LEGISLATURE OF THE STATE OF IDAHO  
Sixty-third Legislature Second Regular Session - 2016  

IN THE HOUSE OF REPRESENTATIVES  

HOUSE BILL NO. 534  

BY REVENUE AND TAXATION COMMITTEE  

1 AN ACT  
2 RELATING TO THE TAXATION OF THE SOLAR ENERGY PRODUCTION OF ELECTRICITY;  
3 REPEALING SECTION 63-602JJ, IDAHO CODE, RELATING TO CERTAIN PROPERTY  
4 EXEMPT FROM PROPERTY TAXATION; AMENDING CHAPTER 6, TITLE 63, IDAHO  
5 CODE, BY THE ADDITION OF A NEW SECTION 63-602JJ, IDAHO CODE, TO PROVIDE  
6 FOR THE EXEMPTION OF CERTAIN PROPERTY; AMENDING SECTION 63-802, IDAHO  
7 CODE, TO ADD A LIMITATION ON BUDGET REQUESTS BY TAXING DISTRICTS TO AC-  
8 COUNT FOR SOLAR ENERGY TAX RECEIVED AND TO MAKE TECHNICAL CORRECTIONS;  
9 AMENDING SECTION 63-802, IDAHO CODE, AS AMENDED BY SECTION 2, CHAPTER  
10 10, LAWS OF 2015, TO ADD A LIMITATION ON BUDGET REQUESTS BY TAXING DIS-  
11 TRICITS TO ACCOUNT FOR SOLAR ENERGY TAX RECEIVED AND TO MAKE TECHNICAL  
12 CORRECTIONS; AMENDING SECTION 63-3501, IDAHO CODE, TO REMOVE AND TO  
13 REVISE DEFINITIONS; AMENDING SECTION 63-3502, IDAHO CODE, TO CLARIFY  
14 THE TYPE OF PROPERTY SUBJECT TO THE GROSS RECEIPTS TAX; AMENDING SECTION  
15 63-3502A, IDAHO CODE, TO CLARIFY THE TYPE OF PROPERTY SUBJECT TO THE  
16 GROSS EARNINGS TAX; AMENDING SECTION 63-3502B, IDAHO CODE, TO LEVY A TAX  
17 OF THREE AND ONE-HALF PERCENT ON GROSS SOLAR ENERGY EARNINGS; AMENDING  
18 SECTION 63-3503, IDAHO CODE, TO CLARIFY THE TYPE OF PROPERTY SUBJECT  
19 TO THE GROSS RECEIPTS TAX; AMENDING SECTION 63-3503A, IDAHO CODE, TO  
20 CLARIFY THE TYPE OF PROPERTY SUBJECT TO THE GROSS RECEIPTS TAX; AMENDING  
21 SECTION 63-3503B, IDAHO CODE, TO REQUIRE A REPORT OF GROSS SOLAR EN-  
22 ERGY EARNINGS, TO PROVIDE FOR THE APPORTIONMENT OF THE SOLAR ENERGY TAX  
23 AND TO CLARIFY THE TYPE OF PROPERTY SUBJECT TO THE GROSS RECEIPTS TAX;  
24 AMENDING SECTION 63-3504, IDAHO CODE, TO PROVIDE FOR NOTICE OF THE TAX  
25 OWED BY SOLAR ENERGY ELECTRICITY PRODUCERS; AMENDING SECTION 63-3505,  
26 IDAHO CODE, TO AUTHORIZE A LIEN ON PROPERTY FOR UNPAID SOLAR ENERGY  
27 TAXES; AMENDING SECTION 63-3506, IDAHO CODE, TO PROVIDE THAT CERTAIN  
28 PROPERTY OF SOLAR ENERGY ELECTRICITY PRODUCERS IS TAXABLE AND IS SUB-  
29 JECT TO A LIEN FOR UNPAID TAXES; AMENDING SECTION 43-1510, IDAHO CODE,  
30 TO CLARIFY THE TYPE OF IRRIGATION PROPERTY THAT IS EXEMPT FROM TAXATION;  
31 AMENDING SECTION 63-602N, IDAHO CODE, TO CLARIFY THE TYPE OF IRRIGATION  
32 PROPERTY THAT IS EXEMPT FROM TAXATION; AND PROVIDING AN EFFECTIVE DATE.  

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

SECTION 1. That Section 63-602JJ, Idaho Code, be, and the same is hereby  
35 repealed.  

SECTION 2. That Chapter 6, Title 63, Idaho Code, be, and the same is  
37 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
38 ignated as Section 63-602JJ, Idaho Code, and to read as follows:  

63-602JJ. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PROPERTY OF PRO-  
40 DUCER OF ELECTRICITY BY MEANS OF WIND, SOLAR OR GEOTHERMAL ENERGY. Real es-  
41 tate, fixtures or personal property is exempt from taxation if it is:
(1) Owned, controlled, operated or managed by an electrical or natural gas association or producer of electricity by means of wind energy, solar energy or geothermal energy, excluding entities that are regulated by the Idaho public utilities commission as to price;

(2) Held or used in connection with or to facilitate the generation, transmission, distribution, delivery or measuring of electric power, natural gas or electrical energy generated, manufactured or produced by means of wind energy, solar energy or geothermal energy, and all conduits, ducts or other devices, materials, apparatus or property for containing, holding or carrying conductors used for the transmission, distribution and delivery of electric power, natural gas or electric energy generated, manufactured or produced by means of wind energy, solar energy or geothermal energy, including construction tools, materials and supplies; and

(3) Subject to the taxes on gross wind, solar or geothermal energy earnings pursuant to chapter 35, title 63, Idaho Code.

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

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

(a) The dollar amount of property taxes certified for its annual budget for any one (1) of the three (3) tax years preceding the current tax year, whichever is greater, for the past tax year, which amount may be increased by a growth factor of not to exceed three percent (3%) plus the amount of revenue calculated as described in this subsection. Multiply the levy of the previous year, not including any levy described in subsection (4) of this section, or any school district levy reduction resulting from a distribution of state funds pursuant to section 63-3638(11) or (13), Idaho Code, by the value shown on the new construction roll compiled pursuant to section 63-301A, Idaho Code; and by the value of annexation during the previous calendar year, as certified by the state tax commission for market values of operating property of public utilities and by the county assessor;

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

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

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

(e) In the case of a nonschool district for which less than the maximum allowable increase in the dollar amount of property taxes is certified for annual budget purposes in any one (1) year, such a district may, in any following year, recover the forgone increase by certifying, in addition to any increase otherwise allowed, an amount not to exceed one hundred percent (100%) of the increase originally forgone.
forgone. Said additional amount shall be included in future calculations for increases as allowed;

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

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

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

(i) In the instance or case of cooperative service agencies, the restrictions imposed in sections 33-315 through 33-318, Idaho Code;

(j) The amount of money received in the twelve (12) months immediately preceding June 30 of the current tax year as a result of distributions of the tax provided in section 63-3502B(2), Idaho Code.

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

(3) No board of county commissioners shall set a levy, nor shall the state tax commission approve a levy for annual budget purposes, which exceeds the limitation imposed in subsection (1) of this section unless authority to exceed such limitation has been approved by a majority of the taxing district's electors voting on the question at an election called for that purpose and held pursuant to section 34-106, Idaho Code, provided however, that such voter approval shall be for a period of not to exceed two (2) years.
(4) The amount of property tax revenues to finance an annual budget does not include revenues from nonproperty tax sources, and does not include revenue from levies to satisfy judgments pursuant to section 63-1305A, Idaho Code, and revenue from levies that are voter approved for bonds, override levies or supplemental levies, plant facilities reserve fund levies, school emergency fund levies or for levies applicable to newly annexed property or for levies applicable to new construction as evidenced by the value of property subject to the occupancy tax pursuant to section 63-317, Idaho Code, for the preceding tax year.

SECTION 4. That Section 63-802, Idaho Code, as amended by Section 2, Chapter 10, Laws of 2015, be, and the same is hereby amended to read as follows:

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

(a) The dollar amount of property taxes certified for its annual budget for any one (1) of the three (3) tax years preceding the current tax year, whichever is greater, for the past tax year, which amount may be increased by a growth factor of not to exceed three percent (3%) plus the amount of revenue calculated as described in this subsection. Multiply the levy of the previous year, not including any levy described in subsection (4) of this section, or any school district levy reduction resulting from a distribution of state funds pursuant to section 63-3638(11) or (13), Idaho Code, by the value shown on the new construction roll compiled pursuant to section 63-301A, Idaho Code; and by the value of annexation during the previous calendar year, as certified by the state tax commission for market values of operating property of public utilities and by the county assessor;

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

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

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

(e) In the case of a nonschool district for which less than the maximum allowable increase in the dollar amount of property taxes is certified for annual budget purposes in any one (1) year, such a district may, in any following year, recover the foregone forgone increase by certifying, in addition to any increase otherwise allowed, an amount not to exceed one hundred percent (100%) of the increase originally foregone. Said additional amount shall be included in future calculations for increases as allowed;

(f) In the case of cities, if the immediately preceding year's levy subject to the limitation provided by this section, is less than 0.004, the city may increase its budget by an amount not to exceed the difference between 0.004 and actual prior year's levy multiplied by the prior
year's market value for assessment purposes. The additional amount
must be approved by sixty percent (60%) of the voters voting on the ques-
tion at an election called for that purpose and held on the date in May or
November provided by law, and may be included in the annual budget of the
city for purposes of this section;
(g) A taxing district may submit to the electors within the district
the question of whether the budget from property tax revenues may be
increased beyond the amount authorized in this section, but not beyond
the levy authorized by statute. The additional amount must be approved
by sixty-six and two-thirds percent (66 2/3%) or more of the voters
voting on the question at an election called for that purpose and held
on the May or November dates provided by section 34-106, Idaho Code.
If approved by the required minimum sixty-six and two-thirds percent
(66 2/3%) of the voters voting at the election, the new budget amount
shall be the base budget for the purposes of this section;
(h) When a nonschool district consolidates with another nonschool
district or dissolves and a new district performing similar governmen-
tal functions as the dissolved district forms with the same boundaries
within three (3) years, the maximum amount of a budget of the district
from property tax revenues shall not be greater than the sum of the
amounts that would have been authorized by this section for the district
itself or for the districts that were consolidated or dissolved and in-
corporated into a new district;
(i) In the instance or case of cooperative service agencies, the re-
strictions imposed in sections 33-315 through 33-318, Idaho Code;
(j) The amount of money received in the twelve (12) months immediately
preceding June 30 of the current tax year as a result of distributions of
the tax provided in section 63-3502B(2), Idaho Code.
(2) In the case of fire districts, during the year immediately follow-
ing the election of a public utility or public utilities to consent to be pro-
vided fire protection pursuant to section 31-1425, Idaho Code, the maximum
amount of property tax revenues permitted in subsection (1) of this section
may be increased by an amount equal to the current year's taxable value of the
consenting public utility or public utilities multiplied by that portion of
the prior year's levy subject to the limitation provided by subsection (1) of
this section.
(3) No board of county commissioners shall set a levy, nor shall the
state tax commission approve a levy for annual budget purposes, which ex-
ceeds the limitation imposed in subsection (1) of this section unless au-
 thority to exceed such limitation has been approved by a majority of the tax-
ing district's electors voting on the question at an election called for that
purpose and held pursuant to section 34-106, Idaho Code, provided however,
that such voter approval shall be for a period of not to exceed two (2) years.
(4) The amount of property tax revenues to finance an annual budget
does not include revenues from nonproperty tax sources, and does not include
revenue from levies that are voter approved for bonds, override levies or
supplemental levies, plant facilities reserve fund levies, school emergency
fund levies or for levies applicable to newly annexed property or for levies
applicable to new construction as evidenced by the value of property subject
to the occupancy tax pursuant to section 63-317, Idaho Code, for the preceding tax year.

SECTION 5. That Section 63-3501, Idaho Code, be, and the same is hereby amended to read as follows:

63-3501. DEFINITIONS. For the purposes of this chapter:
(a) The term "cooperative electrical association" means any nonprofit, cooperative association organized and maintained by its members, whether incorporated or unincorporated, for the purpose of transmitting, distributing or delivering electric power to its members.
(b) The term "cooperative natural gas association" means any nonprofit cooperative association organized and maintained by its members, whether incorporated or unincorporated, for the purpose of transmitting, distributing or delivering natural gas to its members.
(c) The term "cost of power" means the cost of power purchases and generation included in reports to, and in accordance with applicable requirements of, the rural electrification administration, United States Department of Agriculture, by cooperative electrical associations which are borrowers from the rural electrification administration, and for cooperative electrical associations which are not borrowers from the rural electrification administration, such costs which could have been included by such cooperative electrical associations using equivalent reporting and accounting requirements. The state tax commission shall prescribe necessary rules for the purpose of providing a uniform method of reporting cost of power purchases and generation by cooperative electrical associations, consistent with the reporting and accounting requirements of the rural electrification administration.
(d) The term "cost of gas" means the cost of natural gas purchased by cooperative natural gas associations from wholesale or other suppliers of natural gas for delivery to members of the cooperative natural gas association.
(e) The term "gross electrical earnings" means the gross receipts of a cooperative electrical association from the distribution, delivery and sale of electric power within the state of Idaho, but shall not include any earnings or receipts from the distribution, delivery or sale of electric power consumed in pumping water for irrigation or drainage purposes within the state of Idaho, upon the land of such consumer and for the use and benefit of his own land, and where such consumer has received from the association a refund, rebate, or credit of three and one-half percent (3 1/2%) of the cost to him of the electric power so used and consumed.
(f) The term "gross natural gas earnings" means the gross receipts of a cooperative natural gas association from the distribution, delivery and sale of natural gas within the state of Idaho.
(g) The term "gross wind, solar or geothermal energy earnings" means the gross receipts of a wind energy generator, solar energy generator or a geothermal energy generator from the distribution, delivery and sale to a customer for the direct use or resale of electrical energy generated, manufactured or produced by means of wind energy, solar energy or geothermal energy within the state of Idaho.
(h) The term "operating property" means and includes all real estate, fixtures, or personal property owned, controlled, operated or managed by such
electrical or natural gas association, or producer of electricity by means of wind energy or geothermal energy, excluding entities that are regulated by the Idaho public utilities commission as to price, in connection with or to facilitate the generation, transmission, distribution, delivery, or measuring of electric power, natural gas, or electrical energy generated, manufactured or produced by means of wind energy or geothermal energy, excluding entities that are regulated by the Idaho public utilities commission as to price, and all conduits, ducts, or other devices, materials, apparatus or property for containing, holding or carrying conduits used for the transmission, distribution and delivery of electric power, natural gas, or electrical energy generated, manufactured or produced by means of wind energy or geothermal energy, excluding entities that are regulated by the Idaho public utilities commission as to price, including construction tools, materials and supplies.

(i) The term "nonoperating property" means all other property, real or personal, owned, controlled or managed by such electrical or natural gas association.

(ij) The term "taxing unit" shall include any of the following that had property taxes levied in the prior year: the separate taxing districts of the county as well as the county itself and any such taxing district's fund having a different geographical boundary than such taxing district itself.

(k) The term "tax levy" means the total tax levies fixed by each taxing district, as defined herein, in the prior calendar year.

(jj) The term "WPPSS 4 and 5 costs" means, for a cooperative electrical association which is a participant under the Washington public power supply system nuclear projects numbers 4 and 5 participants' agreement, dated July 14, 1976, all of its costs in connection with Washington public power supply system nuclear projects numbers 4 and 5.

(ik) The term "weighted wire mileage factor" means a figure which is arrived at by multiplying the tax levy of each taxing unit by the number of wire miles of transmission and distribution lines of such cooperative electrical association situated in such taxing unit.

(ll) The term "gas line mileage factor" means a figure which is arrived at by multiplying the tax levy of each taxing unit by the number of miles of natural gas transmission and distribution lines of such cooperative natural gas association situated in such taxing unit.

SECTION 6. That Section 63-3502, Idaho Code, be, and the same is hereby amended to read as follows:

63-3502. LEVY OF TAX ON ANNUAL GROSS ELECTRICAL EARNINGS. There shall be levied against every cooperative electrical association in this state a tax of three and one-half percent (3 1/2%) of its annual gross earnings, after first reducing such gross earnings by its cost of power and WPPSS 4 and 5 costs in such sum as the amount of its gross earnings bear to its gross receipts from the distribution, delivery and sale of electric power within the state of Idaho. This tax shall be in lieu of all other taxes on the operating property of such association exempted pursuant to section 63-602JJ, Idaho Code, for the tax year next preceding the filing of the statement hereinafter provided for, and which shall be paid in the manner and at the time prescribed herein.
SECTION 7. That Section 63-3502A, Idaho Code, be, and the same is hereby amended to read as follows:

63-3502A. LEVY OF TAX ON ANNUAL GROSS NATURAL GAS EARNINGS. There shall be levied against every cooperative natural gas association in this state a tax of three and one-half percent (3 1/2%) of its annual gross earnings, after first reducing such gross earnings by its cost of natural gas. This tax shall be in lieu of all other taxes on the operating property of such association exempted pursuant to section 63-602JJ, Idaho Code, of the tax year next preceding the filing of the statement hereinafter provided for, and which shall be paid in the manner and at the time prescribed herein.

SECTION 8. That Section 63-3502B, Idaho Code, be, and the same is hereby amended to read as follows:

63-3502B. LEVY OF TAX ON WIND ENERGY, SOLAR ENERGY OR GEOTHERMAL ENERGY ELECTRICAL PRODUCTION. (1) There shall be levied against every producer of electricity by means of wind energy or geothermal energy, a wind energy tax or a geothermal energy tax equal to the amount of three percent (3%) of such producer's gross wind energy earnings or geothermal energy earnings.

(2) A solar energy tax shall be levied against every producer of electricity by means of solar energy in the amount of three and one-half percent (3.5%) of the producer's gross solar energy earnings.

(3) This wind energy tax, solar energy tax or geothermal energy tax shall be in lieu of all other taxes on the operating property, as defined in section 63-3501(h), Idaho Code, of such wind energy producer, of such solar energy producer or of such geothermal energy producer exempted pursuant to section 63-602JJ, Idaho Code.

(4) For purposes of the certification required by section 63-803, Idaho Code, and the limitations provided by section 63-802, Idaho Code, the taxes levied pursuant to subsection (2) of this section shall reduce the property tax to be levied to finance an annual budget, and shall not be included in the amount of property tax revenues to finance an annual budget for purposes of limitations on increases in the annual budget as provided in section 63-802, Idaho Code.

SECTION 9. That Section 63-3503, Idaho Code, be, and the same is hereby amended to read as follows:

63-3503. FILING OPERATORS' STATEMENT -- ALLOTMENT AND APPORTIONMENT OF TAX DUE FROM ELECTRICAL ASSOCIATIONS BY STATE TAX COMMISSION. Every cooperative electrical association in this state shall file with the state tax commission of the state of Idaho the operators' statement provided for in section 63-404, Idaho Code, and shall include thereon a statement of the amount of its gross earnings for the calendar year next preceding. Upon examining and verifying said statement the state tax commission shall compute the amount of the tax measured by the gross earnings and shall allot to each county in which the operating property of such association is situate, and otherwise exempted from taxation by section 63-602JJ, Idaho Code, that proportion of the total tax of such association shown to be due as the number
of wire miles of transmission and distribution lines of such association
situate in such county bears to the total wire miles of transmission and
distribution lines of such association. The state tax commission shall
then, for each county, apportion the tax so allotted to the county among the
several taxing units thereof within which any operating property of such
association is situate, and otherwise exempted from taxation by section
63-602JJ, Idaho Code, by apportioning to each such taxing unit that propor-
tion of the tax so allotted to the county as the weighted wire mileage factor
for each such taxing unit bears to the total of the weighted wire mileage
factors of all such taxing units in the county, and shall immediately notify
the state superintendent of public instruction and the county treasurer of
such allotment and apportionment and the amounts thereof.

SECTION 10. That Section 63-3503A, Idaho Code, be, and the same is
hereby amended to read as follows:

63-3503A. FILING OPERATORS' STATEMENT -- ALLOTMENT AND APPORTION-
MENT OF TAX DUE FROM NATURAL GAS ASSOCIATIONS BY STATE TAX COMMISSION. Every co-
operative natural gas association in this state shall file with the state
tax commission of the state of Idaho the operators' statement provided for
in section 63-404, Idaho Code, and shall include thereon a statement of the
amount of its gross earnings for the calendar year next preceding. Upon
examining and verifying said statement the state tax commission shall com-
pute the amount of the tax measured by the gross earnings and shall allot to
each county in which the operating property of such association is situate,
and otherwise exempted from taxation by section 63-602JJ, Idaho Code, that
proportion of the total tax of such association shown to be due as the number
of gas line miles of transmission and distribution lines of such associa-
tion situate in such county bears to the total wire miles of transmission
and distribution lines of such association. The state tax commission shall
then, for each county, apportion the tax so allotted to the county among the
several taxing units thereof within which any operating property of such
association is situate, and otherwise exempted from taxation by section
63-602JJ, Idaho Code, by apportioning to each such taxing unit that propor-
tion of the tax so allotted to the county as the gas line mileage factor for
each such taxing unit bears to the total of the gas line mileage factors of
all such taxing units in the county, and shall immediately notify the state
superintendent of public instruction and the county treasurer of such allot-
ment and apportionment and the amounts thereof.

SECTION 11. That Section 63-3503B, Idaho Code, be, and the same is
hereby amended to read as follows:

63-3503B. FILING OPERATORS' STATEMENTS -- ALLOTMENT AND APPORTION-
MENT OF TAX DUE FROM PRODUCERS OF ELECTRICITY BY MEANS OF WIND ENERGY, SOLAR
ENERGY OR GEOTHERMAL ENERGY BY STATE TAX COMMISSION. Every producer of
electricity by means of wind energy, by means of solar energy or by means
of geothermal energy in this state shall file with the state tax commission
of the state of Idaho an operator's statement in the manner as provided for
in section 63-404, Idaho Code, and shall include thereon a statement of the
prior calendar year's gross wind energy earnings, gross solar energy earn-
ings or gross geothermal energy earnings. Upon examining and verifying said
statement, the state tax commission shall compute the amount of the wind
energy tax, solar energy tax or the geothermal energy tax based on the gross
wind energy earnings, gross solar energy earnings or the gross geothermal
energy earnings and shall allot to each county in which the operating prop-
erty of such producer is situate, and otherwise exempted from taxation by
section 63-602JJ, Idaho Code, either: that proportion of the total wind en-
ergy tax, that proportion of the total solar energy tax or that proportion of
the total geothermal energy tax of such producer shown to be due as the same
proportion that the total original cost of operating property situate in
such county, and otherwise exempted from taxation by section 63-602JJ, Idaho
Code, bears to the total original cost of operating such property of such
producer for the wind energy project, of such producer for the solar energy
project or of such producer for the geothermal energy project. The state tax
commission shall then, for each county, apportion the wind energy tax, solar
energy tax or geothermal energy tax so allotted to such county among the sev-
eral taxing units thereof within which any operating property of such pro-
ducer is situate, and otherwise exempted from taxation by section 63-602JJ, Idaho
Code, by apportioning to each such taxing unit that proportion of the
wind energy tax, solar energy tax or geothermal energy tax so allotted to
such county. For such apportionment, the state tax commission shall calcu-
late the weighted original cost which shall be the product of the original
cost of such operating property within such taxing unit times such taxing
unit's property tax levy for the prior year and the weighted apportionment
rate which shall be the ratio of the wind energy tax, of the solar energy tax
or of the geothermal energy tax, as the case may be, allotted to such county,
to the aggregate weighted original cost for all such taxing units within
which the operating property is located and then shall calculate the appor-
tionment of the wind energy tax, solar energy tax or geothermal energy tax
for each such taxing unit to be equal to the product of the weighted original
cost times the weighted apportionment rate. The state tax commission shall,
on or before the second Monday in August, notify the state superintendent
of public instruction, the county auditor, and the county treasurer of such
allotment and apportionment and the amounts thereof. On or before the third
Monday in August, the county auditor shall notify the appropriate taxing
units of the amount of wind energy tax, the amount of solar energy tax or the
amount of the geothermal energy tax being apportioned.

SECTION 12. That Section 63-3504, Idaho Code, be, and the same is hereby
amended to read as follows:

63-3504. COLLECTION BY COUNTY TREASURER -- PENALTY AND INTEREST IM-
POSED WHEN DELINQUENT. Upon receipt of the notification of the allotment and
apportionment of such taxes by the state tax commission by the county trea-
surer, said county treasurer shall, not later than June 15 of each year, no-
tify each cooperative electrical association, natural gas cooperative, and
producer of electricity by means of wind energy, by means of solar energy
or by means of geothermal energy, of the amount of taxes owed, and the ap-
portionment thereof to the county and to the several taxing districts in the
county and such tax shall be due and payable not later than July 1, following
and, upon the payment thereof, the county treasurer shall pay over to each
taxing district its apportionment as herein determined. Any such taxes not
paid by July 1, as aforesaid, shall become delinquent and a penalty of five
percent (5%) thereof shall be imposed, together with interest at the rate of
one percent (1%) per month from July 1 until paid.

SECTION 13. That Section 63-3505, Idaho Code, be, and the same is hereby
amended to read as follows:

63-3505. TAXES A LIEN ON PROPERTY OF ASSOCIATION OR PRODUCER UNTIL
PAID. All taxes due and payable under this chapter shall be a lien on all
property, real and personal, of the electrical, or natural gas association,
or the producer of electricity by means of wind energy, by means of solar
energy or by means of geothermal energy, owing the same, as of June 15 of each
year and shall be discharged only by the payment thereof. In any action to
enforce payment of any delinquent taxes due under this chapter, the county
prosecuting such action shall be entitled to a judgment for the reason-
able costs of prosecuting such action, as well as for the delinquent taxes,
penalty and interest.

SECTION 14. That Section 63-3506, Idaho Code, be, and the same is hereby
amended to read as follows:

63-3506. ASSESSMENT OF NONOPERATING PROPERTY BY ASSESSOR. The nonop-
erating [chapter] Any property not subject to the gross receipts tax levied in this
chapter of any cooperative electrical or natural gas association, or pro-
ducer of electricity by means of wind energy, by means of solar energy or by
means of geothermal energy, shall be assessed by the county assessor of the
county wherein such property is situate, and taxes levied against the same
shall be a lien, and shall be due and payable, in the same manner as are any
other taxes on property.

SECTION 15. That Section 43-1510, Idaho Code, be, and the same is hereby
amended to read as follows:

43-1510. TAX EXEMPTIONS. The following irrigation district property
and the revenue therefrom shall be exempt from taxation: (1) water rights
for the irrigation of lands; (2) irrigation structures described in section
63-602N(2), Idaho Code; (3) all operating property described in section
63-602N(3), Idaho Code; and (4) all parks and recreational facilities owned
or maintained by an irrigation district pursuant to this title. Such prop-
erty tax exemption shall not be subject to approval by the county board of
equalization. Bonds and interim notes, and interest thereon, issued pur-
suant to the authority contained in this title shall be exempt from taxation
under the Idaho income tax law.

SECTION 16. That Section 63-602N, Idaho Code, be, and the same is hereby
amended to read as follows:

63-602N. PROPERTY EXEMPT FROM TAXATION -- IRRIGATION WATER AND STRUC-
TURES -- OPERATING CERTAIN PROPERTY OF IRRIGATION DISTRICTS OR CANAL COMPA-
NIES. (1) Water rights for the irrigation of lands are exempt from taxation.
(2) Canals, ditches, pipelines, flumes, aqueducts, reservoirs, dams, and any other necessary facility used primarily for the conveyance, storage, or providing of water for the irrigation of lands, are exempt from taxation to the extent irrigation water is thereby conveyed, stored or diverted; provided that if any portion of such property is used for purposes other than irrigation of lands or the conveyance, storage, or providing of water to a non-profit irrigation company or irrigation district, the assessor shall determine the entire value of such property so used and assess the proportionate part of such property that is devoted to such use.

(3) All real and personal property is exempt that is owned, used, operated or occupied:

   (a) Primarily for the maintenance and operation of any irrigation project or irrigation works or system in conducting the business of furnishing water to landowners, members or shareholders; or

   (b) The operating property of all By any organizations, whether incorporated or unincorporated, heretofore organized or which shall hereafter be organized, for the operation, maintenance, or management of an irrigation project or irrigation works or system or and for the purpose of furnishing water to its landowners, members or shareholders, the control of which is actually vested in those entitled to the use of the water from such irrigation works or system for the irrigation of lands to which the water from such irrigation works or system is appurtenant, is exempt from taxation. The term "operating property" as used in this section shall include all real and personal property owned, used, operated or occupied primarily for the maintenance and operation of such irrigation project or irrigation works and system or in conducting its business of furnishing water to its landowners, members or shareholders and shall include including all title and interest in such property as owner, lessee, or otherwise.

Provided, that if any portion of such operating property is used for commercial purposes by others than its landowners, members or shareholders, the assessor shall determine the entire value of such portion of the operating property so used and assess the proportionate part of such operating the property that is used for commercial purposes.

SECTION 17. The provisions of Section 4 of this act shall be in full force and effect on and after July 1, 2017.