

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 697

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO COUNTIES AND PROPERTY TAX LEVIES; AMENDING CHAPTER 13, TITLE  
2 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-1305A, IDAHO CODE,  
3 TO ESTABLISH PROVISIONS PROVIDING THAT CERTAIN TAXING DISTRICTS MAY  
4 CERTIFY A BUDGET REQUEST IN EXCESS OF CERTAIN LIMITATIONS FOR THE PUR-  
5 POSE OF PAYING A FINAL JUDGMENT, TO PROVIDE FOR CERTAIN CONDITIONS, TO  
6 ESTABLISH PROVISIONS RELATING TO THE APPLICATION OF LAW AND THE METHOD  
7 OF PAYMENT, TO PROVIDE FOR RULES AND TO ESTABLISH PROVISIONS RELATING  
8 TO A LIMITATION; AMENDING CHAPTER 13, TITLE 63, IDAHO CODE, BY THE AD-  
9 DITION OF A NEW SECTION 63-1305B, IDAHO CODE, TO ESTABLISH PROVISIONS  
10 RELATING TO AN ELECTION; AMENDING SECTION 50-2908, IDAHO CODE, TO ES-  
11 TABLISH PROVISIONS RELATING TO LEVIES FOR PAYMENT OF CERTAIN JUDGMENTS,  
12 TO PROVIDE CORRECT CODE REFERENCES AND TO MAKE A TECHNICAL CORRECTION;  
13 AMENDING SECTION 63-802, IDAHO CODE, TO REVISE A CODE REFERENCE AND TO  
14 PROVIDE THAT THE AMOUNT OF PROPERTY TAX REVENUES TO FINANCE AN ANNUAL  
15 BUDGET DOES NOT INCLUDE REVENUE FROM LEVIES TO SATISFY CERTAIN JUDG-  
16 MENTS AND REVENUE FROM CERTAIN OTHER LEVIES; AMENDING SECTION 63-803,  
17 IDAHO CODE, TO REVISE A CODE REFERENCE; AMENDING SECTION 63-811, IDAHO  
18 CODE, TO REVISE A CODE REFERENCE; AMENDING SECTION 31-1901, IDAHO CODE,  
19 TO PROVIDE THAT THE COUNTY MAY ALSO ISSUE BONDS FOR THE PURPOSE OF PAYING  
20 A CERTAIN JUDGMENT; REPEALING SECTION 50-2908, IDAHO CODE, RELATING  
21 TO DETERMINATION OF TAX LEVIES AND CREATION OF SPECIAL FUND; REPEALING  
22 SECTION 63-802, IDAHO CODE, RELATING TO LIMITATION ON BUDGET REQUESTS  
23 AND LIMITATION ON TAX CHARGES, REPEALING SECTION 63-803, IDAHO CODE,  
24 RELATING TO CERTIFICATION OF BUDGETS IN DOLLARS AND REPEALING SECTION  
25 63-811, IDAHO CODE, RELATING TO COMPUTATION OF PROPERTY TAXES AND DU-  
26 TIES OF COUNTY AUDITOR; REPEALING SECTION 31-1901, IDAHO CODE, RELATING  
27 TO COMMISSIONERS ISSUING FUNDING AND REFUNDING BONDS; AMENDING CHAPTER  
28 29, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2908, IDAHO  
29 CODE, TO ESTABLISH PROVISIONS RELATING TO DETERMINATION OF CERTAIN  
30 TAX LEVIES, TO ESTABLISH PROVISIONS RELATING TO EXCEPTIONS, TO ESTAB-  
31 LISH PROVISIONS RELATING TO THE ALLOCATION OF CERTAIN TAX REVENUES,  
32 TO ESTABLISH PROVISIONS RELATING TO THE CREATION OF A SPECIAL FUND, TO  
33 ESTABLISH PROVISIONS RELATING TO TAXING DISTRICTS IN WHICH A REVENUE  
34 ALLOCATION AREA IS LOCATED AND TO DEFINE A TERM; AMENDING CHAPTER 8,  
35 TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-802, IDAHO  
36 CODE, TO ESTABLISH PROVISIONS RELATING TO LIMITATIONS ON CERTAIN BUDGET  
37 REQUESTS, TO ESTABLISH PROVISIONS RELATING TO LIMITATIONS ON CERTAIN  
38 TAX CHARGES AND TO PROVIDE FOR EXCEPTIONS; AMENDING CHAPTER 8, TITLE  
39 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-803, IDAHO CODE,  
40 TO ESTABLISH PROVISIONS RELATING TO CERTIFICATION OF BUDGETS IN DOL-  
41 LARS; AMENDING CHAPTER 8, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW  
42 SECTION 63-811, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO COMPU-  
43 TATION OF PROPERTY TAXES AND DUTIES OF COUNTY AUDITOR; AMENDING CHAPTER  
44 19, TITLE 31, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 31-1901, IDAHO  
45

1 CODE, TO ESTABLISH PROVISIONS RELATING TO CERTAIN COMMISSIONERS WHO  
2 MAY ISSUE CERTAIN FUNDING AND REFUNDING BONDS; PROVIDING SEVERABILITY;  
3 DECLARING AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION, PROVIDING A  
4 SUNSET DATE AND PROVIDING AN EFFECTIVE DATE.

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

6 SECTION 1. That Chapter 13, Title 63, Idaho Code, be, and the same is  
7 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
8 ignated as Section 63-1305A, Idaho Code, and to read as follows:

9 63-1305A. PAYMENT OF JUDGMENT BY ORDER OF COURT. (1) Notwithstanding  
10 the provisions of section 6-928, Idaho Code, and except as provided for in  
11 section 63-1305, Idaho Code, a nonschool taxing district may certify a bud-  
12 get request for an amount of property tax revenues to finance an annual bud-  
13 get in excess of the limitations imposed by section 63-802, Idaho Code, for  
14 the purpose of paying a final judgment entered by a court of law, including  
15 interest, costs and award of attorney's fees, if any, provided that:

16 (a) The taxing district first budgets the maximum amount of property  
17 tax permitted pursuant to section 63-802, Idaho Code, including any  
18 available forgone amount; and

19 (b) All surplus funds available to the taxing district are used to pay  
20 the outstanding judgment; and

21 (c) The judgment was entered after December 1, 2010; and

22 (d) The judgment amount, including interest and award of attorney's  
23 fees, if any, exceeds one-third (1/3) of the property tax revenues used  
24 to finance the taxing district's highest annual budget in the preceding  
25 three (3) years; and

26 (e) The amount in excess of the limitations imposed by section 63-802,  
27 Idaho Code, authorized by this section does not increase the budget that  
28 would otherwise be applicable by more than the amount raised by a levy  
29 rate of one-tenths of one percent (0.1%).

30 (2) The provisions of subsection (1) of this section pertain regardless  
31 of whether the judgment is paid in cash, redeemable warrants, the proceeds  
32 of bonded indebtedness permitted as an ordinary and necessary expense or any  
33 combination of these methods of payment.

34 (3) The state tax commission may promulgate rules necessary to adminis-  
35 ter the provisions of this section.

36 (4) The levy permitted pursuant to subsection (1) of this section may be  
37 levied only until the judgment is paid in full.

38 SECTION 2. That Chapter 13, Title 63, Idaho Code, be, and the same is  
39 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
40 ignated as Section 63-1305B, Idaho Code, and to read as follows:

41 63-1305B. ELECTION -- AUTHORIZATION OF GOVERNING BODY. (1) No non-  
42 school taxing district shall exercise any powers provided pursuant to sec-  
43 tion 63-1305A, Idaho Code, unless a majority of qualified electors, voting  
44 in an election held in such nonschool taxing district, vote to approve the  
45 question of whether the governing body of such district may exercise the pow-  
46 ers and authority provided for in section 63-1305A, Idaho Code.

1           (2) The election provided for in this section shall be held in accor-  
2           dance with the provisions of section 34-106, Idaho Code.

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

5           50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1)  
6           For purposes of calculating the rate at which taxes shall be levied by or  
7           for each taxing district in which a revenue allocation area is located, the  
8           county commissioners shall, with respect to the taxable property located in  
9           such revenue allocation area, use the equalized assessed value of such tax-  
10          able property as shown on the base assessment roll rather than on the current  
11          equalized assessed valuation of such taxable property, except the current  
12          equalized assessed valuation shall be used for calculating the tax rate for:

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

16          (b) Levies for payment of judgments pursuant to section 63-1305A, Idaho  
17          Code;

18          (c) Levies permitted pursuant to section 63-802(3), Idaho Code, certi-  
19          fied after December 31, 2007;

20          (ed) Levies for voter approved general obligation bonds of any taxing  
21          district and plant facility reserve fund levies passed after December  
22          31, 2007;

23          (~~de~~) Levies set forth in paragraphs (1) (a) through (ed) of this subsec-  
24          tion, first certified prior to December 31, 2007, when the property af-  
25          fected by said levies is included within the boundaries of a revenue al-  
26          location area by a change in the boundaries of either the revenue allo-  
27          cation area or any taxing district after December 31, 2007; and

28          (ef) School levies for supplemental maintenance and operation pursuant  
29          to section 33-802(3) and (4), Idaho Code, approved after December 31,  
30          2007.

31          (2) With respect to each such taxing district, the tax rate calculated  
32          under subsection (1) of this section shall be applied to the current equal-  
33          ized assessed valuation of all taxable property in the taxing district, in-  
34          cluding the taxable property in the revenue allocation area. The tax rev-  
35          enues thereby produced shall be allocated as follows:

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

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

41                  (ii) A portion of the taxes levied by the taxing district or on its  
42                  behalf on the taxable property located within the revenue allo-  
43                  cation area, which portion is the amount produced by applying the  
44                  taxing district's tax rate determined under subsection (1) of this  
45                  section to the equalized assessed valuation, as shown on the base  
46                  assessment roll, of the taxable property located within the rev-  
47                  enue allocation area; and

48                  (iii) All taxes levied by the taxing district to satisfy obliga-  
49                  tions specified in subsection (1) (a) through (ef) of this section.

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

4 (3) Upon enactment of an ordinance adopting a revenue allocation fi-  
5 nancing provision as part of an urban renewal plan, the urban renewal agency  
6 shall create a special fund or funds to be used for the purposes enumerated  
7 in this chapter. The revenues allocated to the urban renewal agency pursuant  
8 to this chapter, shall be paid to the agency by the treasurer of the county  
9 in which the revenue allocation district is located and shall be deposited by  
10 the agency into one (1) or more of such special funds. The agency may, in ad-  
11 dition, deposit into such special fund or funds such other income, proceeds,  
12 revenues and funds it may receive from sources other than the revenues allo-  
13 cated to it under subsection (2) (b) of this section.

14 (4) For the purposes of section 63-803, Idaho Code, during the period  
15 when revenue allocation under this chapter is in effect, and solely with re-  
16 spect to any taxing district in which a revenue allocation area is located,  
17 the county commissioners shall, in fixing any tax levy other than the levy  
18 specified in subsection (1) (a) through (ef) of this section, take into con-  
19 sideration the equalized assessed valuation of the taxable property situ-  
20 ated in the revenue allocation area as shown in the base assessment roll,  
21 rather than the current equalized assessed value of such taxable property.

22 (5) For all other purposes, including, without limitation, for pur-  
23 poses of sections 33-802, 33-1002 and 63-1313, Idaho Code, reference in the  
24 Idaho Code to the term "market value for assessment purposes" (or any other  
25 such similar term) shall mean market value for assessment purposes as de-  
26 fined in section 63-208, Idaho Code.

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

29 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES  
30 -- EXCEPTIONS. (1) Except as provided in subsections (3) and (4) of this  
31 section, no taxing district shall certify a budget request for an amount of  
32 property tax revenues to finance an annual budget that exceeds the greater of  
33 paragraphs (a) through (i) of this subsection inclusive:

34 (a) The dollar amount of property taxes certified for its annual bud-  
35 get for any one (1) of the three (3) tax years preceding the current tax  
36 year, whichever is greater, for the past tax year, which amount may be  
37 increased by a growth factor of not to exceed three percent (3%) plus  
38 the amount of revenue calculated as described in this subsection. Mul-  
39 tiple the levy of the previous year, not including any levy described  
40 in subsection (4) of this section, or any school district levy reduc-  
41 tion resulting from a distribution of state funds pursuant to section  
42 63-3638(11), Idaho Code, by the value shown on the new construction roll  
43 compiled pursuant to section 63-301A, Idaho Code; and by the value of  
44 annexation during the previous calendar year, as certified by the state  
45 tax commission for market values of operating property of public utili-  
46 ties and by the county assessor;

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

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

4 (d) In the case of school districts, the restriction imposed in section  
5 33-802, Idaho Code;

6 (e) In the case of a nonschool district for which less than the maximum  
7 allowable increase in the dollar amount of property taxes is certified  
8 for annual budget purposes in any one (1) year, such a district may, in  
9 any following year, recover the foregone increase by certifying, in ad-  
10 dition to any increase otherwise allowed, an amount not to exceed one  
11 hundred percent (100%) of the increase originally foregone. Said addi-  
12 tional amount shall be included in future calculations for increases as  
13 allowed;

14 (f) In the case of cities, if the immediately preceding year's levy  
15 subject to the limitation provided by this section, is less than 0.004,  
16 the city may increase its budget by an amount not to exceed the differ-  
17 ence between 0.004 and actual prior year's levy multiplied by the prior  
18 year's market value for assessment purposes. The additional amount  
19 must be approved by sixty percent (60%) of the voters voting on the ques-  
20 tion at an election called for that purpose and held on the date in May or  
21 November provided by law, and may be included in the annual budget of the  
22 city for purposes of this section;

23 (g) A taxing district may submit to the electors within the district  
24 the question of whether the budget from property tax revenues may be  
25 increased beyond the amount authorized in this section, but not beyond  
26 the levy authorized by statute. The additional amount must be approved  
27 by sixty-six and two-thirds percent (66 2/3%) or more of the voters  
28 voting on the question at an election called for that purpose and held  
29 on the May or November dates provided by section 34-106, Idaho Code.  
30 If approved by the required minimum sixty-six and two-thirds percent  
31 (66 2/3%) of the voters voting at the election, the new budget amount  
32 shall be the base budget for the purposes of this section;

33 (h) When a nonschool district consolidates with another nonschool  
34 district or dissolves and a new district performing similar governmen-  
35 tal functions as the dissolved district forms with the same boundaries  
36 within three (3) years, the maximum amount of a budget of the district  
37 from property tax revenues shall not be greater than the sum of the  
38 amounts that would have been authorized by this section for the district  
39 itself or for the districts that were consolidated or dissolved and in-  
40 corporated into a new district;

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

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

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

8 (4) The amount of property tax revenues to finance an annual budget does  
9 not include revenues from nonproperty tax sources, and does not include rev-  
10 enue from levies to satisfy judgments pursuant to section 63-1305A, Idaho  
11 Code, and revenue from levies that are voter approved for bonds, override  
12 levies or supplemental levies, plant facilities reserve fund levies, school  
13 emergency fund levies or for levies applicable to newly annexed property or  
14 for levies applicable to new construction as evidenced by the value of prop-  
15 erty subject to the occupancy tax pursuant to section 63-317, Idaho Code, for  
16 the preceding tax year.

17 SECTION 5. That Section 63-803, Idaho Code, be, and the same is hereby  
18 amended to read as follows:

19 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing  
20 district is required by law to certify to any county treasurer, county audi-  
21 tor, county assessor, county commissioners or to any other county officer,  
22 any property tax levy, upon property located within said district, such cer-  
23 tification shall, notwithstanding any other provision of the law applicable  
24 to any such district, be made at the time and in the manner hereinafter pro-  
25 vided.

26 (2) The county auditor shall inform each of the taxing districts within  
27 his county of the taxable value of that district as soon as such value is  
28 known to the auditor, whether the value comes from the appraisal and assess-  
29 ment of real and personal property, or from allocation of the taxable value  
30 of operating property, or from other sources.

31 (3) Using the taxable value of the district, the council, trustees,  
32 board or other governing body of any taxing district shall certify the total  
33 amount required from a property tax upon property within the district to  
34 raise the amount of money fixed by their budget as previously prepared or  
35 approved. The amount of money so determined shall be certified in dollars  
36 to the appropriate county commissioners. Any taxing unit, except regional  
37 airport authorities, located in more than one (1) county shall divide its  
38 dollar budget for certification to the separate counties by multiplying the  
39 amount of such budget by a fraction, the numerator of which shall be the total  
40 taxable value of all property in such taxing unit within the county to which  
41 such certification is to be made, and the denominator of which shall be the  
42 total taxable value of property in such taxing unit in all such counties.  
43 Budget certification to the participating counties of regional airport  
44 authorities shall be made in the manner prescribed in section 21-807(10),  
45 Idaho Code. Taxable value shall be certified by the county auditor of each  
46 affected county to such taxing unit and such certification shall be used in  
47 this formula. Except as provided in section 33-805, Idaho Code, relating to  
48 school emergency fund levies, the certification to the county commissioners  
49 required in this section shall be made not later than the Thursday prior

1 to the second Monday in September, unless, upon application therefor, the  
2 county commissioners grant an extension of not more than seven (7) working  
3 days. After receipt of this certification, the county commissioners shall  
4 make a tax levy as a percent of taxable value of all property in the taxing  
5 district, which when applied to the tax rolls, will meet the budget require-  
6 ments certified by such taxing districts.

7 (4) Except as provided in subsection (1)(a) through (ef) of section  
8 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall  
9 mean the portion of the equalized assessed value, less any exemptions, ex-  
10 cept the exemption for personal property in section 63-602KK, Idaho Code,  
11 and the value that exceeds the value of the base assessment roll for the  
12 portion of any taxing district within a revenue allocation area of an ur-  
13 ban renewal district, located within each taxing district which certifies  
14 a budget to be raised from a property tax levy. When the county auditor is  
15 notified of revenues sufficient to cover expenses as provided in section  
16 50-2903(5), Idaho Code, taxable value shall also include the value that  
17 exceeds the value of the base assessment roll for the portion of any taxing  
18 district within a revenue allocation area. For each taxing district, tax-  
19 able value shall include the value from the property and operating property  
20 rolls for the current year and subsequent and missed property rolls for the  
21 prior year or the best estimate of the subsequent and missed property rolls  
22 for the current year.

23 SECTION 6. That Section 63-811, Idaho Code, be, and the same is hereby  
24 amended to read as follows:

25 63-811. COMPUTATION OF PROPERTY TAXES -- DUTY OF COUNTY AUDITOR. (1)  
26 The county auditor must cause to be computed the amount of the local property  
27 taxes levied on the total of the taxable value as entered on the property and  
28 operating property rolls, and must deliver the property and operating prop-  
29 erty rolls to the tax collector on or before the first Monday of November.

30 (2) The county auditor must cause to be computed the amount of the local  
31 property taxes levied on the total of the taxable value as entered on the sub-  
32 sequent property roll, and must deliver the subsequent property roll to the  
33 tax collector as soon as possible, without delay, after the first Monday of  
34 December.

35 (3) The county auditor must cause to be computed the amount of the state  
36 property tax and the amount of the local property taxes levied on the total  
37 taxable value as entered on the missed property roll, and must deliver the  
38 missed property roll to the tax collector as soon as possible, without delay,  
39 after the first Monday of March of the year following the year in which the  
40 assessment was entered on the missed property roll.

41 (4) Except as provided in subsection (1)(a) through (ef) of section  
42 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall  
43 mean the portion of the equalized assessed value, less any exemptions and  
44 the value that exceeds the value of the base assessment roll for the portion  
45 of any taxing district within a revenue allocation area of an urban renewal  
46 district, located within each taxing district which certifies a budget to be  
47 raised from a property tax levy.

48 (5) The county auditor, at the time of delivery to the county tax col-  
49 lector of the property roll, subsequent property roll, missed property roll

1 or operating property roll with all property taxes computed, must subscribe  
2 an affidavit to such roll that he has to the best of his knowledge and ability  
3 computed the proper amount of property taxes due, and recorded such orders of  
4 the board of equalization as have been made and has made no other changes.

5 (6) Failure of the auditor to make the affidavit shall not affect the  
6 validity of any entry on the roll. The making of such affidavit, however, is  
7 declared to be a duty pertaining to the office of the county auditor. In ev-  
8 ery case where the said affidavit is omitted from the real property assess-  
9 ment roll, completed and delivered as aforesaid, the board of county commis-  
10 sioners must require the county auditor to make the same, and upon refusal or  
11 neglect of such county auditor to make and subscribe to such affidavit forth-  
12 with, the chairman of the said board must immediately file in the district  
13 court in the county, an information in writing, verified by his oath, charg-  
14 ing such county auditor with refusal or neglect to perform the official du-  
15 ties pertaining to his office, and thereupon he must be proceeded against as  
16 in such cases provided by law.

17 SECTION 7. That Section 31-1901, Idaho Code, be, and the same is hereby  
18 amended to read as follows:

19 31-1901. COMMISSIONERS MAY ISSUE FUNDING AND REFUNDING BONDS. The  
20 board of county commissioners of any county in this state may issue nego-  
21 tiable coupon bonds of their county for the purpose of paying, redeeming,  
22 funding or refunding the outstanding indebtedness of the county, whether  
23 the indebtedness exists as a warrant indebtedness or bonded indebtedness.  
24 The county may also issue bonds for the purpose of paying a judgment meeting  
25 the criteria of section 63-1305A, Idaho Code. All such bonds shall be in  
26 the form and shall be issued, sold or exchanged and redeemed in accordance  
27 with the provisions of chapter 2 of title 57, known as the "Municipal Bond  
28 Law" of the state of Idaho, except where different provision is made herein.  
29 Provided, that the authority to fund warrant indebtedness shall extend only  
30 to the funding of warrant indebtedness existing as of the second Monday in  
31 January, 1933, and providing further that all taxes and other revenues which  
32 but for the funding of warrants would have been lawfully applicable to the  
33 redemption of the warrants so funded shall, as and when collected, be appor-  
34 tioned to and placed in the sinking fund for the payment of the interest and  
35 retirement of the principal of such bonds. Bonds issued for the purpose of  
36 funding warrants shall bear interest payable semiannually as the board of  
37 county commissioners may determine.

38 SECTION 8. That Section [50-2908](#), Idaho Code, be, and the same is hereby  
39 repealed.

40 SECTION 9. That Sections [63-802](#), [63-803](#) and [63-811](#), Idaho Code, be, and  
41 the same are hereby repealed.

42 SECTION 10. That Section [31-1901](#), Idaho Code, be, and the same is hereby  
43 repealed.



1 SECTION 11. That Chapter 29, Title 50, Idaho Code, be, and the same is  
2 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
3 ignated as Section 50-2908, Idaho Code, and to read as follows:

4 50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1)  
5 For purposes of calculating the rate at which taxes shall be levied by or  
6 for each taxing district in which a revenue allocation area is located, the  
7 county commissioners shall, with respect to the taxable property located in  
8 such revenue allocation area, use the equalized assessed value of such tax-  
9 able property as shown on the base assessment roll rather than on the current  
10 equalized assessed valuation of such taxable property, except the current  
11 equalized assessed valuation shall be used for calculating the tax rate for:

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

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

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

20 (d) Levies set forth in paragraphs (1) (a) through (c) of this subsec-  
21 tion, first certified prior to December 31, 2007, when the property af-  
22 fected by said levies is included within the boundaries of a revenue al-  
23 location area by a change in the boundaries of either the revenue allo-  
24 cation area or any taxing district after December 31, 2007; and

25 (e) School levies for supplemental maintenance and operation pursuant  
26 to section 33-802(3) and (4), Idaho Code, approved after December 31,  
27 2007.

28 (2) With respect to each such taxing district, the tax rate calculated  
29 under subsection (1) of this section shall be applied to the current equal-  
30 ized assessed valuation of all taxable property in the taxing district, in-  
31 cluding the taxable property in the revenue allocation area. The tax rev-  
32 enues thereby produced shall be allocated as follows:

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

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

38 (ii) A portion of the taxes levied by the taxing district or on its  
39 behalf on the taxable property located within the revenue allo-  
40 cation area, which portion is the amount produced by applying the  
41 taxing district's tax rate determined under subsection (1) of this  
42 section to the equalized assessed valuation, as shown on the base  
43 assessment roll, of the taxable property located within the rev-  
44 enue allocation area; and

45 (iii) All taxes levied by the taxing district to satisfy obliga-  
46 tions specified in subsection (1) (a) through (e) of this section.

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

1 (3) Upon enactment of an ordinance adopting a revenue allocation fi-  
2 nancing provision as part of an urban renewal plan, the urban renewal agency  
3 shall create a special fund or funds to be used for the purposes enumerated  
4 in this chapter. The revenues allocated to the urban renewal agency pursuant  
5 to this chapter shall be paid to the agency by the treasurer of the county in  
6 which the revenue allocation district is located and shall be deposited by  
7 the agency into one (1) or more of such special funds. The agency may, in ad-  
8 dition, deposit into such special fund or funds such other income, proceeds,  
9 revenues and funds it may receive from sources other than the revenues allo-  
10 cated to it under subsection (2) (b) of this section.

11 (4) For the purposes of section 63-803, Idaho Code, during the period  
12 when revenue allocation under this chapter is in effect, and solely with re-  
13 spect to any taxing district in which a revenue allocation area is located,  
14 the county commissioners shall, in fixing any tax levy other than the levy  
15 specified in subsection (1) (a) through (e) of this section, take into con-  
16 sideration the equalized assessed valuation of the taxable property situ-  
17 ated in the revenue allocation area as shown in the base assessment roll,  
18 rather than the current equalized assessed value of such taxable property.

19 (5) For all other purposes, including, without limitation, for pur-  
20 poses of sections 33-802, 33-1002 and 63-1313, Idaho Code, reference in the  
21 Idaho Code to the term "market value for assessment purposes" (or any other  
22 such similar term) shall mean market value for assessment purposes as de-  
23 fined in section 63-208, Idaho Code.

24 SECTION 12. That Chapter 8, Title 63, Idaho Code, be, and the same is  
25 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
26 ignated as Section 63-802, Idaho Code, and to read as follows:

27 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --  
28 EXCEPTIONS. (1) Except as provided in subsection (3) of this section, no tax-  
29 ing district shall certify a budget request for an amount of property tax  
30 revenues to finance an annual budget that exceeds the greater of paragraphs  
31 (a) through (i) of this subsection inclusive:

32 (a) The dollar amount of property taxes certified for its annual bud-  
33 get for any one (1) of the three (3) tax years preceding the current tax  
34 year, whichever is greater, for the past tax year, which amount may be  
35 increased by a growth factor of not to exceed three percent (3%) plus  
36 the amount of revenue calculated as described in this subsection. Mul-  
37 tiply the levy of the previous year, not including any levy described  
38 in subsection (4) of this section, or any school district levy reduc-  
39 tion resulting from a distribution of state funds pursuant to section  
40 63-3638(11), Idaho Code, by the value shown on the new construction roll  
41 compiled pursuant to section 63-301A, Idaho Code; and by the value of  
42 annexation during the previous calendar year, as certified by the state  
43 tax commission for market values of operating property of public utili-  
44 ties and by the county assessor;

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

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

1 (d) In the case of school districts, the restriction imposed in section  
2 33-802, Idaho Code;

3 (e) In the case of a nonschool district for which less than the maximum  
4 allowable increase in the dollar amount of property taxes is certified  
5 for annual budget purposes in any one (1) year, such a district may, in  
6 any following year, recover the foregone increase by certifying, in ad-  
7 dition to any increase otherwise allowed, an amount not to exceed one  
8 hundred percent (100%) of the increase originally foregone. Said addi-  
9 tional amount shall be included in future calculations for increases as  
10 allowed;

11 (f) In the case of cities, if the immediately preceding year's levy  
12 subject to the limitation provided by this section, is less than 0.004,  
13 the city may increase its budget by an amount not to exceed the differ-  
14 ence between 0.004 and actual prior year's levy multiplied by the prior  
15 year's market value for assessment purposes. The additional amount  
16 must be approved by sixty percent (60%) of the voters voting on the ques-  
17 tion at an election called for that purpose and held on the date in May or  
18 November provided by law, and may be included in the annual budget of the  
19 city for purposes of this section;

20 (g) A taxing district may submit to the electors within the district  
21 the question of whether the budget from property tax revenues may be  
22 increased beyond the amount authorized in this section, but not beyond  
23 the levy authorized by statute. The additional amount must be approved  
24 by sixty-six and two-thirds percent (66 2/3%) or more of the voters  
25 voting on the question at an election called for that purpose and held  
26 on the May or November dates provided by section 34-106, Idaho Code.  
27 If approved by the required minimum sixty-six and two-thirds percent  
28 (66 2/3%) of the voters voting at the election, the new budget amount  
29 shall be the base budget for the purposes of this section;

30 (h) When a nonschool district consolidates with another nonschool  
31 district or dissolves and a new district performing similar governmen-  
32 tal functions as the dissolved district forms with the same boundaries  
33 within three (3) years, the maximum amount of a budget of the district  
34 from property tax revenues shall not be greater than the sum of the  
35 amounts that would have been authorized by this section for the district  
36 itself or for the districts that were consolidated or dissolved and in-  
37 corporated into a new district;

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

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

48 (3) No board of county commissioners shall set a levy, nor shall the  
49 state tax commission approve a levy for annual budget purposes which exceeds  
50 the limitation imposed in subsection (1) of this section, unless authority

1 to exceed such limitation has been approved by a majority of the taxing dis-  
2 trict's electors voting on the question at an election called for that pur-  
3 pose and held pursuant to section 34-106, Idaho Code, provided however, that  
4 such voter approval shall be for a period of not to exceed two (2) years.

5 (4) The amount of property tax revenues to finance an annual budget  
6 does not include revenues from nonproperty tax sources, and does not include  
7 revenue from levies that are voter approved for bonds, override levies or  
8 supplemental levies, plant facilities reserve fund levies, school emergency  
9 fund levies or for levies applicable to newly annexed property or for levies  
10 applicable to new construction as evidenced by the value of property subject  
11 to the occupancy tax pursuant to section 63-317, Idaho Code, for the preced-  
12 ing tax year.

13 SECTION 13. That Chapter 8, Title 63, Idaho Code, be, and the same is  
14 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
15 ignated as Section 63-803, Idaho Code, and to read as follows:

16 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing  
17 district is required by law to certify to any county treasurer, county audi-  
18 tor, county assessor, county commissioners or to any other county officer,  
19 any property tax levy, upon property located within said district, such cer-  
20 tification shall, notwithstanding any other provision of the law applicable  
21 to any such district, be made at the time and in the manner hereinafter pro-  
22 vided.

23 (2) The county auditor shall inform each of the taxing districts within  
24 his county of the taxable value of that district as soon as such value is  
25 known to the auditor, whether the value comes from the appraisal and assess-  
26 ment of real and personal property, or from allocation of the taxable value  
27 of operating property, or from other sources.

28 (3) Using the taxable value of the district, the council, trustees,  
29 board or other governing body of any taxing district shall certify the total  
30 amount required from a property tax upon property within the district to  
31 raise the amount of money fixed by their budget as previously prepared or  
32 approved. The amount of money so determined shall be certified in dollars  
33 to the appropriate county commissioners. Any taxing unit, except regional  
34 airport authorities, located in more than one (1) county shall divide its  
35 dollar budget for certification to the separate counties by multiplying the  
36 amount of such budget by a fraction, the numerator of which shall be the total  
37 taxable value of all property in such taxing unit within the county to which  
38 such certification is to be made, and the denominator of which shall be the  
39 total taxable value of property in such taxing unit in all such counties.  
40 Budget certification to the participating counties of regional airport  
41 authorities shall be made in the manner prescribed in section 21-807(10),  
42 Idaho Code. Taxable value shall be certified by the county auditor of each  
43 affected county to such taxing unit and such certification shall be used in  
44 this formula. Except as provided in section 33-805, Idaho Code, relating to  
45 school emergency fund levies, the certification to the county commissioners  
46 required in this section shall be made not later than the Thursday prior  
47 to the second Monday in September, unless, upon application therefor, the  
48 county commissioners grant an extension of not more than seven (7) working  
49 days. After receipt of this certification, the county commissioners shall

1 make a tax levy as a percent of taxable value of all property in the taxing  
2 district, which when applied to the tax rolls, will meet the budget require-  
3 ments certified by such taxing districts.

4 (4) Except as provided in subsection (1)(a) through (e) of section  
5 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall  
6 mean the portion of the equalized assessed value, less any exemptions, ex-  
7 cept the exemption for personal property in section 63-602KK, Idaho Code,  
8 and the value that exceeds the value of the base assessment roll for the  
9 portion of any taxing district within a revenue allocation area of an ur-  
10 ban renewal district, located within each taxing district which certifies  
11 a budget to be raised from a property tax levy. When the county auditor is  
12 notified of revenues sufficient to cover expenses as provided in section  
13 50-2903(5), Idaho Code, taxable value shall also include the value that  
14 exceeds the value of the base assessment roll for the portion of any taxing  
15 district within a revenue allocation area. For each taxing district, tax-  
16 able value shall include the value from the property and operating property  
17 rolls for the current year and subsequent and missed property rolls for the  
18 prior year or the best estimate of the subsequent and missed property rolls  
19 for the current year.

20 SECTION 14. That Chapter 8, Title 63, Idaho Code, be, and the same is  
21 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
22 ignated as Section 63-811, Idaho Code, and to read as follows:

23 63-811. COMPUTATION OF PROPERTY TAXES -- DUTY OF COUNTY AUDITOR. (1)  
24 The county auditor must cause to be computed the amount of the local property  
25 taxes levied on the total of the taxable value as entered on the property and  
26 operating property rolls, and must deliver the property and operating prop-  
27 erty rolls to the tax collector on or before the first Monday of November.

28 (2) The county auditor must cause to be computed the amount of the local  
29 property taxes levied on the total of the taxable value as entered on the sub-  
30 sequent property roll, and must deliver the subsequent property roll to the  
31 tax collector as soon as possible, without delay, after the first Monday of  
32 December.

33 (3) The county auditor must cause to be computed the amount of the state  
34 property tax and the amount of the local property taxes levied on the total  
35 taxable value as entered on the missed property roll, and must deliver the  
36 missed property roll to the tax collector as soon as possible, without delay,  
37 after the first Monday of March of the year following the year in which the  
38 assessment was entered on the missed property roll.

39 (4) Except as provided in subsection (1)(a) through (e) of section  
40 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall  
41 mean the portion of the equalized assessed value, less any exemptions and  
42 the value that exceeds the value of the base assessment roll for the portion  
43 of any taxing district within a revenue allocation area of an urban renewal  
44 district, located within each taxing district which certifies a budget to be  
45 raised from a property tax levy.

46 (5) The county auditor, at the time of delivery to the county tax col-  
47 lector of the property roll, subsequent property roll, missed property roll  
48 or operating property roll with all property taxes computed, must subscribe  
49 an affidavit to such roll that he has to the best of his knowledge and ability

1 computed the proper amount of property taxes due, and recorded such orders of  
2 the board of equalization as have been made and has made no other changes.

3 (6) Failure of the auditor to make the affidavit shall not affect the  
4 validity of any entry on the roll. The making of such affidavit, however, is  
5 declared to be a duty pertaining to the office of the county auditor. In ev-  
6 every case where the said affidavit is omitted from the real property assess-  
7 ment roll, completed and delivered as aforesaid, the board of county commis-  
8 sioners must require the county auditor to make the same, and upon refusal or  
9 neglect of such county auditor to make and subscribe to such affidavit forth-  
10 with, the chairman of the said board must immediately file in the district  
11 court in the county, an information in writing, verified by his oath, charg-  
12 ing such county auditor with refusal or neglect to perform the official du-  
13 ties pertaining to his office, and thereupon he must be proceeded against as  
14 in such cases provided by law.

15 SECTION 15. That Chapter 19, Title 31, Idaho Code, be, and the same is  
16 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
17 ignated as Section 31-1901, Idaho Code, and to read as follows:

18 31-1901. COMMISSIONERS MAY ISSUE FUNDING AND REFUNDING BONDS. The  
19 board of county commissioners of any county in this state may issue nego-  
20 tiable coupon bonds of their county for the purpose of paying, redeeming,  
21 funding or refunding the outstanding indebtedness of the county, whether the  
22 indebtedness exists as a warrant indebtedness or bonded indebtedness. All  
23 such bonds shall be in the form and shall be issued, sold or exchanged and  
24 redeemed in accordance with the provisions of chapter 2 of title 57, known  
25 as the "Municipal Bond Law" of the state of Idaho, except where different  
26 provision is made herein. Provided, that the authority to fund warrant in-  
27 debtedness shall extend only to the funding of warrant indebtedness existing  
28 as of the second Monday in January, 1933, and providing further that all  
29 taxes and other revenues which but for the funding of warrants would have  
30 been lawfully applicable to the redemption of the warrants so funded shall,  
31 as and when collected, be apportioned to and placed in the sinking fund for  
32 the payment of the interest and retirement of the principal of such bonds.  
33 Bonds issued for the purpose of funding warrants shall bear interest payable  
34 semiannually as the board of county commissioners may determine.

35 SECTION 16. SEVERABILITY. The provisions of this act are hereby de-  
36 clared to be severable and if any provision of this act or the application  
37 of such provision to any person or circumstance is declared invalid for any  
38 reason, such declaration shall not affect the validity of the remaining por-  
39 tions of this act.

40 SECTION 17. An emergency existing therefor, which emergency is hereby  
41 declared to exist, this act shall be in full force and effect on and after its  
42 passage and approval, and retroactively to January 1, 2012. The provisions  
43 of Sections 1 and 2 of this act shall be null, void and of no force and effect  
44 on and after July 1, 2017. The provisions of Sections 8, 9 and 10 of this act  
45 shall be in full force and effect on and after July 1, 2017. The provisions of  
46 Sections 11, 12, 13, 14 and 15 shall be in full force and effect on and after  
47 July 1, 2017.