LEGISLATURE OF THE STATE OF IDAHO
Sixty-fifth Legislature Second Regular Session - 2020

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 325, As Amended in the Senate, As Amended in the Senate

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT
RELATING TO SALES TAX; AMENDING SECTION 63-3638, IDAHO CODE, TO PROVIDE FUNDING FOR THE TRANSPORTATION EXPANSION AND CONGESTION MITIGATION FUND AND THE BRIDGE MAINTENANCE AND REPLACEMENT PROGRAM FUND AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 40-720, IDAHO CODE, TO PROVIDE FOR THE BRIDGE MAINTENANCE AND REPLACEMENT PROGRAM; AND PROVIDING EFFECTIVE DATES.

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

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

63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this chapter, except as may otherwise be required in sections 63-3203, 63-3620F, and 63-3709, Idaho Code, and except as provided in subsection (16) of this section, shall be distributed by the state tax commission as follows:

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

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

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

(4) An amount equal to the sum required to be certified by the chairman of the Idaho housing and finance association to the state tax commission pursuant to section 67-6211, Idaho Code, in each year is continuously appropriated and shall be paid to any capital reserve fund established by the Idaho housing and finance association pursuant to section 67-6211, Idaho Code. Such amounts, if any, as may be appropriated hereunder to the capital reserve fund of the Idaho housing and finance association shall be repaid for distribution under the provisions of this section, subject to the provisions of section 67-6215, Idaho Code, by the Idaho housing and finance association, as soon as possible, from any moneys available therefor and in excess of the amounts the association determines will keep it self-supporting.

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

(6) An amount required by the provisions of chapter 53, title 33, Idaho Code.
(7) An amount required by the provisions of chapter 87, title 67, Idaho Code.

(8) For fiscal year 2011 and each fiscal year thereafter, four million one hundred thousand dollars ($4,100,000), of which two million two hundred thousand dollars ($2,200,000) shall be distributed to each of the forty-four (44) counties in equal amounts and one million nine hundred thousand dollars ($1,900,000) shall be distributed to the forty-four (44) counties in the proportion that the population of the county bears to the population of the state. For fiscal year 2012 and for each fiscal year thereafter, the amount distributed pursuant to this subsection shall be adjusted annually by the state tax commission in accordance with the consumer price index for all urban consumers (CPI-U) as published by the U.S. department of labor, bureau of labor statistics, but in no fiscal year shall the total amount allocated for counties under this subsection be less than four million one hundred thousand dollars ($4,100,000). Any increase resulting from the adjustment required in this section shall be distributed to each county in the proportion that the population of the county bears to the population of the state. Each county shall establish a special election fund to which shall be deposited all revenues received from the distribution pursuant to this subsection. All such revenues shall be used exclusively to defray the costs associated with conducting elections as required of county clerks by the provisions of section 34-1401, Idaho Code.

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

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

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

(i) Fifty percent (50%) of such amount shall be paid to the various cities, and each city shall be entitled to an amount in the proportion that the population of that city bears to the population of all cities within the state; and

(ii) Fifty percent (50%) of such amount shall be paid to the various cities, and each city shall be entitled to an amount in the proportion that the preceding year's market value for assessment purposes for that city bears to the preceding year's market value for assessment purposes for all cities within the state.

(b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the various counties as follows:
(i) One million three hundred twenty thousand dollars ($1,320,000) annually shall be distributed one forty-fourth (1/44) to each of the various counties; and
(ii) The balance of such amount shall be paid to the various counties, and each county shall be entitled to an amount in the proportion that the population of that county bears to the population of the state;
(c) Thirty-five and nine-tenths percent (35.9%) of the amount appropriated in this subsection shall be paid to the several counties for distribution to the cities and counties as follows:
   (i) Each city and county which received a payment under the provisions of section 63-3638(e), Idaho Code, during the fourth quarter of calendar year 1999 shall be entitled to a like amount during succeeding calendar quarters.
   (ii) If the dollar amount of money available under this subsection (10) (c) in any quarter does not equal the amount paid in the fourth quarter of calendar year 1999, each city's and county's payment shall be reduced proportionately.
   (iii) If the dollar amount of money available under this subsection (10) (c) in any quarter exceeds the amount paid in the fourth quarter of calendar year 1999, each city and county shall be entitled to a proportionately increased payment, but such increase shall not exceed one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999.
   (iv) If the dollar amount of money available under this subsection (10) (c) in any quarter exceeds one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999, any amount over and above such one hundred five percent (105%) shall be paid fifty percent (50%) to the various cities in the proportion that the population of the city bears to the population of all cities within the state and fifty percent (50%) to the various counties in the proportion that the population of the county bears to the population of the state; and
(d) Seven and seven-tenths percent (7.7%) of the amount appropriated in this subsection shall be paid to the several counties for distribution to special purpose taxing districts as follows:
   (i) Each such district which received a payment under the provisions of section 63-3638(e), Idaho Code, as such subsection existed immediately prior to July 1, 2000, during the fourth quarter of calendar year 1999 shall be entitled to a like amount during succeeding calendar quarters.
   (ii) If the dollar amount of money available under this subsection (10) (d) in any quarter does not equal the amount paid in the fourth quarter of calendar year 1999, each special purpose taxing district's payment shall be reduced proportionately.
   (iii) If the dollar amount of money available under this subsection (10) (d) in any quarter exceeds the amount distributed under paragraph (i) of this subsection (10) (d), each special purpose taxing district shall be entitled to a share of the excess based on the proportion each such district's current property tax budget
bears to the sum of the current property tax budgets of all such
districts in the state. The state tax commission shall calculate
district current property tax budgets to include any unrecovered
forgone amounts as determined under section 63-802(1)(e), Idaho
Code. When a special purpose taxing district is situated in more
than one (1) county, the state tax commission shall determine the
portion attributable to the special purpose taxing district from
each county in which it is situated.
(iv) If special purpose taxing districts are consolidated, the
resulting district is entitled to a base amount equal to the sum of
the base amounts received in the last calendar quarter by each dis-
trict prior to the consolidation.
(v) If a special purpose taxing district is dissolved or disincor-
porated, the state tax commission shall continuously distrib-
ute to the board of county commissioners an amount equal to the
last quarter's distribution prior to dissolution or disincorpora-
tion. The board of county commissioners shall determine any re-
distribution of moneys so received.
(vi) Taxing districts formed after January 1, 2001, are not en-
titled to a payment under the provisions of this subsection (10)(d).
(vii) For purposes of this subsection (10)(d), a special purpose
taxing district is any taxing district that is not a city, a county
or a school district.
(11) Amounts calculated in accordance with section 2, chapter 356, laws
of 2001, for annual distribution to counties and other taxing districts be-
inning in October 2001 for replacement of property tax on farm machinery and
equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
districts, the state tax commission shall distribute one-fourth (1/4) of
this amount certified quarterly to each county. For school districts, the
state tax commission shall distribute one-fourth (1/4) of the amount certi-
fied quarterly to each school district. For nonschool districts, the county
auditor shall distribute to each district within thirty (30) calendar days
from receipt of moneys from the state tax commission. Moneys received by
each taxing district for replacement shall be utilized in the same manner
and in the same proportions as revenues from property taxation. The moneys
remitted to the county treasurer for replacement of property exempt from
taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
counties and other taxing districts and budgeted at the same time, in the
same manner and in the same year as revenues from taxation on personal prop-
erty which these moneys replace. If taxing districts are consolidated, the
resulting district is entitled to an amount equal to the sum of the amounts
received in the last calendar quarter by each district pursuant to this
subsection prior to the consolidation. If a taxing district is dissolved
or disincorporated, the state tax commission shall continuously distrib-
ute to the board of county commissioners an amount equal to the last quarter's
distribution prior to dissolution or disincorporation. The board of county
commissioners shall determine any redistribution of moneys so received. If
a taxing district annexes territory, the distribution of moneys received
pursuant to this subsection shall be unaffected. Taxing districts formed
after January 1, 2001, are not entitled to a payment under the provisions
of this subsection. School districts shall receive an amount determined by
multiplying the sum of the year 2000 school district levy minus .004 times
the market value on December 31, 2000, in the district of the property exempt
from taxation pursuant to section 63-602EE, Idaho Code, provided that the
result of these calculations shall not be less than zero (0). The result of
these school district calculations shall be further increased by six per-
cent (6%). For purposes of the limitation provided by section 63-802, Idaho
Code, moneys received pursuant to this section as property tax replacement
for property exempt from taxation pursuant to section 63-602EE, Idaho Code,
shall be treated as property tax revenues.

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

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

(14) Amounts collected from purchasers and paid to the state of Idaho by
retailers that are not engaged in business in this state and which retailer
would not have been required to collect the sales tax, less amounts other-
wise distributed in subsections (1) and (10) of this section, shall be dis-
tributed to the tax relief fund created in section 57-811, Idaho Code. The
state tax commission will determine the amounts to be distributed under this
subsection.

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

(16) (a) One Two percent (4%) but not less than fifteen million
dollars ($15,000,000), is continuously appropriated and shall be dis-
tributed to the transportation expansion and congestion mitigation
fund established in section 40-720, Idaho Code as follows:

(i) Sixty percent (60%), but not less than fifteen million dol-
ars ($15,000,000), to the transportation expansion and conges-
tion mitigation fund established in section 40-720, Idaho Code;
and
(ii) Forty percent (40%) to the bridge maintenance and replace-
ment program fund established in section 40-720, Idaho Code.
(b) The distribution provided for in this subsection must immediately follow the distributions provided for in subsections (14) through (14) of this section.

SECTION 2. That Section 40-720, Idaho Code, be, and the same is hereby amended to read as follows:

40-720. TRANSPORTATION EXPANSION AND CONGESTION MITIGATION PROGRAM -- BRIDGE MAINTENANCE AND REPLACEMENT PROGRAM -- FUNDS ESTABLISHED. (1) The Idaho transportation department shall establish and maintain a transportation expansion and congestion mitigation program.

(2) The transportation expansion and congestion mitigation fund established pursuant to subsection (3) of this section shall finance projects that expand the state system to address and mitigate transportation congestion. The projects shall be evaluated by the Idaho transportation department and shall be chosen by the Idaho transportation board based on a policy that may include mitigation of traffic times, improvement to traffic flow and mitigation of traffic congestion.

(3) There is hereby established in the state treasury the transportation expansion and congestion mitigation fund, to which shall be deposited:

(a) All moneys distributed pursuant to section 63-2520, Idaho Code;

(b) All moneys distributed pursuant to section 63-3638, Idaho Code; and

(c) Any other appropriated moneys for funding the transportation expansion and congestion mitigation program.

(4) Interest earned on the investment of idle moneys in the transportation expansion and congestion mitigation fund shall be paid to the fund. All moneys in the fund shall be used for the transportation expansion and congestion mitigation program.

(5) The Idaho housing and finance association is hereby authorized to issue bonds, secured by otherwise unobligated moneys in the fund established in subsection (3) of this section, for the purpose of financing state transportation projects approved by the Idaho transportation board. The Idaho transportation board shall take into consideration the mitigation of traffic congestion from the state campus site located at 11311 West Chinden Boulevard, Boise, as a priority when approving transportation projects. Moneys from the fund established in subsection (3) of this section shall be used to pay any of the principal, interest, and other amounts for state transportation projects approved by the Idaho transportation board and required for bonds issued pursuant to this subsection in accordance with the provisions of chapter 62, title 67, Idaho Code. If such bonds are issued, moneys in the fund shall first be continuously appropriated and used for repayment of said bonds in accordance with subsection (7) of this section.

(6) The authority provided in subsection (5) of this section shall be used only to issue bonds on an approved resolution by the Idaho transportation board requesting that the Idaho housing and finance association issue bonds contingent upon:

(a) The availability of otherwise unobligated moneys in the fund, established in subsection (3) of this section, necessary to meet bond service obligations;
(b) The moneys disbursed being used in accordance with United States
treasury regulations to ensure tax-exempt status is retained, unless
tax-exempt bonds are not available; and
(c) The issuance of bonds at prevailing market rates of interest.
(7) From moneys in the fund established in this section, there are
hereby continuously appropriated first such amounts as from time to time
shall be certified by the Idaho housing and finance association to the state
controller, the state treasurer, and the Idaho transportation board as
necessary for payment of principal, interest, and other amounts required
for transportation bonds or notes of the Idaho housing and finance associ-
ation in accordance with chapter 62, title 67, Idaho Code, that are issued
to finance improvements described in this section, which amounts shall not
exceed the amount received and transferred from section 63-3638(16), Idaho
Code, which amounts shall be transferred to the transportation expansion
and congestion mitigation program debt service fund established in section
40-721(2), Idaho Code.
(8) The Idaho transportation department shall establish and maintain
a bridge maintenance and replacement program to repair or replace local
bridges. The program shall include a grant program for local highway juris-
dictions. The bridge maintenance and replacement program fund established
pursuant to subsection (9) of this section shall be administered by the Idaho
transportation department and shall be used to finance the bridge mainte-
nance and replacement program.
(9) There is hereby established in the state treasury the bridge main-
tenance and replacement program fund, to which shall be deposited:
(a) Moneys distributed pursuant to section 63-3638, Idaho Code, on and
after July 1, 2021; and
(b) Any other appropriated moneys for funding the bridge maintenance
and replacement program.
(10) Interest earned on the investment of idle moneys in the bridge
maintenance and replacement program fund shall be paid to the fund. All
moneys in the fund shall be used for the bridge maintenance and replacement
program.

SECTION 3. Section 1 of this act shall be in full force and effect on and
after July 1, 2021. Section 2 of this act shall be in full force and effect on
and after January 1, 2021.