

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 645, As Amended

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO PROPERTY TAXATION; AMENDING SECTION 63-301A, IDAHO CODE, TO PROVIDE THAT CERTAIN ADDITIONAL INFORMATION SHALL BE SHOWN ON THE NEW CONSTRUCTION ROLL, TO PROVIDE THAT THE VALUE SHOWN ON THE NEW CONSTRUCTION ROLL SHALL INCLUDE CERTAIN TAXABLE MARKET VALUE INCREASES, TO PROVIDE NEW CONSTRUCTION PREVIOUSLY ALLOWABLE BUT NOT INCLUDED ON A NEW CONSTRUCTION ROLL SHALL BE INCLUDED ON THE ROLL AND TO PROVIDE FOR THE VALUE TO BE REFLECTED; AMENDING SECTION 63-802, IDAHO CODE, TO REVISE HOW THE THREE PERCENT INCREASE IN PROPERTY TAX BUDGETS IS CALCULATED; AMENDING SECTION 63-802, IDAHO CODE, AS AMENDED BY SECTION 142, CHAPTER 341, LAWS OF 2009, TO REVISE HOW THE THREE PERCENT INCREASE IN PROPERTY TAX BUDGETS IS CALCULATED; DECLARING AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION AND PROVIDING EFFECTIVE DATES.

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

SECTION 1. That Section 63-301A, Idaho Code, be, and the same is hereby amended to read as follows:

63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare a new construction roll, which shall be in addition to the property roll, which new construction roll shall show:

(a) The name of the taxpayer;

(b) The description of the new construction, suitably detailed to meet the requirements of the individual county;

(c) A description of the land and its change in use, suitably detailed to meet the needs of the individual county;

(d) The amount of taxable market value added to the property on the current year's property roll that is directly the result of new construction or a change in use of the land or both;

(e) The amount of taxable market value added as provided in subsection (3) (g) of this section as a result of dissolution of any revenue allocation area;

(f) The amount of taxable market value to be deducted to reflect the adjustments required in paragraphs (f) (i), (f) (ii) and (f) (iii) of this subsection:

(i) Any board of tax appeals or court ordered value change, if property has a taxable value lower than that shown on any previous new construction roll;

(ii) Any reduction in value resulting from correction of value improperly included on any previous new construction roll as a result of double or otherwise erroneous assessment;

(iii) Any reduction in value resulting from a change of land use classification.

1 (2) As soon as possible, but in any event by no later than the first Mon-
2 day in June, the new construction roll shall be certified to the county audi-
3 tor and a listing showing the amount of value on the new construction roll in
4 each taxing district or unit be forwarded to the state tax commission on or
5 before the fourth Monday in July. Provided however, the value shown in sub-
6 section (3) (f) of this section shall be reported to the appropriate county
7 auditor by the state tax commission by the third Monday in July and the value
8 sent by the county auditor to each taxing district. The value established
9 pursuant to subsection (3) (f) of this section is subject to correction by the
10 state tax commission until the first Monday in September and any such correc-
11 tions shall be sent to the appropriate county auditor, who shall notify any
12 affected taxing districts.

13 (3) The value shown on the new construction roll ~~may~~ shall include the
14 taxable market value increase from:

15 (a) Construction of any new structure that previously did not exist; or
16 (b) Additions or alterations to existing nonresidential structures; or
17 (c) Installation of new or used manufactured housing that did not pre-
18 viously exist within the county; or

19 (d) Change of land use classification; or

20 (e) Property newly taxable as a result of loss of the exemption provided
21 by section 63-602W, Idaho Code; or

22 (f) The construction of any improvement or installation of any equip-
23 ment used for or in conjunction with the generation of electricity and
24 the addition of any improvement or equipment intended to be so used, ex-
25 cept property that has a value allocated or apportioned pursuant to sec-
26 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-
27 ity, as those terms are defined in section 61-332A, Idaho Code, or that
28 is owned by a public utility, as that term is defined in section 61-332A,
29 Idaho Code, owning any other property that is allocated or apportioned.
30 No replacement equipment or improvements may be included; or

31 (g) Increases in value over the base value of property on the base
32 assessment roll within an urban renewal revenue allocation area that
33 has been terminated pursuant to section 50-2909(4), Idaho Code, to the
34 extent that this increment exceeds the incremental value as of December
35 31, 2006, or, for revenue allocation areas formed after December 31,
36 2006, the entire increment value. Notwithstanding other provisions of
37 this section, the new construction roll shall not include new construc-
38 tion located within an urban renewal district's revenue allocation
39 area, except as provided in this subsection (3) (g); or

40 (h) New construction previously allowable but never included on a new
41 construction roll, provided however, that, for such property, the value
42 on the new construction roll shall reflect the taxable value that would
43 have been included on the new construction roll for the first year in
44 which the property should have been included.

45 (4) The amount of taxable market value of new construction shall be the
46 change in net taxable market value that is attributable directly to new con-
47 struction or a change in use of the land or loss of the exemption provided
48 by section 63-602W(3), Idaho Code. It shall not include any change in value
49 of existing property that is due to external market forces such as general

1 or localized inflation, except as provided in subsection (3) (g) of this sec-
2 tion.

3 SECTION 2. That Section 63-802, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
6 EXCEPTIONS. (1) Except as provided in subsection (3) of this section ~~for tax~~
7 ~~year 1995, and each year thereafter,~~ no taxing district shall certify a bud-
8 get request for an amount of property tax revenues to finance an annual bud-
9 get that exceeds the greater of paragraphs (a) through (i) of this subsection
10 inclusive:

11 (a) The dollar amount of property taxes certified for its annual budget
12 for any one (1) of the three (3) tax years preceding the current tax
13 year, whichever is greater, for the past tax year, which amount may
14 be increased by a growth factor of not to exceed three percent (3%)
15 plus the amount of revenue ~~that would have been generated by applying~~
16 calculated as described in this subsection. Multiply the levy of the
17 previous year, not including any levy described in subsection (4) of
18 this section, or any school district levy reduction resulting from a
19 distribution of state funds pursuant to section 63-3638(10), Idaho
20 Code, ~~to any increase in market value subject to taxation resulting~~
21 ~~from new construction or change of land use classification as evidenced~~
22 by the value shown on the new construction roll compiled pursuant to
23 section 63-301A, Idaho Code; and by the value of annexation during
24 the previous calendar year, as certified by the state tax commission
25 for market values of operating property of public utilities and by the
26 county assessor; ~~or~~

27 (b) The dollar amount of property taxes certified for its annual budget
28 during the last year in which a levy was made; ~~or~~

29 (c) The dollar amount of the actual budget request, if the taxing dis-
30 trict is newly created except as may be provided in subsection (1) (h) of
31 this section; ~~or~~

32 (d) In the case of school districts, the restriction imposed in section
33 33-802, Idaho Code; ~~or~~

34 (e) In the case of a nonschool district for which less than the maximum
35 allowable increase in the dollar amount of property taxes is certified
36 for annual budget purposes in any one (1) year, such a district may, in
37 any following year, recover the foregone increase by certifying, in ad-
38 dition to any increase otherwise allowed, an amount not to exceed one
39 hundred percent (100%) of the increase originally foregone. Said addi-
40 tional amount shall be included in future calculations for increases as
41 allowed; ~~or~~

42 (f) In the case of cities, if the immediately preceding year's levy
43 subject to the limitation provided by this section, is less than 0.004,
44 the city may increase its budget by an amount not to exceed the differ-
45 ence between 0.004 and actual prior year's levy multiplied by the prior
46 year's market value for assessment purposes. The additional amount
47 must be approved by sixty percent (60%) of the voters voting on the
48 question at an election called for that purpose and held on the date in

1 May or November provided by law, and may be included in the annual budget
2 of the city for purposes of this section; ~~or~~

3 (g) A taxing district may submit to the electors within the district
4 the question of whether the budget from property tax revenues may be
5 increased beyond the amount authorized in this section, but not beyond
6 the levy authorized by statute. The additional amount must be approved
7 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
8 voting on the question at an election called for that purpose and held
9 on the May or November dates provided by section 34-106, Idaho Code.
10 If approved by the required minimum sixty-six and two-thirds percent
11 (66 2/3%) of the voters voting at the election, the new budget amount
12 shall be the base budget for the purposes of this section; ~~or~~

13 (h) When a nonschool district consolidates with another nonschool
14 district or dissolves and a new district performing similar governmen-
15 tal functions as the dissolved district forms with the same boundaries
16 within three (3) years, the maximum amount of a budget of the district
17 from property tax revenues shall not be greater than the sum of the
18 amounts that would have been authorized by this section for the district
19 itself or for the districts that were consolidated or dissolved and
20 incorporated into a new district; ~~or~~

21 (i) In the instance or case of cooperative service agencies, the re-
22 strictions imposed in sections 33-315 through 33-318, Idaho Code.

23 (2) In the case of fire districts, during the year immediately follow-
24 ing the election of a public utility or public utilities to consent to be pro-
25 vided fire protection pursuant to section 31-1425, Idaho Code, the maximum
26 amount of property tax revenues permitted in subsection (1) of this section
27 may be increased by an amount equal to the current year's taxable value of the
28 consenting public utility or public utilities multiplied by that portion of
29 the prior year's levy subject to the limitation provided by subsection (1) of
30 this section.

31 (3) No board of county commissioners shall set a levy, nor shall the
32 state tax commission approve a levy for annual budget purposes which exceeds
33 the limitation imposed in subsection (1) of this section, unless authority
34 to exceed such limitation has been approved by a majority of the taxing dis-
35 trict's electors voting on the question at an election called for that pur-
36 pose and held pursuant to section 34-106, Idaho Code, provided however, that
37 such voter approval shall be for a period of not to exceed two (2) years.

38 (4) The amount of property tax revenues to finance an annual budget
39 does not include revenues from nonproperty tax sources, and does not include
40 revenue from levies that are voter approved for bonds, override levies or
41 supplemental levies, plant facilities reserve fund levies, school emergency
42 fund levies or for levies applicable to newly annexed property or for
43 levies applicable to new construction as evidenced by the value of property
44 subject to the occupancy tax pursuant to section 63-317, Idaho Code, for the
45 preceding tax year.

46 SECTION 3. That Section 63-802, Idaho Code, as amended by Section 142,
47 Chapter 341, Laws of 2009, be, and the same is hereby amended to read as fol-
48 lows:

1 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
 2 EXCEPTIONS. (1) Except as provided in subsection (3) of this section ~~for tax~~
 3 ~~year 1995, and each year thereafter~~, no taxing district shall certify a bud-
 4 get request for an amount of property tax revenues to finance an annual bud-
 5 get that exceeds the greater of paragraphs (a) through (i) of this subsection
 6 inclusive:

7 (a) The dollar amount of property taxes certified for its annual budget
 8 for any one (1) of the three (3) tax years preceding the current tax
 9 year, whichever is greater, for the past tax year, which amount may
 10 be increased by a growth factor of not to exceed three percent (3%)
 11 plus the amount of revenue ~~that would have been generated by applying~~
 12 calculated as described in this subsection. Multiply the levy of the
 13 previous year, not including any levy described in subsection (4) of
 14 this section, or any school district levy reduction resulting from a
 15 distribution of state funds pursuant to section 63-3638(11), Idaho
 16 Code, ~~to any increase in market value subject to taxation resulting~~
 17 ~~from new construction or change of land use classification as evidenced~~
 18 by the value shown on the new construction roll compiled pursuant to
 19 section 63-301A, Idaho Code; and by the value of annexation during
 20 the previous calendar year, as certified by the state tax commission
 21 for market values of operating property of public utilities and by the
 22 county assessor; ~~or~~

23 (b) The dollar amount of property taxes certified for its annual budget
 24 during the last year in which a levy was made; ~~or~~

25 (c) The dollar amount of the actual budget request, if the taxing dis-
 26 trict is newly created except as may be provided in subsection (1) (h) of
 27 this section; ~~or~~

28 (d) In the case of school districts, the restriction imposed in section
 29 33-802, Idaho Code; ~~or~~

30 (e) In the case of a nonschool district for which less than the maximum
 31 allowable increase in the dollar amount of property taxes is certified
 32 for annual budget purposes in any one (1) year, such a district may, in
 33 any following year, recover the foregone increase by certifying, in ad-
 34 dition to any increase otherwise allowed, an amount not to exceed one
 35 hundred percent (100%) of the increase originally foregone. Said addi-
 36 tional amount shall be included in future calculations for increases as
 37 allowed; ~~or~~

38 (f) In the case of cities, if the immediately preceding year's levy
 39 subject to the limitation provided by this section, is less than 0.004,
 40 the city may increase its budget by an amount not to exceed the differ-
 41 ence between 0.004 and actual prior year's levy multiplied by the prior
 42 year's market value for assessment purposes. The additional amount
 43 must be approved by sixty percent (60%) of the voters voting on the
 44 question at an election called for that purpose and held on the date in
 45 May or November provided by law, and may be included in the annual budget
 46 of the city for purposes of this section; ~~or~~

47 (g) A taxing district may submit to the electors within the district
 48 the question of whether the budget from property tax revenues may be
 49 increased beyond the amount authorized in this section, but not beyond
 50 the levy authorized by statute. The additional amount must be approved

1 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
2 voting on the question at an election called for that purpose and held
3 on the May or November dates provided by section 34-106, Idaho Code.
4 If approved by the required minimum sixty-six and two-thirds percent
5 (66 2/3%) of the voters voting at the election, the new budget amount
6 shall be the base budget for the purposes of this section; ~~or~~

7 (h) When a nonschool district consolidates with another nonschool
8 district or dissolves and a new district performing similar governmen-
9 tal functions as the dissolved district forms with the same boundaries
10 within three (3) years, the maximum amount of a budget of the district
11 from property tax revenues shall not be greater than the sum of the
12 amounts that would have been authorized by this section for the district
13 itself or for the districts that were consolidated or dissolved and
14 incorporated into a new district; ~~or~~

15 (i) In the instance or case of cooperative service agencies, the re-
16 strictions imposed in sections 33-315 through 33-318, Idaho Code.

17 (2) In the case of fire districts, during the year immediately follow-
18 ing the election of a public utility or public utilities to consent to be pro-
19 vided fire protection pursuant to section 31-1425, Idaho Code, the maximum
20 amount of property tax revenues permitted in subsection (1) of this section
21 may be increased by an amount equal to the current year's taxable value of the
22 consenting public utility or public utilities multiplied by that portion of
23 the prior year's levy subject to the limitation provided by subsection (1) of
24 this section.

25 (3) No board of county commissioners shall set a levy, nor shall the
26 state tax commission approve a levy for annual budget purposes which exceeds
27 the limitation imposed in subsection (1) of this section, unless authority
28 to exceed such limitation has been approved by a majority of the taxing dis-
29 trict's electors voting on the question at an election called for that pur-
30 pose and held pursuant to section 34-106, Idaho Code, provided however, that
31 such voter approval shall be for a period of not to exceed two (2) years.

32 (4) The amount of property tax revenues to finance an annual budget
33 does not include revenues from nonproperty tax sources, and does not include
34 revenue from levies that are voter approved for bonds, override levies or
35 supplemental levies, plant facilities reserve fund levies, school emergency
36 fund levies or for levies applicable to newly annexed property or for
37 levies applicable to new construction as evidenced by the value of property
38 subject to the occupancy tax pursuant to section 63-317, Idaho Code, for the
39 preceding tax year.

40 SECTION 4. An emergency existing therefor, which emergency is hereby
41 declared to exist, Sections 1 and 2 of this act shall be in full force and ef-
42 fect on and after passage and approval, and retroactively to January 1, 2010.
43 Section 3 of this act shall be in full force and effect on and after January 1,
44 2011.