two percent (12%), but not less than fifteen million
42 dollars (\$15,000,000), is continuously appropriated and shall be dis-
43 tributed to the transportation expansion and congestion mitigation
44 fund established in section 40-720, Idaho Code as follows:

45 (i) Sixty percent (60%), but not less than fifteen million dol-
46 lars (\$15,000,000), to the transportation expansion and conges-
47 tion mitigation fund established in section 40-720, Idaho Code;
48 and

49 (ii) Forty percent (40%) to the bridge maintenance and replace-
50 ment program fund established in section 40-720, Idaho Code.

1 **(b)** The distribution provided for in this subsection must immediately
 2 follow the distributions provided for in subsections (10) through (14)
 3 of this section.

4 SECTION 2. That Section 40-720, Idaho Code, be, and the same is hereby
 5 amended to read as follows:

6 40-720. TRANSPORTATION EXPANSION AND CONGESTION MITIGATION PROGRAM
 7 -- BRIDGE MAINTENANCE AND REPLACEMENT PROGRAM -- FUNDS ESTABLISHED. (1) The
 8 Idaho transportation department shall establish and maintain a transporta-
 9 tion expansion and congestion mitigation program.

10 (2) The transportation expansion and congestion mitigation fund es-
 11 tablished pursuant to subsection (3) of this section shall finance projects
 12 that expand the state system to address and mitigate transportation con-
 13 gestion. The projects shall be evaluated by the Idaho transportation
 14 department and shall be chosen by the Idaho transportation board based on a
 15 policy that may include mitigation of traffic times, improvement to traffic
 16 flow and mitigation of traffic congestion.

17 (3) There is hereby established in the state treasury the transporta-
 18 tion expansion and congestion mitigation fund, to which shall be deposited:

19 (a) All moneys distributed pursuant to section 63-2520, Idaho Code;

20 (b) ~~All m~~oneys distributed pursuant to section 63-3638, Idaho Code;
 21 and

22 (c) Any other appropriated moneys for funding the transportation ex-
 23 pansion and congestion mitigation program.

24 (4) Interest earned on the investment of idle moneys in the
 25 transportation expansion and congestion mitigation fund shall be paid to the
 26 fund. All moneys in the fund shall be used for the transportation expansion
 27 and congestion mitigation program.

28 (5) The Idaho housing and finance association is hereby authorized
 29 to issue bonds, secured by otherwise unobligated moneys in the fund estab-
 30 lished in subsection (3) of this section, for the purpose of financing state
 31 transportation projects approved by the Idaho transportation board. The
 32 Idaho transportation board shall take into consideration the mitigation of
 33 traffic congestion from the state campus site located at 11311 West Chinden
 34 Boulevard, Boise, as a priority when approving transportation projects.
 35 Moneys from the fund established in subsection (3) of this section shall
 36 be used to pay any of the principal, interest, and other amounts for state
 37 transportation projects approved by the Idaho transportation board and re-
 38 quired for bonds issued pursuant to this subsection in accordance with the
 39 provisions of chapter 62, title 67, Idaho Code. If such bonds are issued,
 40 moneys in the fund shall first be continuously appropriated and used for
 41 repayment of said bonds in accordance with subsection (7) of this section.

42 (6) The authority provided in subsection (5) of this section shall be
 43 used only to issue bonds on an approved resolution by the Idaho transporta-
 44 tion board requesting that the Idaho housing and finance association issue
 45 bonds contingent upon:

46 (a) The availability of otherwise unobligated moneys in the fund, es-
 47 tablished in subsection (3) of this section, necessary to meet bond ser-
 48 vice obligations;

1 (b) The moneys disbursed being used in accordance with United States
2 treasury regulations to ensure tax-exempt status is retained, unless
3 tax-exempt bonds are not available; and

4 (c) The issuance of bonds at prevailing market rates of interest.

5 (7) From moneys in the fund established in this section, there are
6 hereby continuously appropriated first such amounts as from time to time
7 shall be certified by the Idaho housing and finance association to the state
8 controller, the state treasurer, and the Idaho transportation board as
9 necessary for payment of principal, interest, and other amounts required
10 for transportation bonds or notes of the Idaho housing and finance associ-
11 ation in accordance with chapter 62, title 67, Idaho Code, that are issued
12 to finance improvements described in this section, which amounts shall not
13 exceed the amount received and transferred from section 63-3638(16), Idaho
14 Code, which amounts shall be transferred to the transportation expansion
15 and congestion mitigation program debt service fund established in section
16 40-721(2), Idaho Code.

17 (8) The Idaho transportation department shall establish and maintain
18 a bridge maintenance and replacement program to repair or replace local
19 bridges. The program shall include a grant program for local highway juris-
20 dictions. The bridge maintenance and replacement program fund established
21 pursuant to subsection (9) of this section shall be administered by the Idaho
22 transportation department and shall be used to finance the bridge mainte-
23 nance and replacement program.

24 (9) There is hereby established in the state treasury the bridge main-
25 tenance and replacement program fund, to which shall be deposited:

26 (a) Moneys distributed pursuant to section 63-3638, Idaho Code, on and
27 after July 1, 2021; and

28 (b) Any other appropriated moneys for funding the bridge maintenance
29 and replacement program.

30 (10) Interest earned on the investment of idle moneys in the bridge
31 maintenance and replacement program fund shall be paid to the fund. All
32 moneys in the fund shall be used for the bridge maintenance and replacement
33 program.

34 SECTION 3. Section 1 of this act shall be in full force and effect on and
35 after July 1, 2021. Section 2 of this act shall be in full force and effect on
36 and after January 1, 2021.