

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 441, As Amended in the Senate

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO THE TAXATION OF PERSONAL PROPERTY; AMENDING SECTION 33-1103,
2 IDAHO CODE, TO REVISE THE DEFINITION OF "MARKET VALUE FOR ASSESSMENT
3 PURPOSES"; AMENDING SECTION 63-201, IDAHO CODE, TO REVISE A DEFINITION;
4 AMENDING SECTION 63-309, IDAHO CODE, TO PROVIDE THAT CERTAIN PROPERTY
5 IS NOT ELIGIBLE FOR THE PERSONAL PROPERTY TAX EXEMPTION; AMENDING SEC-
6 TION 63-602KK, IDAHO CODE, TO REVISE CERTAIN ADMINISTRATIVE PROVISIONS
7 REGARDING ADMINISTRATION OF THE PERSONAL PROPERTY TAX EXEMPTION AND TO
8 MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-803, IDAHO CODE, TO RE-
9 VISE THE DEFINITION OF "TAXABLE VALUE"; AMENDING SECTION 63-803, IDAHO
10 CODE, AS ADDED BY SECTION 13, CHAPTER 339, LAWS OF 2012, TO REVISE THE
11 DEFINITION OF "TAXABLE VALUE"; AMENDING SECTION 63-3638, IDAHO CODE,
12 TO PROVIDE FOR DISTRIBUTION OF SALES TAX MONEYS IF TAXING DISTRICTS ARE
13 CONSOLIDATED, TO PROVIDE FOR THE EFFECT OF TAXING DISTRICTS OR REVENUE
14 ALLOCATION AREAS ANNEXING TERRITORY AND TO PROVIDE FOR TAXING DISTRICT
15 AND REVENUE ALLOCATION AREA INELIGIBILITY TO RECEIVE MONEYS; DECLARING
16 AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION AND PROVIDING EFFEC-
17 TIVE DATES.
18

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

20 SECTION 1. That Section 33-1103, Idaho Code, be, and the same is hereby
21 amended to read as follows:

22 33-1103. DEFINITIONS -- BONDS -- LIMITATION ON AMOUNT -- ELECTIONS TO
23 AUTHORIZE ISSUANCE. (1) For the purposes of this chapter the following def-
24 initions shall have the meanings specified: "Market value for assessment
25 purposes" means the amount of the last preceding equalized assessment of all
26 taxable property and all property exempt from taxation pursuant to section
27 63-602G, Idaho Code, and ~~property exempt from taxation pursuant to section~~
28 ~~63-602KK, Idaho Code,~~ within the school district on the tax rolls completed
29 and available as of the date of approval by the electorate in the school bond
30 election. "Aggregate outstanding indebtedness" means the total sum of unre-
31 deemed outstanding bonds, minus all moneys in the bond interest and redemp-
32 tion fund or funds accumulated for the redemption of such outstanding bonds,
33 and minus the sum of all taxes levied for the redemption of such bonds, with
34 the exception of that portion of such tax levies required for the payment of
35 interest on bonds, which taxes remain uncollected. "Issue," "issued," or
36 "issuance" means a formal delivery of bonds to any purchaser thereof and pay-
37 ment therefor to the school district.

38 (2) The board of trustees of any school district, upon approval of a ma-
39 jority thereof, may submit to the qualified school district electors of the
40 district the question as to whether the board shall be empowered to issue ne-
41 gotiable coupon bonds of the district in an amount and for a period of time to
42 be named in the notice of election.

1 (3) An elementary school district which employs not less than six (6)
2 teachers, or a school district operating an elementary school or schools,
3 and a secondary school or schools, or issuing bonds for the acquisition of
4 a secondary school or schools, may issue bonds in an amount not to exceed
5 five percent (5%) of the market value for assessment purposes thereof, less
6 the aggregate outstanding indebtedness; and no other school district shall
7 issue bonds in an amount to exceed at any time two percent (2%) of the mar-
8 ket value for assessment purposes thereof less the aggregate outstanding in-
9 debtedness. The market value for assessment purposes, the aggregate out-
10 standing indebtedness and the unexhausted debt-incurring power of the dis-
11 trict shall each be determined as of the date of approval by the electors in
12 the school bond election.

13 (4) Notice of the bond election shall be given, the election shall be
14 conducted and the returns thereof canvassed, and the qualifications of elec-
15 tors voting or offering to vote shall be, as provided in title 34, Idaho Code.

16 (5) The question shall be approved only if the percentage of votes cast
17 at such election were cast in favor thereof is that which now, or may here-
18 after be, set by the constitution of the state of Idaho. Upon such approval
19 of the issuance of bonds, the same may be issued at any time after the date of
20 such election.

21 SECTION 2. That Section 63-201, Idaho Code, be, and the same is hereby
22 amended to read as follows:

23 63-201. DEFINITIONS. As used for property tax purposes in chapters 1
24 through 23, title 63, Idaho Code, the terms defined in this section shall
25 have the following meanings, unless the context clearly indicates another
26 meaning:

27 (1) "Appraisal" means an estimate of property value for property tax
28 purposes.

29 (a) For the purpose of estimated property value to place the value on
30 any assessment roll, the value estimation must be made by the assessor
31 or a certified property tax appraiser.

32 (b) For the purpose of estimating property value to present for an ap-
33 peal filed pursuant to sections 63-501A, 63-407 and 63-409, Idaho Code,
34 the value estimation may be made by the assessor, a certified property
35 tax appraiser, a licensed appraiser, or a certified appraiser or any
36 party as specified by law.

37 (2) "Bargeline" means those water transportation tugs, boats, barges,
38 lighters and other equipment and property used in conjunction with waterways
39 for bulk transportation of freight or ship assist.

40 (3) "Cogenerators" means facilities which produce electric energy, and
41 steam or forms of useful energy which are used for industrial, commercial,
42 heating or cooling purposes.

43 (4) "Collection costs" are amounts authorized by law to be added after
44 the date of delinquency and collected in the same manner as property tax.

45 (5) "Credit card" means a card or device, whether known as a credit card
46 or by any other name, issued under an arrangement pursuant to which a card is-
47 suer gives to a cardholder the privilege of obtaining credit from the card
48 issuer or other person in purchasing or leasing property or services, ob-
49 taining loans, or otherwise.

1 (6) "Debit card" means any instrument or device, whether known as a
2 debit card or by any other name, issued with or without a fee by an issuer for
3 the use of the cardholder in depositing, obtaining or transferring funds.

4 (7) "Delinquency" means any property tax, special assessment, fee,
5 collection cost, or charge collected in the same manner as property tax, that
6 has not been paid in the manner and within the time limits provided by law.

7 (8) "Electronic funds transfer" means any transfer of funds that is
8 initiated by electronic means, such as an electronic terminal, telephone,
9 computer, ATM or magnetic tape.

10 (9) "Fixtures" means those articles that, although once movable chat-
11 tels, have become accessory to and a part of improvements to real property by
12 having been physically incorporated therein or annexed or affixed thereto
13 in such a manner that removing them would cause material injury or damage
14 to the real property, the use or purpose of such articles is integral to the
15 use of the real property to which it is affixed, and a person would reason-
16 ably be considered to intend to make the articles permanent additions to
17 the real property. "Fixtures" includes systems for the heating, air condi-
18 tioning, ventilation, sanitation, lighting and plumbing of such building.
19 ~~"Fixtures" does not include machinery, equipment or other articles that are~~
20 ~~affixed to real property to enable the proper utilization of such articles.~~

21 (10) "Floating home" means a floating structure that is designed and
22 built to be used, or is modified to be used, as a stationary waterborne resi-
23 dential dwelling.

24 (11) "Improvements" means all buildings, structures, manufactured
25 homes, as defined in section 39-4105(8), Idaho Code, mobile homes as de-
26 fined in section 39-4105(9), Idaho Code, and modular buildings, as defined
27 in section 39-4301(7), Idaho Code, erected upon or affixed to land, fences,
28 water ditches constructed for mining, manufacturing or irrigation purposes,
29 fixtures, and floating homes, whether or not such improvements are owned
30 separately from the ownership of the land upon or to which the same may be
31 erected, affixed or attached. The term "improvements" also includes all
32 fruit, nut-bearing and ornamental trees or vines not of natural growth,
33 growing upon the land, except nursery stock.

34 (12) "Late charge" means a charge of two percent (2%) of the delin-
35 quency.

36 (13) "Lawful money of the United States" means currency and coin of the
37 United States at par value and checks and drafts which are payable in dollars
38 of the United States at par value, payable upon demand or presentment.

39 (14) "Legal tender" means lawful money as defined in subsection (13) of
40 this section.

41 (15) "Market value" means the amount of United States dollars or equiva-
42 lent for which, in all probability, a property would exchange hands between a
43 willing seller, under no compulsion to sell, and an informed, capable buyer,
44 with a reasonable time allowed to consummate the sale, substantiated by a
45 reasonable down or full cash payment.

46 (16) "Operating property" means real and personal property operated
47 in connection with any public utility, railroad or private railcar fleet,
48 wholly or partly within this state, and which property is necessary to the
49 maintenance and operation of the public utility, railroad or private railcar
50 fleet, and the roads or lines thereof, and includes all rights-of-way ac-

1 compared by title; roadbeds; tracks; pipelines; bargelines; equipment and
2 docks; terminals; rolling stock; equipment; power stations; power sites;
3 lands; reservoirs, generating plants, transmission lines, distribution
4 lines and substations; and all title and interest in such property, as owner,
5 lessee or otherwise. The term includes electrical generation plants under
6 construction, whether or not owned by or operated in connection with any
7 public utility. For the purpose of the appraisal, assessment and taxation of
8 operating property, pursuant to chapter 4, title 63, Idaho Code, the value of
9 intangible personal property shall be excluded from the taxable value of op-
10 erating property in accordance with the provisions of section 63-602L, Idaho
11 Code, and the value of personal property, other than intangible personal
12 property, shall be excluded from the taxable value of operating property in
13 accordance with the provisions of section 63-602KK, Idaho Code.

14 (17) "Party in interest" means a person who holds a properly recorded
15 mortgage, deed of trust or security interest.

16 (18) "Person" means any entity, individual, corporation, partnership,
17 firm, association, limited liability company, limited liability partner-
18 ship or other such entities as recognized by the state of Idaho.

19 (19) "Personal property" means everything that is the subject of owner-
20 ship and that is not included within the term "real property."

21 (20) "Private railcar fleet" means railroad cars or locomotives owned
22 by, leased to, occupied by or franchised to any person other than a railroad
23 company operating a line of railroad in Idaho or any company classified as a
24 railroad by the interstate commerce commission and entitled to possess such
25 railroad cars and locomotives except those possessed solely for the purpose
26 of repair, rehabilitation or remanufacturing of such locomotives or rail-
27 road cars.

28 (21) "Public utility" means electrical companies, pipeline companies,
29 natural gas distribution companies, or power producers included within fed-
30 eral law, bargelines, and water companies which are under the jurisdiction
31 of the Idaho public utilities commission. The term also includes telephone
32 corporations, as that term is defined in section 62-603, Idaho Code, except
33 as hereinafter provided, whether or not such telephone corporation has been
34 issued a certificate of convenience and necessity by the Idaho public utili-
35 ties commission.

36 This term does not include cogenerators, mobile telephone service or
37 companies, nor does it include pager service or companies, except when such
38 services are an integral part of services provided by a certificated utility
39 company, nor does the term "public utility" include companies or persons en-
40 gaged in the business of providing solely on a resale basis, any telephone or
41 telecommunication service which is purchased from a telephone corporation
42 or company.

43 (22) "Railroad" means every kind of railway, whether its line of rails
44 or tracks be at, above or below the surface of the earth, and without regard
45 to the kind of power used in moving its rolling stock, and shall be consid-
46 ered to include every kind of street railway, suburban railway or interur-
47 ban railway excepting facilities established solely for maintenance and re-
48 building of railroad cars or locomotives.

49 (23) "Real property" means land and all rights and privileges thereto
50 belonging or any way appertaining, all quarries and fossils in and under the

1 land, and all other property which the law defines, or the courts may inter-
 2 pret, declare and hold to be real property under the letter, spirit, intent
 3 and meaning of the law, improvements and all standing timber thereon, in-
 4 cluding standing timber owned separately from the ownership of the land upon
 5 which the same may stand, except as modified in chapter 17, title 63, Idaho
 6 Code. Timber, forest, forest land, and forest products shall be defined as
 7 provided in chapter 17, title 63, Idaho Code.

8 (24) "Record owner" means the person or persons in whose name or names
 9 the property stands upon the records of the county recorder's office. Where
 10 the record owners are husband and wife at the time of notice of pending issue
 11 of tax deed, notice to one (1) shall be deemed and imputed as notice to the
 12 other spouse.

13 (25) "Special assessment" means a charge imposed upon property for a
 14 specific purpose, collected and enforced in the same manner as property
 15 taxes.

16 (26) "System value" means the market value for assessment purposes of
 17 the operating property when considered as a unit.

18 (27) "Tax code area" means a geographical area made up of one (1) or more
 19 taxing districts with one (1) total levy within the geographic area, except
 20 as otherwise provided by law.

21 (28) "Taxing district" means any entity or unit with the statutory au-
 22 thority to levy a property tax.

23 (29) "Taxable value" means market value for assessment purposes, less
 24 applicable exemptions or other statutory provisions.

25 (30) "Transient personal property" is personal property, specifically
 26 such construction, logging or mining machinery and equipment which is kept,
 27 moved, transported, shipped, hauled into or remaining for periods of not
 28 less than thirty (30) days, in more than one (1) county in the state during
 29 the same year.

30 (31) "Warrant of distraint" means a warrant ordering the seizure of per-
 31 sonal property to enforce payment of property tax, special assessment, ex-
 32 pense, fee, collection cost or charge collected in the same manner as per-
 33 sonal property tax.

34 SECTION 3. That Section 63-309, Idaho Code, be, and the same is hereby
 35 amended to read as follows:

36 63-309. IMPROVEMENTS ON EXEMPT AND RAILROAD RIGHTS-OF-WAY LANDS --
 37 EQUITY IN STATE PROPERTY. (1) All taxable improvements on government, In-
 38 dian, state, county, municipal or other lands exempt from taxation, and all
 39 improvements on all railroad rights-of-way owned separately from the owner-
 40 ship of the rights-of-way upon which the same stands, or in which nonexempt
 41 persons have possessory interests, shall be assessed and taxed as personal
 42 property, provided that such improvements shall not be eligible for the ex-
 43 emption provided in section 63-602KK, Idaho Code.

44 (2) Property of the state of Idaho or any department, agency or subdivi-
 45 sion thereof, or any other property not subject to property taxation to the
 46 owner thereof by reason of the legal status of the owner, held under contract
 47 of sale or lease with option to purchase, with lease moneys applicable to the
 48 purchase price, by any person, corporation or other association for his or
 49 its exclusive use, shall be subject to the purchaser or lessee for property

1 taxation. When such property is held under a contract of sale or other agree-
 2 ment whereby on certain payment or payments the legal title is or may be ac-
 3 quired by such person, firm, corporation or association, such property shall
 4 be assessed to such person, firm, corporation or association and taxed with-
 5 out deduction on account of the whole or any part of the purchase price or
 6 other sum due on such property remaining unpaid. The lien for any such prop-
 7 erty tax shall neither attach to, impair or be enforced against any interest
 8 of the state of Idaho or any department, agency or subdivision thereof.

9 (3) Refusal to pay the property tax levied upon any equity in state
 10 property by the owner upon demand by the tax collector shall operate as for-
 11 feiture of such equity.

12 SECTION 4. That Section 63-602KK, Idaho Code, be, and the same is hereby
 13 amended to read as follows:

14 63-602KK. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY.

15 (1) (a) An item of taxable personal property purchased on or after Jan-
 16 uary 1, 2013, shall be exempt from property taxation if the item of tax-
 17 able personal property has an acquisition price of three thousand dol-
 18 lars (\$3,000) or less.

19 (b) For purposes of this section, the term "acquisition cost" means all
 20 costs required to put an item of taxable personal property into service
 21 and includes:

22 (i) The purchase price of a new or used item;

23 (ii) The cost of freight and shipping;

24 (iii) The cost of installation, engineering, erection or assem-
 25 bly; and

26 (iv) Sales and use taxes.

27 (c) For purposes of this subsection, an "item of taxable personal prop-
 28 erty" means equipment, machinery, furniture or other personal property
 29 that is functioning at its highest and best use for the purpose it was
 30 designed and constructed and is generally capable of performing that
 31 function without being combined with other items of personal property.
 32 An item of taxable personal property is not an individual component part
 33 of a piece of equipment, machinery, furniture or other personal prop-
 34 erty as a whole. An item of taxable personal property does not include
 35 an improvement to real property, a part that will become an improvement,
 36 or anything defined as a fixture.

37 (2) On and after January 1, 2013, each taxpayer's personal property,
 38 located in the county, which is not otherwise exempt, shall be exempt to the
 39 extent of one hundred thousand dollars (\$100,000). For the purposes of this
 40 section, a taxpayer includes two (2) or more individuals using the property
 41 in a common enterprise or a related group of two (2) or more organizations
 42 when the individuals or organizations are within a relationship described
 43 in section 267 of the Internal Revenue Code, as defined in section 63-3004,
 44 Idaho Code.

45 (3) (a) No later than the third Monday of November 2013, the county
 46 clerk of each county shall certify to the state tax commission the
 47 amount of exemption from property taxes under subsection (2) of this
 48 section, in that county for that year. The certification shall identify
 49 the property receiving tax reductions, the value of the property, the

1 property's location, the amount of the tax levy applicable to personal
2 property in the location, and the tax before and after the exemption al-
3 lowed in subsection (2) of this section. The certification shall be in
4 the form prescribed by the state tax commission and shall include such
5 additional information as the commission may require by rule as needed
6 to implement the purpose of this section. The certification shall be
7 reviewed and, if necessary, corrected by the state tax commission.

8 (b) For the year beginning January 1, 2014, and every year thereafter,
9 the amount of annual replacement of property tax on personal property
10 exempted pursuant to subsection (2) of this section shall be the amount
11 approved by the state tax commission pursuant to paragraph (a) of this
12 subsection.

13 (4) (a) Subject to the limitations of this section, the state tax
14 commission shall reimburse from the amount appropriated for personal
15 property tax replacement in section 63-3638, Idaho Code, the county
16 treasurer of each county for the reduction on the certification pro-
17 vided in subsection (3) of this section. The county treasurer shall
18 reimburse from the amount received to each taxing district within the
19 county an amount in proportion to the amount of reduction shown on the
20 certification in subsection (3) of this section as corrected. The
21 amount that would otherwise be attributable to tax revenues derived
22 from tax levies on personal property exempted by this section within
23 an existing revenue allocation area as defined in section 50-2903(15),
24 Idaho Code, shall be paid directly by the county treasurer to such pub-
25 lic body or agency entitled thereto, equal to the amounts that would
26 have been distributed in accordance with the formula for such distribu-
27 tion set forth in section 50-2908, Idaho Code. Taxing districts created
28 on or after January 1, 2013, shall not be eligible for the reimbursement
29 provided for in this paragraph.

30 (b) The state tax commission shall pay one-half (1/2) of the reimburse-
31 ment provided in this section no later than December 20 of each year, and
32 the second one-half (1/2) shall be paid by no later than June 20 of the
33 following year. The money received by the county tax collector under
34 the provisions of this section may be considered by counties and other
35 taxing districts and budgeted against at the same time, and in the same
36 manner, and in the same year as revenues from taxation. The total amount
37 paid to the county treasurers shall not exceed the amount certified to
38 the state tax commission under subsection (3) of this section.

39 (c) For purposes of the limitation provided by section 63-802, Idaho
40 Code, moneys received from distributions pursuant to section 63-3638,
41 Idaho Code, as property tax replacement for the taxable value of prop-
42 erty exempt from taxation pursuant to this section shall be treated as
43 property tax revenues.

44 (5) (a) Nothing contained in this section shall affect the taxation of
45 forest lands or forest products pursuant to chapter 17, title 63, Idaho
46 Code, or the taxation of the net profits of mines pursuant to chapter 28,
47 title 63, Idaho Code.

48 (b) The exemption from personal property tax provided for in subsection
49 (2) of this section shall not apply to motor vehicles, recreational ve-

1 hicles, aircraft and boats, ~~which that~~ are not registered with the state
2 of Idaho and for which required registration fees have not been paid.

3 (6) (a) The application for the exemption provided for in subsection
4 (2) of this section shall be in the form prescribed by the state tax com-
5 mission and shall include such information as the state tax commission
6 may require by rule as needed to implement the purpose of this section
7 including, but not limited to, a list of each item of personal property,
8 the purchase date of each item of personal property, the unit cost of
9 each item of personal property, if more than the exemption allowed in
10 subsection (1) of this section, and the total cost of the items of per-
11 sonal property.

12 (b) The application for this exemption, if the county is capable of so
13 providing, may be transmitted by the county assessor electronically,
14 as that term is defined in section 63-115, Idaho Code, when requested
15 by the taxpayer, or mailed by the county assessor to the taxpayer, or
16 his agent or representative at the taxpayer's last known post office
17 address, no later than March 1 of each year. The transmission or mail-
18 ing of the application shall also include the taxpayer's application
19 for the exemption allowed by this section for the last year in which the
20 taxpayer filed an application.

21 (c) A taxpayer need only make application for the exemption in this sec-
22 tion once ~~every five (5) years~~, as long as all of the following condi-
23 tions are met:

24 (i) The taxpayer has received the exemption during the previous
25 year as a result of him making a valid application as defined in
26 this section.

27 (ii) The amount of the exemption allowed by this section is more
28 than the taxable value of personal property owned by the taxpayer.

29 (iii) The taxpayer has not made purchases of personal property,
30 excluding items of taxable personal property exempted pursuant to
31 subsection (1) of this section, that would cause the taxable value
32 of the personal property owned by the taxpayer to exceed the maxi-
33 mum amount allowed as an exemption by this section.

34 (~~ivd~~) Knowingly failing to report changes in the taxable value of per-
35 sonal property that exceed the amount of the exemption allowed pursuant
36 to ~~subsection (2) of this section~~ shall subject the taxpayer to a fine
37 not in excess of ten thousand dollars (\$10,000) in addition to other
38 penalties set forth in this chapter.

39 (7) Recovery of property tax exemptions allowed by this section but im-
40 properly claimed ~~per affidavit~~:

41 (a) Upon discovery of evidence, facts or circumstances indicating any
42 exemption allowed by this section was improperly claimed, the county
43 assessor shall decide whether the exemption claimed should have been
44 allowed, and if not, notify the board of county commissioners, at which
45 time the board may waive a recovery of the property tax and notify such
46 taxpayer in writing.

47 (b) The assessment and collection of the recovery of property tax must
48 begin within the seven (7) year period beginning on the date the assess-
49 ment notice reflecting the improperly claimed exemption was required to
50 be mailed to the taxpayer.

1 (c) The taxpayer may appeal to the board of tax appeals the decision by
2 the board of county commissioners to assess the recovery of property tax
3 within thirty (30) days of the date the county assessor sent the notice
4 to the taxpayer pursuant to this section.

5 (d) For purposes of calculating the tax, the amount of the recovered
6 property tax shall be for each year the exemption allowed by this sec-
7 tion was improperly claimed or approved, up to a maximum of seven (7)
8 years. The amount of the recovery of property tax shall be calculated
9 using the product of the amount of exempted value for each year multi-
10 plied by the levy for that year plus costs, late charges and interest for
11 each year at the rates equal to those provided for delinquent property
12 taxes during that year. In cases of fraud, the fine set forth in subsec-
13 tion (6) (ed) ~~(iv)~~ of this section shall be assessed for each ~~annual affi-~~
14 ~~davit filed tax year.~~

15 (e) Any recovery of property tax shall be due and payable no later than
16 the date provided for property taxes in section 63-903, Idaho Code, and
17 if not timely paid, late charges and interest, beginning the first day
18 of January in the year following the year the county assessor sent the
19 notice to the taxpayer pursuant to this section, shall be calculated at
20 the current rate provided for property taxes.

21 (f) Recovered property taxes shall be billed, collected and dis-
22 tributed in the same manner as property taxes, except each taxing dis-
23 trict or unit shall be notified of the amount of any recovered property
24 taxes included in any distribution.

25 (g) Thirty (30) days after the taxpayer is notified, as provided in
26 subsection (7) (a) of this section, the assessor shall record a notice
27 of intent to attach a lien. Upon the payment in full of such recovered
28 property taxes prior to the attachment of the lien as provided in sub-
29 section (7) (h) of this section, or upon the successful appeal by the
30 taxpayer, the county assessor shall record a rescission of the intent to
31 attach a lien within seven (7) business days of receiving such payment
32 or within seven (7) business days of the county commissioners' decision
33 granting the appeal.

34 (h) Any unpaid recovered property taxes shall become a lien upon the
35 taxpayer's personal property in the same manner as provided for prop-
36 erty taxes in section 63-206, Idaho Code, except such lien shall attach
37 as of the first day of January in the year following the year the county
38 treasurer sent the notice to the taxpayer pursuant to this section.

39 (i) For purposes of the limitation provided by section 63-802, Idaho
40 Code, moneys received pursuant to this subsection as recovery of prop-
41 erty tax shall be treated as property tax revenue.

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

44 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
45 district is required by law to certify to any county treasurer, county audi-
46 tor, county assessor, county commissioners or to any other county officer,
47 any property tax levy, upon property located within said district, such cer-
48 tification shall, notwithstanding any other provision of the law applicable

1 to any such district, be made at the time and in the manner hereinafter pro-
2 vided.

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

8 (3) Using the taxable value of the district, the council, trustees,
9 board or other governing body of any taxing district shall certify the total
10 amount required from a property tax upon property within the district to
11 raise the amount of money fixed by their budget as previously prepared or
12 approved. The amount of money so determined shall be certified in dollars
13 to the appropriate county commissioners. Any taxing unit, except regional
14 airport authorities, located in more than one (1) county shall divide its
15 dollar budget for certification to the separate counties by multiplying the
16 amount of such budget by a fraction, the numerator of which shall be the total
17 taxable value of all property in such taxing unit within the county to which
18 such certification is to be made, and the denominator of which shall be the
19 total taxable value of property in such taxing unit in all such counties.
20 Budget certification to the participating counties of regional airport
21 authorities shall be made in the manner prescribed in section 21-807(10),
22 Idaho Code. Taxable value shall be certified by the county auditor of each
23 affected county to such taxing unit and such certification shall be used in
24 this formula. Except as provided in section 33-805, Idaho Code, relating to
25 school emergency fund levies, the certification to the county commissioners
26 required in this section shall be made not later than the Thursday prior
27 to the second Monday in September, unless, upon application therefor, the
28 county commissioners grant an extension of not more than seven (7) working
29 days. After receipt of this certification, the county commissioners shall
30 make a tax levy as a percent of taxable value of all property in the taxing
31 district which, when applied to the tax rolls, will meet the budget require-
32 ments certified by such taxing districts.

33 (4) Except as provided in subsection (1)(a) through (f) of section
34 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
35 mean the portion of the equalized assessed value, less any exemptions,
36 ~~except the exemption for personal property in section 63-602KK(2), Idaho~~
37 ~~Code,~~ and the value that exceeds the value of the base assessment roll for
38 the portion of any taxing district within a revenue allocation area of an
39 urban renewal district, located within each taxing district which certifies
40 a budget to be raised from a property tax levy. When the county auditor is
41 notified of revenues sufficient to cover expenses as provided in section
42 50-2903(5), Idaho Code, taxable value shall also include the value that
43 exceeds the value of the base assessment roll for the portion of any taxing
44 district within a revenue allocation area. For each taxing district, tax-
45 able value shall include the value from the property and operating property
46 rolls for the current year and subsequent and missed property rolls for the
47 prior year or the best estimate of the subsequent and missed property rolls
48 for the current year.

1 SECTION 6. That Section 63-803, Idaho Code, as added by Section 13,
2 Chapter 339, Laws of 2012, be, and the same is hereby amended to read as fol-
3 lows:

4 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
5 district is required by law to certify to any county treasurer, county audi-
6 tor, county assessor, county commissioners or to any other county officer,
7 any property tax levy, upon property located within said district, such cer-
8 tification shall, notwithstanding any other provision of the law applicable
9 to any such district, be made at the time and in the manner hereinafter pro-
10 vided.

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

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

41 (4) Except as provided in subsection (1)(a) through (e) 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,
44 ~~except the exemption for personal property in section 63-602KK(2), Idaho~~
45 ~~Code,~~ and the value that exceeds the value of the base assessment roll for
46 the portion of any taxing district within a revenue allocation area of an
47 urban renewal district, located within each taxing district which certifies
48 a budget to be raised from a property tax levy. When the county auditor is
49 notified of revenues sufficient to cover expenses as provided in section

1 50-2903(5), Idaho Code, taxable value shall also include the value that
2 exceeds the value of the base assessment roll for the portion of any taxing
3 district within a revenue allocation area. For each taxing district, tax-
4 able value shall include the value from the property and operating property
5 rolls for the current year and subsequent and missed property rolls for the
6 prior year or the best estimate of the subsequent and missed property rolls
7 for the current year.

8 SECTION 7. That Section 63-3638, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
11 chapter, except as may otherwise be required in sections 63-3203 and
12 63-3709, Idaho Code, shall be distributed by the state tax commission as
13 follows:

14 (1) An amount of money shall be distributed to the state refund account
15 sufficient to pay current refund claims. All refunds authorized under this
16 chapter by the state tax commission shall be paid through the state refund
17 account, and those moneys are continuously appropriated.

18 (2) Five million dollars (\$5,000,000) per year is continuously appro-
19 priated and shall be distributed to the permanent building fund, provided by
20 section 57-1108, Idaho Code.

21 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
22 is continuously appropriated and shall be distributed to the water pollution
23 control account established by section 39-3628, Idaho Code.

24 (4) An amount equal to the sum required to be certified by the chair-
25 man of the Idaho housing and finance association to the state tax commis-
26 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
27 appropriated and shall be paid to any capital reserve fund, established by
28 the Idaho housing and finance association pursuant to section 67-6211, Idaho
29 Code. Such amounts, if any, as may be appropriated hereunder to the capital
30 reserve fund of the Idaho housing and finance association shall be repaid for
31 distribution under the provisions of this section, subject to the provisions
32 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
33 tion, as soon as possible, from any moneys available therefor and in excess
34 of the amounts which the association determines will keep it self-support-
35 ing.

36 (5) An amount equal to the sum required by the provisions of sections
37 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
38 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
39 paid as provided by sections 63-709 and 63-717, Idaho Code.

40 (6) An amount required by the provisions of chapter 53, title 33, Idaho
41 Code.

42 (7) An amount required by the provisions of chapter 87, title 67, Idaho
43 Code.

44 (8) For fiscal year 2011, and each fiscal year thereafter, four million
45 one hundred thousand dollars (\$4,100,000), of which two million two hundred
46 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
47 (44) counties in equal amounts, and one million nine hundred thousand dol-
48 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-
49 ties in the proportion that the population of the county bears to the popula-

1 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,
2 the amount distributed pursuant to this subsection, shall be adjusted annu-
3 ally by the state tax commission in accordance with the consumer price index
4 for all urban consumers (CPI-U) as published by the U.S. department of la-
5 bor, bureau of labor statistics, but in no fiscal year shall the total amount
6 allocated for counties under this subsection, be less than four million one
7 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-
8 justment required in this section shall be distributed to each county in the
9 proportion that the population of the county bears to the population of the
10 state. Each county shall establish a special election fund to which shall be
11 deposited all revenues received from the distribution pursuant to this sub-
12 section. All such revenues shall be used exclusively to defray the costs as-
13 sociated with conducting elections as required of county clerks by the pro-
14 visions of section 34-1401, Idaho Code.

15 (9) One dollar (\$1.00) on each application for certificate of title
16 or initial application for registration of a motor vehicle, snowmobile,
17 all-terrain vehicle or other vehicle processed by the county assessor or the
18 Idaho transportation department excepting those applications in which any
19 sales or use taxes due have been previously collected by a retailer, shall be
20 a fee for the services of the assessor of the county or the Idaho transporta-
21 tion department in collecting such taxes, and shall be paid into the current
22 expense fund of the county or state highway account established in section
23 40-702, Idaho Code.

24 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-
25 ated and shall be distributed to the revenue sharing account which is created
26 in the state treasury, and the moneys in the revenue sharing account will be
27 paid in installments each calendar quarter by the state tax commission as
28 follows:

29 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
30 various cities as follows:

31 (i) Fifty percent (50%) of such amount shall be paid to the vari-
32 ous cities, and each city shall be entitled to an amount in the pro-
33 portion that the population of that city bears to the population of
34 all cities within the state; and

35 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
36 ous cities, and each city shall be entitled to an amount in the pro-
37 portion that the preceding year's market value for assessment pur-
38 poses for that city bears to the preceding year's market value for
39 assessment purposes for all cities within the state.

40 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
41 various counties as follows:

42 (i) One million three hundred twenty thousand dollars
43 (\$1,320,000) annually shall be distributed one forty-fourth
44 (1/44) to each of the various counties; and

45 (ii) The balance of such amount shall be paid to the various coun-
46 ties, and each county shall be entitled to an amount in the propor-
47 tion that the population of that county bears to the population of
48 the state;

1 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
2 priated in this subsection shall be paid to the several counties for
3 distribution to the cities and counties as follows:

4 (i) Each city and county which received a payment under the provi-
5 sions of section 63-3638 (e), Idaho Code, during the fourth quarter
6 of calendar year 1999, shall be entitled to a like amount during
7 succeeding calendar quarters.

8 (ii) If the dollar amount of money available under this subsection
9 (10) (c) in any quarter does not equal the amount paid in the fourth
10 quarter of calendar year 1999, each city's and county's payment
11 shall be reduced proportionately.

12 (iii) If the dollar amount of money available under this subsec-
13 tion (10) (c) in any quarter exceeds the amount paid in the fourth
14 quarter of calendar year 1999, each city and county shall be en-
15 titled to a proportionately increased payment, but such increase
16 shall not exceed one hundred five percent (105%) of the total pay-
17 ment made in the fourth quarter of calendar year 1999.

18 (iv) If the dollar amount of money available under this subsection
19 (10) (c) in any quarter exceeds one hundred five percent (105%) of
20 the total payment made in the fourth quarter of calendar year 1999,
21 any amount over and above such one hundred five percent (105%)
22 shall be paid fifty percent (50%) to the various cities in the pro-
23 portion that the population of the city bears to the population of
24 all cities within the state, and fifty percent (50%) to the various
25 counties in the proportion that the population of a county bears to
26 the population of the state; and

27 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in
28 this subsection shall be paid to the several counties for distribution
29 to special purpose taxing districts as follows:

30 (i) Each such district which received a payment under the provi-
31 sions of section 63-3638 (e), Idaho Code, during the fourth quarter
32 of calendar year 1999, shall be entitled to a like amount during
33 succeeding calendar quarters.

34 (ii) If the dollar amount of money available under this subsec-
35 tion (10) (d) in any quarter does not equal the amount paid in the
36 fourth quarter of calendar year 1999, each special purpose taxing
37 district's payment shall be reduced proportionately.

38 (iii) If the dollar amount of money available under this subsec-
39 tion (10) (d) in any quarter exceeds the amount distributed under
40 paragraph (i) of this subsection (10) (d), each special purpose
41 taxing district shall be entitled to a share of the excess based on
42 the proportion each such district's current property tax budget
43 bears to the sum of the current property tax budgets of all such
44 districts in the state. The state tax commission shall calculate
45 district current property tax budgets to include any unrecovered
46 foregone amounts as determined under section 63-802(1) (e), Idaho
47 Code. When a special purpose taxing district is situated in more
48 than one (1) county, the state tax commission shall determine the
49 portion attributable to the special purpose taxing district from
50 each county in which it is situated.

1 (iv) If special purpose taxing districts are consolidated, the
2 resulting district is entitled to a base amount equal to the sum of
3 the base amounts which were received in the last calendar quarter
4 by each district prior to the consolidation.

5 (v) If a special purpose taxing district is dissolved or disin-
6 corporated, the state tax commission shall continuously distrib-
7 ute to the board of county commissioners an amount equal to the
8 last quarter's distribution prior to dissolution or disincorpora-
9 tion. The board of county commissioners shall determine any re-
10 distribution of moneys so received.

11 (vi) Taxing districts formed after January 1, 2001, are not enti-
12 tled to a payment under the provisions of this subsection (10) (d).

13 (vii) For purposes of this subsection (10) (d), a special purpose
14 taxing district is any taxing district which is not a city, a
15 county or a school district.

16 (11) Amounts calculated in accordance with section 2, chapter 356, laws
17 of 2001, for annual distribution to counties and other taxing districts be-
18 ginning in October 2001 for replacement of property tax on farm machinery and
19 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
20 districts, the state tax commission shall distribute one-fourth (1/4) of
21 this amount certified quarterly to each county. For school districts, the
22 state tax commission shall distribute one-fourth (1/4) of the amount certi-
23 fied quarterly to each school district. For nonschool districts, the county
24 auditor shall distribute to each district within thirty (30) calendar days
25 from receipt of moneys from the state tax commission. Moneys received by
26 each taxing district for replacement shall be utilized in the same manner
27 and in the same proportions as revenues from property taxation. The moneys
28 remitted to the county treasurer for replacement of property exempt from
29 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
30 counties and other taxing districts and budgeted at the same time, in the
31 same manner and in the same year as revenues from taxation on personal prop-
32 erty which these moneys replace. If taxing districts are consolidated, the
33 resulting district is entitled to an amount equal to the sum of the amounts
34 which were received in the last calendar quarter by each district pursuant
35 to this subsection prior to the consolidation. If a taxing district is
36 dissolved or disincorporated, the state tax commission shall continuously
37 distribute to the board of county commissioners an amount equal to the
38 last quarter's distribution prior to dissolution or disincorporation. The
39 board of county commissioners shall determine any redistribution of moneys
40 so received. If a taxing district annexes territory, the distribution of
41 moneys received pursuant to this subsection shall be unaffected. Taxing
42 districts formed after January 1, 2001, are not entitled to a payment under
43 the provisions of this subsection. School districts shall receive an amount
44 determined by multiplying the sum of the year 2000 school district levy mi-
45 nus .004 times the market value on December 31, 2000, in the district of the
46 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-
47 vided that the result of these calculations shall not be less than zero (0).
48 The result of these school district calculations shall be further increased
49 by six percent (6%). For purposes of the limitation provided by section
50 63-802, Idaho Code, moneys received pursuant to this section as property tax

1 replacement for property exempt from taxation pursuant to section 63-602EE,
2 Idaho Code, shall be treated as property tax revenues.

3 (12) Amounts necessary to pay refunds as provided in section 63-3641,
4 Idaho Code, to a developer of a retail complex shall be remitted to the demon-
5 stration pilot project fund created in section 63-3641, Idaho Code.

6 (13) Amounts calculated in accordance with subsection (4) of section
7 63-602KK, Idaho Code, for annual distribution to counties and other taxing
8 districts for replacement of property tax on personal property tax exemp-
9 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
10 amounts are continuously appropriated unless the legislature enacts a dif-
11 ferent appropriation for a particular fiscal year. For purposes of the
12 limitation provided by section 63-802, Idaho Code, moneys received pursuant
13 to this section as property tax replacement for property exempt from taxa-
14 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
15 tax revenues. If taxing districts are consolidated, the resulting district
16 is entitled to an amount equal to the sum of the amounts that were received in
17 the last calendar year by each district pursuant to this subsection prior to
18 the consolidation. If a taxing district or revenue allocation area annexes
19 territory, the distribution of moneys received pursuant to this subsection
20 shall be unaffected. Taxing districts and revenue allocation areas formed
21 after January 1, 2013, are not entitled to a payment under the provisions of
22 this subsection.

23 (14) Any moneys remaining over and above those necessary to meet and
24 reserve for payments under other subsections of this section shall be dis-
25 tributed to the general fund.

26 SECTION 8. An emergency existing therefor, which emergency is hereby
27 declared to exist, Sections 1, 2, 3, 4, 5 and 7 of this act shall be in full
28 force and effect on and after passage and approval, and retroactively to Jan-
29 uary 1, 2014. Section 6 of this act shall be in full force and effect on and
30 after July 1, 2017.