

Dear Senators RICE, Grow, Burgoyne, and  
Representatives COLLINS, Stevenson, Ellis:

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

IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-2001).

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 10/20/2020. 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 11/17/2020.

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 334-4854, 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:** Division Manager - Kristin Ford

**DATE:** October 1, 2020

**SUBJECT:** State Tax Commission

IDAPA 35.01.03 - Property Tax Administrative Rules - Proposed Rule (Docket No. 35-0103-2001)

#### Summary and Stated Reasons for the Rule

The State Tax Commission submits notice of proposed rulemaking relating to Property Taxes. The proposed changes are:

Rule 120 is deleting a provision regarding delivering an investigation order because the State Tax Commission is not subject to the Administrative Procedures Act according to law.

Rule 701 regarding verifying that a person is lawfully present in the United States is being deleted because the requirements were enacted into statute instead by the passage of 2020 HB 381.

Rule 803 regarding a taxing district's allowable budget increases is being updated to 1) reflect the requirement passed in 2020 HB 354 that a forgone increase must be reserved; 2) require information about the expiration date of voter approved levies pursuant to the passage of 2020 House Bill 518; and 3) provide information to the State Tax Commission regarding any revenue allocation agreements between urban renewal agencies and highway districts, pursuant to the passage of 2020 House Bill 587.

#### Negotiated Rulemaking / Fiscal Impact

The agency states that negotiated rulemaking was not conducted because the simple updates were required by statute.

#### Statutory Authority

The proposed rule changes appear to be within the agency's statutory authority pursuant to sections 63-105A, 63-107, 63-802, 63-902, and 50-2908.

cc: State Tax Commission  
Kimberlee Stratton

\*\*\* PLEASE NOTE \*\*\*

Kristin Ford, Manager  
Research & Legislation

Paul Headlee, Manager  
Budget & Policy Analysis

April Renfro, Manager  
Legislative Audits

Glenn Harris, Manager  
Information Technology

Statehouse, P.O. Box 83720  
Boise, Idaho 83720-0054

Tel: 208-334-2475  
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Per the Idaho Constitution, all administrative rules may be reviewed by the Legislature during the next legislative session. The Legislature has 3 options with this rulemaking docket: **1)** Approve the docket in its entirety; **2)** Reject the docket in its entirety; or **3)** Reject the docket in part.

# IDAPA 35 – IDAHO STATE TAX COMMISSION

## 35.01.03 – PROPERTY TAX ADMINISTRATIVE RULES

### DOCKET NO. 35-0103-2001

#### 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 63-105, 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 September 16, 2020. The hearing site 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:

- Section 120: Subsection 35.01.03.02(c) will be deleted to clarify we do not fall into the APA contested case process.
- Section 701: 2020 HB381 added the residency requirement to statute making the section unnecessary now.
- Section 803: When a taxing district decides to set a budget for less than the allowed 3%, creating a forgone balance, the district must explicitly reserve, through a public resolution, such unused portions in order to recover the reserved amount in a subsequent year.

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

**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: N/A

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted because these are simple updates required by statute.

**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: N/A

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Alan Dornfest, using the contact information below.

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 September 23, 2020.

Dated this 2nd day of September, 2020.

Alan Dornfest, Property Tax Policy Bureau Chief  
Idaho State Tax Commission  
11321 W. Chinden Blvd., Bldg. 2, Boise, ID 83714  
P.O. Box 36, Boise, ID 83722-0036  
[Alan.Dornfest@tax.idaho.gov](mailto:Alan.Dornfest@tax.idaho.gov)  
Phone: (208) 334-7742  
Fax: (208) 334-7844

**THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 35-0103-2001**  
**(Only Those Sections With Amendments Are Shown.)**

**120. INVESTIGATION OF WRITTEN COMPLAINTS (RULE 120).**  
Section 63-105A, Idaho Code

**01. Definitions.** (4-11-15)

**a.** Complaint. Complaint means a signed, written statement submitted to the Tax Commission requesting that this agency investigate any actions by county officials relating to property tax assessment or administration, provided such actions are not related to personnel matter or matters relating to the expenditure of funds. (4-11-15)

**b.** Complainant. Complainant means any individual making a complaint. (7-1-99)

**c.** Investigation. Investigation means observation and close examination of a county official's application of property tax assessment or administration law and Tax Commission rules. The investigation may require field inspections of property, analysis of public records or the interviewing of witnesses. The investigation will be limited to specific issues identified in the complaint. (4-11-15)

**d.** County official. The term county official means the elected or appointed official whose actions are the subject of the complaint. (4-11-15)

**02. Investigation Procedure.** The following procedures apply to an investigation of a complaint. (7-1-99)

**a.** Examination of complaint. The complaint will be examined by the Tax Commission to decide if a formal investigation will be conducted. (7-1-99)

**b.** Notification. Within thirty (30) days of receipt of complaint, the Tax Commission will notify the complainant of the decision regarding initiation of an investigation. If an investigation is initiated, the affected county official(s) will also be notified within this time frame. (4-11-15)

~~**e.** Delivery of investigation order. Within thirty (30) days of a decision to conduct an investigation, the Tax Commission will deliver to the affected county official(s) a copy of the investigation order naming the investigators and outlining what is to be investigated. (4-11-15)~~

~~**c.** Preliminary report. A preliminary report will be prepared by the investigator and legal counsel. The report will include findings and recommendations, and may include information from the official(s). (4-11-15)~~

~~**d.** Presentation of preliminary report. The preliminary report will be presented to the complainant and the official(s). The Tax Commission investigators will be present when the report is discussed with the affected county official(s) and the complainant. (4-11-15)~~

~~**e.** Comment period. The complainant and the county official(s) will be given a specified time to review and comment on the preliminary report, particularly to correct any errors of fact. (4-11-15)~~

~~**f.** Final report. At the end of the review by the complainant and the public official a final report will be prepared by the investigator and legal counsel and submitted to any affected county official(s) with any changes from the preliminary report highlighted. (4-11-15)~~

**03. County Officials' Response to Final Report.** After the final report is completed, the county official(s) will outline how the investigator's recommendations will be implemented and provide a written

explanation of why any recommendation has been rejected. (4-11-15)

**04. Conclusion of Investigation.** The investigator's final report and the county officials' written response to the report will conclude the investigation. The conclusion of the investigation does not preclude the Tax Commission from enforcing additional powers and duties as prescribed by law or the complainant and county official(s) from exercising his or her right to appeal property valuations before a County Board of Equalization, the State Board of Tax Appeals or in District Court. (4-11-15)

**05. Special Rules for Investigation of Complaints About Property Tax Budgets or Levies.** When complaints are made about property tax budgets or levies of taxing districts, the results of any investigation will also be reported to the appropriate taxing district, the county prosecuting attorney, and affected county officials. The Tax Commission's investigatory authority is limited to determining whether a levy rate or property tax budget increase exceeds any statutory maximum, or whether a levy is unauthorized. Any such investigation must be conducted in accordance with the time constraints found in Section 63-809, Idaho Code. (4-11-15)

**(BREAK IN CONTINUITY OF SECTIONS)**

**~~701. HOW TO VERIFY THAT CLAIMANTS ARE LAWFULLY PRESENT IN THE UNITED STATES (RULE 701): (RESERVED)~~**  
~~Sections 63-701 through 710, Sections 67-7901 through 7903, Idaho Code~~

~~**01. Lawful Presence in the United States.** The county assessor will verify that any claimant for property tax reduction pursuant to Sections 63-701 through 710, Idaho Code, who is eighteen (18) years of age or older is lawfully present in the United States by doing the following: (3-29-12)~~

~~**a.** Providing to the Tax Commission electronically and by paper copies documentation verifying that the claimant's name, social security number, and date of birth used for social security records of the claimant and the claimant's spouse, if married, are correct. Examples of documentation that would verify that the information is correct include, but are not limited to the following: (4-2-08)~~

~~i. Federal Form W-2; (4-2-08)~~

~~ii. Federal Form 1099; (4-2-08)~~

~~iii. Form 1099 received by the claimant from the Social Security Administration or the Railroad Retirement Board, or the federal Personnel Management System; (4-2-08)~~

~~iv. Social Security Card; (4-2-08)~~

~~v. Birth Certificate; or (4-2-08)~~

~~vi. Documents listed under paragraph 701.01.b. of this rule. (4-2-08)~~

~~**b.** If the claimant or the claimant's spouse, if married, is not currently receiving benefits from the Social Security Administration, the Railroad Retirement Board, or the federal Personnel Management System, then requiring the claimant to submit the following, a copy of which will be attached to the application for property tax reduction: (4-2-08)~~

~~i. An Idaho driver's license or an Idaho identification card issued pursuant to Section 49-2444, Idaho Code; or (4-2-08)~~

~~ii. A valid driver's license or similar document issued for the purpose of identification by another state or territory of the United States, if such license or document contains a photograph of the individual or the claimant's age, sex, race, height, weight, or other such personal identifying information relating to the individual sufficient to show that the individual is the person identified in the other state or territory of the United States driver's license or~~

- ~~similar identification document; or (4-2-08)~~
- ~~iii. A United States military card or a military dependent's identification card; or (4-2-08)~~
  - ~~iv. A United States coast guard merchant mariner card; or (4-2-08)~~
  - ~~v. A Native American tribal document; or (4-2-08)~~
  - ~~vi. A valid United States passport. (4-2-08)~~
  - ~~e. Attestation of Lawful Presence. In addition to the documentation provided in Paragraphs 701.01.a. and 701.01.b. of this rule the claimant is also required to attest, under penalty of perjury and on a form designated by the Tax Commission, that: (4-2-08)~~
    - ~~i. The social security number(s) provided is/are valid; and (4-2-08)~~
    - ~~ii. The claimant and the claimant's spouse, if married, are United States citizens or legal permanent residents; or (4-2-08)~~
    - ~~iii. The claimant and the claimant's spouse, if married, are otherwise lawfully present in the United States pursuant to federal law. (4-2-08)~~
  - ~~d. Audit. During audit the Tax Commission will: (4-2-08)~~
    - ~~i. Verify the claimant's and the claimant's spouse's, if married, social security number(s) electronically with the Social Security Administration or through other appropriate governmental agencies or means. (4-2-08)~~
    - ~~ii. Presume the attestation to be proof of lawful presence for purposes of this section until such verification of lawful presence is made. (4-2-08)~~
  - ~~e. Successive Applications. Once a claimant and the claimant's spouse, if married, have been verified as lawfully present in the United States pursuant to this rule, a claimant and the claimant's spouse, if married, in successive years will be presumed to be lawfully present in the United States if the claimant and the claimant's spouse, if married, continue to attest in each successive application that no change has occurred in their status. (4-2-08)~~

**(BREAK IN CONTINUITY OF SECTIONS)**

**803. BUDGET CERTIFICATION -- DOLLAR CERTIFICATION FORM (L-2 FORM) (RULE 803).**  
Sections 63-602G(5), 63-802, 63-803, 63-3029B(4), 63-3502B, 50-2903A, 50-2913, 63-3638(11), and (13), 63-1305C, Idaho Code

**01. Definitions. (4-5-00)**

**a.** "Dollar Certification Form" (L-2 Form). The Dollar Certification Form (L-2 Form) is the form used to submit to the Tax Commission the budget request from each board of county commissioners for each taxing district. This form will be presumed a true and correct representation of the budget previously prepared and approved by a taxing district. The budget will be presumed adopted in accordance with pertinent statutory provisions unless clear and convincing documentary evidence establishes that a budget results in an unauthorized levy and action as provided in Section 63-809, Idaho Code. (4-6-05)

**b.** "Prior Year's Market Value for Assessment Purposes." Prior year's market value for assessment purposes means the value used to calculate levies during the immediate prior year. This value will be used for calculating the permanent budget increase permitted for cities, pursuant to Section 63-802(1)(g), Idaho Code.

(3-26-19)

**c.** “Annual Budget.” For the purpose of calculating dollar amount increases permitted pursuant to Section 63-802(1), Idaho Code, the annual budget includes any amount approved as a result of an election held pursuant to Sections 63-802(1)(g) or 63-802(1)(h), Idaho Code, provided that said amount is certified on the L-2 Form as part of the budget request. If the amount certified does not include the entire amount approved as a result of the election held pursuant to Sections 63-802(1)(g) or 63-802(1)(h), Idaho Code, then the amount not used will be added to the foregone increase amount determined for the taxing district, provided the district reserves this amount as provided in Paragraph 803.03.b. of these rules. ~~(3-20-20)~~( )

**d.** “Property Tax Funded Budget.” Property tax funded budget means that portion of any taxing district’s budget certified to the board of county commissioners, approved by the Tax Commission, and subject to the limitations of Section 63-802, Idaho Code. (3-20-04)

**e.** “Recovered/Recaptured Property Tax and Refund List.” Recovered/recaptured property tax and refund list means the report sent by the county auditor to the appropriate taxing district(s) by the first Monday in August and to the Tax Commission with the L-2 Forms, listing the amount of revenue distributed, or refunds charged, to each appropriate taxing district during the twelve (12) month period ending June 30 each year under the following sections: (3-26-19)

- i. Section 63-602G(5), Idaho Code; (3-26-19)
- ii. Section 63-3029B(4), Idaho Code; (3-26-19)
- iii. Section 63-602KK(7), Idaho Code, for personal property exempted after 2013 for which no replacement money was paid; (3-26-19)
- iv. Section 63-3502B(2), Idaho Code, for distributions of gross earnings tax on solar farms; (3-26-19)
- v. Section 50-2903A(3), Idaho Code, for distributions of urban renewal allocations in excess of the amount necessary to pay indebtedness, when required; (3-26-19)
- vi. Section 50-2913(3)(c), Idaho Code, for distributions of urban renewal allocations in excess of the amount received during the immediate prior tax year, when required; (3-29-17)
- vii. Section 63-1305C(3), Idaho Code, for revoked provisional property tax exemptions; and (3-26-19)
- viii. Section 63-1305C(6), Idaho Code, for refunds related to provisional property tax exemptions. (3-26-19)

**f.** “Taxing District/Unit.” Taxing district/unit means any governmental entity with authority to levy property taxes as defined in Section 63-201, Idaho Code, and those governmental entities without authority to levy property taxes but on whose behalf such taxes are levied by an authorized entity such as the county or city. (3-26-19)

**g.** “New Taxing District.” For property tax budget and levy purposes, new taxing district means any taxing district for which no property tax revenue has previously been levied. See the Idaho Supreme Court case of Idaho County Property Owners Association, Inc. v. Syringa General Hospital District, 119 Idaho 309, 805 P.2d 1233 (1991). (4-2-08)

**02. Budget Certification.** The required budget certification will be made to each board of county commissioners representing each county in which the district is located by submitting the completed and signed L-2 Form prescribed by the Tax Commission. Unless otherwise provided for in Idaho Code, budget requests for the property tax funded portions of the budget will not exceed the amount published in the notice of budget hearing if a budget hearing notice is required in Idaho Code for the district. The levy approved by the Tax Commission will not exceed the levy computed using the amount shown in the notice of budget hearing. (3-20-14)

**03. Budget Certification Requested Documents.** Using the completed L-2 Form, each board of



county commissioners will submit to the Tax Commission a budget request for each taxing district in the county that certifies a budget request to finance the property tax funded portion of its annual budget. The board of county commissioners will only submit documentation specifically requested by the Tax Commission. (3-28-18)

**a.** Forgone Increase Documentation. For any taxing district submitting a budget including previously forgone increases, required documentation includes a copy of the resolution certifying the amount of the forgone increase being included and the specific purpose for which this increase is being budgeted. Each such taxing district must submit the resolution to the board of county commissioners representing each county in which the district is located along with the L-2 Form. The board of county commissioners must attach a copy of the resolution to be submitted to the Tax Commission along with the L-2 Form. Such submittal will constitute submittal to the Tax Commission. (3-28-18)

**b.** Forgone increase disclaimer reservation. Any resolution to disclaim reserve the right to recover accrue an annual increase in the forgone amount must state the amount of such forgone increase being disclaimed reserved and must be submitted to the board of county commissioners representing each county in which the district is located along with the L-2 Form. The board of county commissioners must attach a copy of the resolution to be submitted to the Tax Commission along with the L-2 Form. Such submittal will constitute submittal to the Tax Commission. *The following table illustrates calculation of the maximum forgone amount that may be disclaimed in 2018:*

<b>Step</b>	<b>Description</b>	<b>Comments</b>
1	<del>2017 maximum property tax \$10,000. This is an increase of \$1,000 from 2016.</del>	<del>The district has no prior forgone balance.</del>
2	<del>The district certifies \$9,800 in 2017.</del>	<del>The district now has \$200 in forgone balance.</del>
3	<del>2018 maximum property tax \$11,000 (not including \$200 forgone).</del>	
4	<del>2018 property tax budgeted (to be submitted for certification) is \$10,600.</del>	<del>This amount is approved to be levied and would generate \$400 in additional forgone balance.</del>
5	<del>2018 maximum amount of forgone increase that may be disclaimed by the district is \$400.</del>	<del>If the district disclaims the full \$400, their forgone balance remains at \$200.</del>

(3-28-18)( )

**04. L-2 Form Contents.** Each taxing district or unit completing an L-2 Form will include the following information on or with this form. (3-20-04)

**a.** “Department or Fund.” Identify the department or fund for which the taxing district is requesting a budget for the current tax year. (4-5-00)

**b.** “Total Approved Budget.” List the dollar amount of the total budget for each department or fund identified. The amounts must include all money that a taxing district has a potential to spend at the time the budget is set, regardless of whether funds are to be raised from property tax. (4-5-00)

**c.** “Cash Forward Balance.” List any money retained, but intended to fund the approved budget being certified on the L-2 form. (3-26-19)

**d.** “Other Revenue not Shown in Column 5.” List the revenue included in the total approved budget to be derived from sources other than property tax or money brought forward from a prior year. For example, sales tax revenue is included. (3-15-02)

**e.** “Property Tax Replacement.” Report the following amounts received for the twelve (12) month period ending June 30 of the current tax year: (3-26-19)

- i. The amount of money received annually under Section 63-3638(11), Idaho Code, as replacement revenue for the agricultural equipment exemption under Section 63-602EE, Idaho Code; (4-11-15)
- ii. The amount of money received as recovery of property tax exemption under Section 63-602G(5), Idaho Code, and listed on the “Recovered/recaptured property tax and refund list”; (3-26-19)
- iii. The amount of money received as recapture of the property tax benefit under Section 63-3029B(4), Idaho Code, and listed on the “Recovered/recaptured property tax and refund list”; (3-26-19)
- iv. The amount of money received under Section 63-3638(13), for the personal property exemption under 63-602KK(2), Idaho Code; (3-26-19)
- v. The amount of money received under Section 63-602KK(7), Idaho Code, for personal property exempted after 2013, for which no replacement money was paid, and listed on the “Recovered/recaptured property tax and refund list”; (3-26-19)
- vi. The amount of money received as a result of distributions of the gross earning tax on solar farms, as provided in Section 63-3502B(2), Idaho Code., and listed on the “Recovered/recaptured property tax and refund list”; (3-26-19)
- vii. The amount of money received as a result of distributions of urban renewal allocations in excess of the amount necessary to pay indebtedness, as provided in Section 50-2903A(3), Idaho Code, and listed on the “Recovered/recaptured property tax and refund list”; (3-26-19)
- viii. The amount of money received as a result of distributions of urban renewal allocations in excess of the amount received by the urban renewal agency in the immediate prior year, as provided in Section 50-2913(3)(c), Idaho Code and listed on the “Recovered/recaptured property tax and refund list”; and (3-26-19)
- ix. The amount of money received as a result of distributions of recovered property tax for revoked provisional property tax exemptions pursuant to Section 63-1305C(3), Idaho Code. (3-26-19)
- f. “Balance to be Levied.” Report the amount of money included in the total approved budget to be derived from property tax. (3-15-02)
- g. Other Information. Provide the following additional information. (4-5-00)
  - i. The name of the taxing district or unit; (3-20-04)
  - ii. The date of voter approval (if required by statute) and effective period for any new or increased fund which is exempt from the budget limitations in Section 63-802, Idaho Code; (4-5-00)
  - iii. The signature, date signed, printed name, address, and phone number of an authorized representative of the taxing district; and (5-3-03)
  - iv. For a hospital district which has held a public hearing, a signature certifying such action. (4-5-00)
  - v. For any taxing district including previously forgone increases in their budget or *disclaiming reserving* any forgone increase, an attestation to having held the required public hearing on the resolution to include or *disclaim reserve* the forgone amount. (~~3-28-18~~)( )
- h. Attached Information. Other information submitted to the county auditor with the L-2 Form. (4-6-05)
  - i. For all taxing districts, L-2 worksheet. (3-20-04)
  - ii. For newly formed recreation or auditorium districts, a copy of the petition forming the district showing any levy restrictions imposed by that petition. (3-20-04)

iii. For any new ballot measures (bonds, overrides, permanent overrides, supplemental maintenance and operations funds, cooperative service agency funds, and plant facility funds), notice of election and election results, and the expiration date of any voter approved levies. (~~3-26-19~~)(    )

iv. Voter approved fund tracker. (3-20-04)

v. For fire districts, a copy of any new agreements with utility companies providing for payment of property taxes by that utility company to that fire district. (3-20-04)

vi. For any city with city funded library operations and services at the time of consolidation with any library district, each such city must submit a certification to the board of county commissioners and the board of the library district reporting the dedicated portion of that city's property tax funded library fund budget and separately reporting any portion of its property tax funded general fund budget used to fund library operations or services at the time of the election for consolidation with the library district. (3-20-04)

vii. For any library district consolidating with any city that had any portion of its property tax funded budget(s) dedicated to library operations or services at the time of the election for consolidation, each such library district must submit to the board of county commissioners a copy of the certification from that city reporting the information provided for in Subparagraph 803.04.h.vi. of this rule. (4-6-05)

viii. For any taxing district including previously forgone increases in their budget or disclaiming reserving any forgone increase, a copy of the resolution describing the amount of the forgone increase being disclaimed reserved, or the amount included and specific purpose for which it is being included. (~~3-28-18~~)(    )

**05. Special Provisions for Fire Districts Levying Against Operating Property.** To prevent double counting of public utility property values, for any year following the first year in which any fire district increases its budget using the provision of Section 63-802(2), Idaho Code, such fire district will not be permitted further increases under this provision unless the following conditions are met: (3-30-01)

a. The fire district and public utility have entered into a new agreement of consent to provide fire protection to the public utility; and (3-30-01)

b. Said new agreement succeeds the original agreement; and (3-30-01)

c. In the first year in which levies are certified following the new agreement, the difference between the current year's taxable value of the consenting public utility and public utility value used in previous budget calculations made pursuant to this section is used in place of the current year's taxable value of the consenting public utility. (3-30-01)

**06. Special Provisions for Property Tax Replacement and Refunds Pursuant to Section 63-1305C(6), Idaho Code.** Property tax replacement monies must be reported on the L-2 Form and separately identified on accompanying worksheets. Except as provided in Paragraph 803.06.f. of this rule, for all taxing districts, these monies must be subtracted from or, in the case of refunds, not included in, the "balance to be levied". The reduced balance will be used to compute levies. The maximum amount permitted pursuant to Section 63-802(1), Idaho Code, will be based on the sum of these property tax replacement monies including recoveries received pursuant to Section 63-1305C(3), Idaho Code, but excluding monies received pursuant to Section 63-3502B(2), Idaho Code, and the amount actually levied. Each taxing district's proportionate share of refunds pursuant to Section 63-1305C(6), Idaho Code, as reported in Paragraph 803.01.e. of this rule, must be subtracted from the maximum amount permitted pursuant to Section 63-802(1), Idaho Code. (3-26-19)

a. The Tax Commission will, by the fourth Monday of July, notify each county clerk if the amount of property tax replacement money, pursuant to Sections 63-3638(11) and (13), Idaho Code, to be paid to a taxing district changes from the amount paid in the preceding year. By the first Monday of May, the Tax Commission will further notify each school district and each county clerk of any changes in the amount of property tax replacement money to be received by that school district pursuant to Sections 63-3638(11) and (13), Idaho Code. (4-11-15)

**b.** By no later than the first Monday of August of each year, each county clerk will notify each appropriate taxing district or unit of the total amount of property tax replacement monies, and the type of replacement money, as described in Paragraph 803.04.e. of this rule. For charter school districts subject to the provisions of Paragraph 803.06.f. of this rule, the amount to be subtracted will be reported. (3-29-17)

**c.** Except as provided in Paragraph 803.06.d. of this rule, the subtraction required in Subsection 803.06 of this rule may be from any fund(s) subject to the limitations of Section 63-802, Idaho Code. For school districts these subtractions must be first from funds subject to the limitations of Section 63-802, Idaho Code, then from other property tax funded budgets. (3-26-19)

**d.** For taxing districts receiving distributions of the gross earning tax on solar farms described in Section 63-3502B(2), Idaho Code, the amount of any such distribution received during the 12 (twelve) months ending June 30 of the current tax year will be subtracted from the maximum amount of property tax revenue permitted pursuant to Section 63-802, Idaho Code. In addition to the amounts reported as described in Paragraph 803.06.b. of this rule, the county clerk will, by the first Monday in August, notify each taxing unit of the total amount of the gross earnings tax on solar farms billed for the current tax year. (3-26-19)

**e.** Levy limits will be tested against the amount actually levied. (3-15-02)

**f.** For charter school districts with a levy in 2013 for maintenance and operations, as provided in Section 33-802(6), Idaho Code, a portion of the property tax replacement money received for property subject to the exemption in Section 63-602KK, Idaho Code, is not required to be subtracted in determining the “balance to be levied.” Said portion will be the amount calculated by applying the 2013 levy rate for the maintenance and operations levy amount, as authorized in the district’s charter, to the 2013 exempt value of personal property used to compute replacement money provided to the school district. (4-11-15)

**g.** For recovered personal property exemptions, as provided in Section 63-602KK(7), Idaho Code, for personal property exempted in 2013 for which replacement money was paid, recovered amounts will be distributed to the Tax Commission. Once received, the amount of future payments to the affected taxing districts will be reduced by the amount received. (3-25-16)

**07. Special Provisions for Library Districts Consolidating with Any City’s Existing Library Operations or Services.** For any library district consolidating with any city’s existing library operations or services, the amount of the dedicated property tax funded general fund and library fund budgets certified by the city under Subparagraph 803.04.h.vi., of this rule will be added to that library district’s property tax funded budget in effect at the time of the election for consolidation. This total will be used as this district’s property tax funded budget for the most recent year of the three (3) years preceding the current tax year for the purpose of deciding the property tax funded budget that may be increased as provided by Section 63-802, Idaho Code. (4-6-05)

**08. Special Provisions for Cities with Existing Library Operations or Services Consolidating with Any Library District.** For any city with existing library operations or services at the time of consolidation with any library district, the amount of the dedicated property tax funded library fund budget included in the certification by the city under Subparagraph 803.04.h.vi., of this rule will be subtracted from that city’s total property tax funded budget in effect at the time of the election for the consolidation. This difference will be used as this city’s property tax funded budget for the most recent year of the three (3) years preceding the current tax year for the purpose of deciding the property tax funded budget that may be increased as provided by Section 63-802, Idaho Code. (4-6-05)

**09. Special Provisions for Calculating Total Levy Rate for Taxing Districts or Units with Multiple Funds.** Whenever the “Calculated Levy Rate” column of the L-2 Form indicates that a levy rate has been calculated for more than one (1) fund for any taxing district or unit, the “Column Total” entry must be the sum of the levy rates calculated for each fund. Prior to this summation, the levy rates to be summed must be rounded or truncated at the ninth decimal place. No additional rounding is permitted for the column total. (4-6-05)

**10. Special Provisions for School Districts' Tort Funds - Hypothetical New Construction Levy.** To calculate the new construction portion of the allowed annual increase in a school district's tort fund under Section 63-802(1), Idaho Code, calculate a Hypothetical New Construction Levy. To calculate this hypothetical levy, sum the amount of the school district's tort fund levied for the prior year, the agricultural equipment replacement revenue, and

the personal property replacement revenue, then divide this sum by the school district's taxable value used to determine the tort fund's levy for the prior year. For the current year, the allowed tort fund increase for new construction is this Hypothetical New Construction Levy times the current year's new construction roll value for the school district. (3-25-16)

**11. Special Provisions for Interim Abatement Districts.** When an interim abatement district transitions into a formally defined abatement district under Section 39-2812, Idaho Code, the formally defined abatement district will not be considered a new taxing district as defined in Paragraph 803.01.g. of this rule for the purposes of Section 63-802, Idaho Code. For the formally defined abatement district, the annual budget subject to the limitations of Section 63-802, Idaho Code, will be the amount of property tax revenue approved for the interim abatement district. (4-2-08)

**12. Special Provisions for Consolidating Cemetery Districts.** When two (2) or more cemetery districts consolidate, the first year in which the consolidated cemetery district levies property tax, the maximum budget subject to the limitations of Section 63-802, Idaho Code, will be computed as follows: (3-26-19)

**a.** Determine the highest levy rate of any of the former cemetery districts now consolidating, based on the sum of the immediate prior year's levies subject to the limitations of Section 63-802, Idaho Code. (3-26-19)

**b.** Multiply this levy rate by the current taxable value of property within the area of the former cemetery districts other than the district with the highest rate. (3-26-19)

**c.** Multiply this levy rate by the current taxable value of new construction, as reported on the new construction roll, within the area of the former cemetery district with the highest levy rate. (3-26-19)

**d.** Add: (3-26-19)

i. The amounts computed in Paragraphs 803.12.b. and 803.12.c., of this rule; (3-26-19)

ii. Three percent (3%) of the highest amount of property taxes certified by the former cemetery district determined in Paragraph 803.12.a. of this rule, to have had the highest levy rate, for its annual budget, as defined in Section 63-802(1)(a), Idaho Code; and (3-26-19)

iii. Any forgone amounts of the former cemetery districts now consolidating. (3-26-19)

**13. Special Provisions for Highway Districts in Urban Renewal Revenue Allocation Areas. For highway districts located wholly or partially within urban renewal revenue allocation areas (RAAs) formed July 1, 2020 or later or RAAs which annex property within a highway district, any agreement for an allocation of revenue to the urban renewal agency, as provided in Section 50-2908, Idaho Code, is to be submitted to the tax commission and the county clerk by September 1 of tax year to be in effect for that year's revenue allocation.** ( )

**134. Cross Reference for School Districts with Tuition Funds.** School district tuition fund levies are exempt from the limitations of Section 63-802, Idaho Code. See Section 33-1408, Idaho Code. (4-11-15)