

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 120

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO EDUCATION AND BUDGET AND TAX LEVIES; AMENDING SECTION 33-802, IDAHO CODE, TO ELIMINATE LANGUAGE RELATING TO THE PROVISION THAT CERTAIN SCHOOL DISTRICTS MAY AUTHORIZE A BUDGET STABILIZATION LEVY AND TO ELIMINATE A RELATED NOTICE REQUIREMENT; AND AMENDING SECTIONS 33-808 AND 50-2908, IDAHO CODE, TO PROVIDE CORRECT CODE REFERENCES.

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

SECTION 1. That Section 33-802, Idaho Code, be, and the same is hereby amended to read as follows:

33-802. SCHOOL LEVIES. Any tax levied for school purposes shall be a lien on the property against which the tax is levied. The board of trustees shall determine the levies upon each dollar of taxable property in the district for the ensuing fiscal year as follows:

(1) Bond, Interest and Judgment Obligation Levies. Such levies as shall be required to satisfy all maturing bond, bond interest, and judgment obligations.

~~(2) Budget Stabilization Levies. School districts not receiving state equalization funds in fiscal year 2006 may authorize a budget stabilization levy for calendar year 2006 and each year thereafter. Such levies shall not exceed the difference between the amount of equalized funds that the state department of education estimates the school district will receive in fiscal year 2007, based on the school district's fiscal year 2006 reporting data, and the combined amount of money the school district would have received from its maintenance and operation levy and state property tax replacement funds in fiscal year 2007 under the laws of the state of Idaho as they existed prior to amendment by the first extraordinary session of the fifty eighth Idaho legislature. The state department of education shall notify the state tax commission and affected counties and school districts of the maximum levy amounts permitted, by no later than September 1, 2006.~~

~~(3)~~ Supplemental Maintenance and Operation Levies. No levy in excess of the levy permitted by this section shall be made by a noncharter district unless such a supplemental levy in a specified amount and for a specified time not to exceed two (2) years be first authorized through an election held pursuant to chapter 4, title 33, Idaho Code, and approved by a majority of the district electors voting in such election. A levy approved pursuant to this subsection may be reduced by a majority vote of the board of trustees in the second year.

~~(4)~~ Charter District Supplemental Maintenance and Operation. Levies pursuant to the respective charter of any such charter district shall be first authorized through an election held pursuant to chapter 4, title 33, Idaho Code, and approved by a majority of the district electors voting in such election.

~~(5)~~ The board of trustees of any school district that has, for at least seven (7) consecutive years, been authorized through an election held pursuant to chapter 4, title 33,

1 Idaho Code, to certify a supplemental levy that has annually been equal to or greater than  
 2 twenty percent (20%) of the total general maintenance and operation fund, may submit the  
 3 question of an indefinite term supplemental levy to the electors of the school district. Such  
 4 question shall clearly state the dollar amount that will be certified annually and that the levy  
 5 will be for an indefinite number of years. The question must be approved by a majority of the  
 6 district electors voting on the question in an election held pursuant to chapter 4, title 33, Idaho  
 7 Code. The levy approved pursuant to this subsection may be reduced by a majority vote of the  
 8 board of trustees during any fiscal year.

9 (65) A charter district may levy for maintenance and operations if such authority is  
 10 contained within its charter. In the event property within a charter district's boundaries is  
 11 contained in a revenue allocation area established under chapter 29, title 50, Idaho Code, and  
 12 such revenue allocation area has given notice of termination thereunder, then, only for the  
 13 purpose of determining the levy described in this subsection, the district may add the increment  
 14 value, as defined in section 50-2903, Idaho Code, to the actual or adjusted market value for  
 15 assessment purposes of the district as such value existed on December 31 of the previous year.

16 SECTION 2. That Section 33-808, Idaho Code, be, and the same is hereby amended to  
 17 read as follows:

18 33-808. NOTICE OF ADJUSTMENT TO MARKET VALUE FOR ASSESSMENT  
 19 PURPOSES UPON TERMINATION OF A REVENUE ALLOCATION AREA. (1) A charter  
 20 district with a maintenance and operation levy in the immediately previous year that shall  
 21 adjust its market value for assessment purposes in accordance with the provisions of section  
 22 33-802(65), Idaho Code, relating to termination of a revenue allocation area, shall advertise its  
 23 action by publishing in at least the newspaper of largest paid circulation published in the county  
 24 of the district, or if there is no such newspaper, then in a newspaper published nearest to the  
 25 district where the advertisement is required to be published.

26 (2) For purposes of this section, the definition of "newspaper" shall be as established  
 27 in sections 60-106 and 60-107, Idaho Code; provided further, that the newspaper of largest  
 28 circulation shall be established by the statement of average annual paid weekday circulation  
 29 listed on the newspaper's sworn statement of ownership that was filed with the United States  
 30 post office on a date most recently preceding the date on which the advertisement required  
 31 in this section is to be published. The advertisement shall be run when the school district  
 32 ascertains that it will adjust its market value for assessment purposes in accordance with the  
 33 provisions of section 33-802(65), Idaho Code, relating to termination of a revenue allocation  
 34 area, and shall be published once a week for two (2) weeks following action by the board of  
 35 trustees.

36 (3) The form and content of the notice shall be substantially as follows:

#### 37 NOTICE OF PROPERTY TAX ADJUSTMENT BY SCHOOL BOARD

38 The (insert name of the school district) hereinafter the "District," has increased its market  
 39 value for assessment purposes as of December 31, ..., by the amount of the increment value  
 40 of the (insert name of Redevelopment Agency Revenue Allocation Area) on such date, in  
 41 accordance with the provisions of Section 33-802, Idaho Code, because the revenue allocation  
 42 area gave notice of termination pursuant to Section 50-2903, Idaho Code, and as a result  
 43 thereof property taxes on the increment value of the revenue allocation area will not be

1 collected and distributed to the District. Section 33-802, Idaho Code, permits the District  
 2 to replace those funds by adjusting its market value as described herein. The total amount  
 3 of dollars in property taxes to be directly collected by the District pursuant to this action is  
 4 estimated to be \$.....

5 SECTION 3. That Section 50-2908, Idaho Code, be, and the same is hereby amended to  
 6 read as follows:

7 50-2908. DETERMINATION OF TAX LEVIES – CREATION OF SPECIAL  
 8 FUND. (1) For purposes of calculating the rate at which taxes shall be levied by or for each  
 9 taxing district in which a revenue allocation area is located, the county commissioners shall,  
 10 with respect to the taxable property located in such revenue allocation area, use the equalized  
 11 assessed value of such taxable property as shown on the base assessment roll rather than on  
 12 the current equalized assessed valuation of such taxable property, except the current equalized  
 13 assessed valuation shall be used for calculating the tax rate for:

14 (a) Levies for refunds and credits pursuant to section 63-1305, Idaho Code, and any  
 15 judgment pursuant to section 33-802(1), Idaho Code, certified after December 31, 2007;

16 (b) Levies permitted pursuant to section 63-802(3), Idaho Code, certified after December  
 17 31, 2007;

18 (c) Levies for voter approved general obligation bonds of any taxing district and plant  
 19 facility reserve fund levies passed after December 31, 2007;

20 (d) Levies set forth in paragraphs (1)(a) through (c) of this subsection, first certified  
 21 prior to December 31, 2007, when the property affected by said levies is included within  
 22 the boundaries of a revenue allocation area by a change in the boundaries of either the  
 23 revenue allocation area or any taxing district after December 31, 2007; and

24 (e) School levies for supplemental maintenance and operation pursuant to section  
 25 33-802(~~3~~2), Idaho Code, approved after December 31, 2007, or in the case of charter  
 26 school districts any supplemental levy that does not exceed two (2) years in duration.

27 (2) With respect to each such taxing district, the tax rate calculated under subsection  
 28 (1) of this section shall be applied to the current equalized assessed valuation of all taxable  
 29 property in the taxing district, including the taxable property in the revenue allocation area.  
 30 The tax revenues thereby produced shall be allocated as follows:

31 (a) To the taxing district shall be allocated and shall be paid by the county treasurer:

32 (i) All taxes levied by the taxing district or on its behalf on taxable property  
 33 located within the taxing district but outside the revenue allocation area;

34 (ii) A portion of the taxes levied by the taxing district or on its behalf on the  
 35 taxable property located within the revenue allocation area, which portion is  
 36 the amount produced by applying the taxing district's tax rate determined under  
 37 subsection (1) of this section to the equalized assessed valuation, as shown on the  
 38 base assessment roll, of the taxable property located within the revenue allocation  
 39 area; and

40 (iii) All taxes levied by the taxing district to satisfy obligations specified in  
 41 subsection (1)(a) through (e) of this section.

42 (b) To the urban renewal agency shall be allocated the balance, if any, of the taxes levied  
 43 on the taxable property located within the revenue allocation area.

44 (3) Upon enactment of an ordinance adopting a revenue allocation financing provision as  
 45 part of an urban renewal plan, the urban renewal agency shall create a special fund or funds

1 to be used for the purposes enumerated in this chapter. The revenues allocated to the urban  
2 renewal agency pursuant to this chapter, shall be paid to the agency by the treasurer of the  
3 county in which the revenue allocation district is located and shall be deposited by the agency  
4 into one (1) or more of such special funds. The agency may, in addition, deposit into such  
5 special fund or funds such other income, proceeds, revenues and funds it may receive from  
6 sources other than the revenues allocated to it under subsection (2)(b) of this section.

7 (4) For the purposes of section 63-803, Idaho Code, during the period when revenue  
8 allocation under this chapter is in effect, and solely with respect to any taxing district in  
9 which a revenue allocation area is located, the county commissioners shall, in fixing any tax  
10 levy other than the levy specified in subsection (1)(a) through (e) of this section, take into  
11 consideration the equalized assessed valuation of the taxable property situated in the revenue  
12 allocation area as shown in the base assessment roll, rather than the current equalized assessed  
13 value of such taxable property.

14 (5) For all other purposes, including, without limitation, for purposes of sections 33-802,  
15 33-1002 and 63-1313, Idaho Code, reference in the Idaho Code to the term "market value for  
16 assessment purposes" (or any other such similar term) shall mean market value for assessment  
17 purposes as defined in section 63-208, Idaho Code.