

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 304

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAX RELIEF; AMENDING SECTION 33-911, IDAHO CODE, TO RE-  
2 VISE A PROVISION REGARDING THE SCHOOL DISTRICT FACILITIES FUND; AMEND-  
3 ING SECTION 57-811, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE TAX  
4 RELIEF FUND; AND DECLARING AN EMERGENCY.  
5

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

7 SECTION 1. That Section 33-911, Idaho Code, be, and the same is hereby  
8 amended to read as follows:

9 33-911. SCHOOL DISTRICT FACILITIES FUND. (1) There is hereby cre-  
10 ated in the state treasury the school district facilities fund. The fund  
11 shall consist of moneys provided pursuant to sections 57-811, 63-3638, and  
12 67-7434, Idaho Code, and any legislative transfers or appropriations. In-  
13 terest earned from the investment of moneys in the fund shall be returned to  
14 the fund. Moneys in the fund are hereby continuously appropriated for the  
15 purposes stated in this section.

16 (2) The moneys in the fund shall be distributed by the state controller  
17 to the state department of education by August 1 each year for the purpose of  
18 construction or renovation of school facilities. The moneys shall be dis-  
19 tributed by the state department of education to each school district, as  
20 defined in section 33-1001(21), Idaho Code, first as provided in subsection  
21 (7) of this section and then on a per-pupil basis using the average daily at-  
22 tendance calculation provided in section 33-1003A, Idaho Code, for each stu-  
23 dent in kindergarten through grade 12 at physical facilities that are part  
24 of and on school grounds of the school district in which the student is en-  
25 rolled with verification, as needed, by the office of the state board of edu-  
26 cation. Upon formal approval by the state board of education, a school dis-  
27 trict may receive an exemption to the physical facility requirement pursuant  
28 to this subsection if the student would have attended a physical facility in  
29 the school district if not for a stated emergency. The state department of  
30 education shall transfer the moneys by no later than August 31 each year to  
31 each school district. Such moneys shall be used in place of property tax levy  
32 moneys and shall be expended by a school district for one (1) or more of the  
33 purposes set forth in paragraphs (a) through (d) of this subsection. Moneys  
34 in the fund must be used by a school district in the following order of prior-  
35 ity:

36 (a) Payment of existing school bonds authorized pursuant to chapter 11,  
37 title 33, Idaho Code;

38 (b) Payment of supplemental school levies authorized pursuant to sec-  
39 tion 33-802, Idaho Code, excluding indefinite term supplemental levies  
40 described in section 33-802(5), Idaho Code;

41 (c) Payment of school plant facility levies authorized pursuant to sec-  
42 tions 33-804 and 33-804A, Idaho Code; and

1 (d) Any moneys that remain following the payments provided in para-  
2 graphs (a) through (c) of this subsection may be: used for construction  
3 of a new school facility, renovation, or maintenance needs; used to  
4 secure and make payments on a new school facilities bond; or saved in  
5 a reserve account by the school district for future school facility  
6 needs. Uses of funds shall include regular and routine facilities  
7 maintenance, including preventive maintenance, building repairs, and  
8 building security, and periodic major facilities projects that involve  
9 planning, design, construction, renovation, retrofitting, and replac-  
10 ing of buildings and building systems, components, and features, as  
11 well as site acquisition, site improvements, and new construction.

12 (3) The amount of moneys received by a school district pursuant to this  
13 section must be deducted from a school levy that would otherwise have been  
14 paid by property taxpayers. Such moneys may not be duplicated by the collec-  
15 tion of property tax, and no property taxes may be collected in order to make  
16 extra payments on expenses described in subsection (2) of this section in ex-  
17 cess of required amounts.

18 (4) Each school district shall identify the amount received in the cur-  
19 rent year pursuant to this section in the certification of its budget in ac-  
20 cordance with section 63-803, Idaho Code. Said amount must be subtracted  
21 from the amount to be levied. The amount of moneys thereby saved from being  
22 collected by a property tax levy shall be reported on each property tax no-  
23 tice pursuant to section 63-902, Idaho Code.

24 (5) Each school district shall report annually to the state department  
25 of education, in a manner prescribed by it, on the expenditure of moneys it  
26 has received pursuant to this section. The state department of education  
27 shall present the reports to the legislature each January.

28 (6) For the purposes of this section, the Idaho school for the deaf and  
29 the blind shall be considered a school district and shall receive a distribu-  
30 tion based on the average daily attendance of the school.

31 (7) (a) For state fiscal year 2025 only, any school district that would  
32 have received support from the bond levy equalization support program  
33 for a qualified bond passed prior to January 1, 2024, and for which prop-  
34 erty taxes were levied in property tax year 2023 pursuant to the amount  
35 intended by the bond shall receive a distribution of funds from the dis-  
36 tribution provided under subsection (2) of this section of at least as  
37 much as would have been provided through bond levy equalization support  
38 on July 1, 2024.

39 (b) For state fiscal year 2026 only, any school district that would have  
40 received support from the bond levy equalization support program for a  
41 qualified bond passed prior to January 1, 2024, and for which property  
42 taxes were levied in property tax year 2024 pursuant to the amount in-  
43 tended by the bond shall receive a distribution of funds from the dis-  
44 tribution provided under subsection (2) of this section of at least as  
45 much as would have been provided through bond levy equalization support  
46 on July 1, 2025.

47 (c) The state department of education may adjust distributions for re-  
48 maining districts proportionally as necessary pursuant to this para-  
49 graph. On and after July 1, 2024, school districts may use funds pro-

1 vided in this section and section 33-913, Idaho Code, to offset the bond  
2 levy equalization support.

3 SECTION 2. That Section 57-811, Idaho Code, be, and the same is hereby  
4 amended to read as follows:

5 57-811. TAX RELIEF FUND. (1) There is hereby created in the state trea-  
6 sury the tax relief fund to which shall be credited all moneys remitted from  
7 sections 63-3620F and 63-3638, Idaho Code, from federal grants, donations,  
8 or any other source. Moneys in the fund are intended to fund future tax re-  
9 lief statutes enacted by the legislature and may be expended pursuant to ap-  
10 propriation. All interest earned on the investment of idle moneys in the  
11 fund shall be returned to the fund.

12 ~~(2) For fiscal year 2025 and At the end of each fiscal year thereafter,~~  
13 ~~the state controller shall transfer~~ twenty percent (20%) ~~of the moneys in~~  
14 ~~annual distributions to the tax relief fund is continuously appropriated~~  
15 ~~and shall be transferred, plus fifty million dollars (\$50,000,000),~~ to the  
16 school district facilities fund established pursuant to section 33-911,  
17 Idaho Code.

18 ~~(3) For fiscal year 2025 and At the end of each fiscal year thereafter,~~  
19 the state controller shall transfer ~~thirty-nine million dollars~~  
20 ~~(\$39,000,000) from the tax relief fund to the state public defense fund~~  
21 established pursuant to section 57-827, Idaho Code.

22 ~~(4) At the end of each fiscal year, the state controller shall transfer~~  
23 ~~fifty million dollars (\$50,000,000) to the homeowner property tax relief ac-~~  
24 ~~count established pursuant to section 63-724, Idaho Code.~~

25 ~~(4) (5) For fiscal year 2023 and each fiscal year thereafter, After~~  
26 ~~the state controller makes all transfers in subsections (1), (2), (3),~~  
27 ~~and (4) of this section, the state controller shall transfer the remaining~~  
28 balance of the tax relief fund or two hundred thirty-six million dollars  
29 ~~(\$236,000,000), whichever is less, from the tax relief fund to the general~~  
30 fund.

31 SECTION 3. An emergency existing therefor, which emergency is hereby  
32 declared to exist, this act shall be in full force and effect on and after its  
33 passage and approval.