

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 505

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO SALES TAX DISTRIBUTION; AMENDING SECTION 63-3638, IDAHO CODE,  
2 TO REVISE DISTRIBUTIONS OF CERTAIN MONEYS; AND PROVIDING AN EFFECTIVE  
3 DATE.  
4

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

6 SECTION 1. That Section 63-3638, Idaho Code, be, and the same is hereby  
7 amended to read as follows:

8 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
9 chapter, except as may otherwise be required in sections 63-3203 and  
10 63-3709, Idaho Code, shall be distributed by the state tax commission as  
11 follows:

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

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

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

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

34 (5) An amount equal to the sum required by the provisions of sections  
35 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
36 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
37 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

1 (8) For fiscal year 2011, and each fiscal year thereafter, four million  
2 one hundred thousand dollars (\$4,100,000), of which two million two hundred  
3 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four  
4 (44) counties in equal amounts, and one million nine hundred thousand dol-  
5 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-  
6 ties in the proportion that the population of the county bears to the popula-  
7 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,  
8 the amount distributed pursuant to this subsection, shall be adjusted annu-  
9 ally by the state tax commission in accordance with the consumer price index  
10 for all urban consumers (CPI-U) as published by the U.S. department of la-  
11 bor, bureau of labor statistics, but in no fiscal year shall the total amount  
12 allocated for counties under this subsection, be less than four million one  
13 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-  
14 justment required in this section shall be distributed to each county in the  
15 proportion that the population of the county bears to the population of the  
16 state. Each county shall establish a special election fund to which shall be  
17 deposited all revenues received from the distribution pursuant to this sub-  
18 section. All such revenues shall be used exclusively to defray the costs as-  
19 sociated with conducting elections as required of county clerks by the pro-  
20 visions of section 34-1401, Idaho Code.

21 (9) One dollar (\$1.00) on each application for certificate of title  
22 or initial application for registration of a motor vehicle, snowmobile,  
23 all-terrain vehicle or other vehicle processed by the county assessor or the  
24 Idaho transportation department excepting those applications in which any  
25 sales or use taxes due have been previously collected by a retailer, shall be  
26 a fee for the services of the assessor of the county or the Idaho transporta-  
27 tion department in collecting such taxes, and shall be paid into the current  
28 expense fund of the county or state highway account established in section  
29 40-702, Idaho Code.

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

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

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

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

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

48 (i) One million three hundred twenty thousand dollars  
49 (\$1,320,000) annually shall be distributed one forty-fourth  
50 (1/44) to each of the various counties; and

1           (ii) The balance of such amount shall be paid to the various coun-  
2           ties, and each county shall be entitled to an amount in the propor-  
3           tion that the population of that county bears to the population of  
4           the state;

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

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

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

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

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

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

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

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

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

1 Code. When a special purpose taxing district is situated in more  
2 than one (1) county, the state tax commission shall determine the  
3 portion attributable to the special purpose taxing district from  
4 each county in which it is situated.

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

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

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

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

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

1 vided that the result of these calculations shall not be less than zero (0).  
2 The result of these school district calculations shall be further increased  
3 by six percent (6%). For purposes of the limitation provided by section  
4 63-802, Idaho Code, moneys received pursuant to this section as property tax  
5 replacement for property exempt from taxation pursuant to section 63-602EE,  
6 Idaho Code, shall be treated as property tax revenues.

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

10 (13) Amounts calculated in accordance with subsection (4) of section  
11 63-602KK, Idaho Code, for annual distribution to counties and other taxing  
12 districts for replacement of property tax on personal property tax exemp-  
13 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which  
14 amounts are continuously appropriated unless the legislature enacts a dif-  
15 ferent appropriation for a particular fiscal year. For purposes of the  
16 limitation provided by section 63-802, Idaho Code, moneys received pursuant  
17 to this section as property tax replacement for property exempt from taxa-  
18 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property  
19 tax revenues.

20 (14) An amount equal to two percent (2%) of moneys remaining over and  
21 above those necessary to meet and reserve for payments under subsections (1)  
22 through (13) of this section shall be distributed in the following manner:

23 (a) Fifty-seven percent (57%) to the state highway account as estab-  
24 lished in section 40-702, Idaho Code, provided that all such moneys may  
25 be expended only upon the planning, engineering, maintenance and con-  
26 struction of state highways; and

27 (b) Forty-three percent (43%) to local units of government and shall  
28 be distributed in the manner provided for in section 40-709(1) through  
29 (4), Idaho Code, provided that all such moneys may be expended only upon  
30 the planning, engineering, maintenance and construction of roads.

31 (15) Any moneys remaining over and above those necessary to meet and  
32 reserve for payments under other subsections of this section shall be dis-  
33 tributed to the general fund.

34 SECTION 2. This act shall be in full force and effect on and after July  
35 1, 2015.