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

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 587

BY REVENUE AND TAXATION COMMITTEE

AN ACT
RELATING TO HIGHWAY DISTRICT LEVIES; AMENDING SECTION 50-2908, IDAHO CODE; TO REVISE PROVISIONS REGARDING THE TAX REVENUE PAID TO A HIGHWAY DISTRICT THAT INCLUDES A REVENUE ALLOCATION AREA, TO PROVIDE AN EXCEPTION, AND TO MAKE A TECHNICAL CORRECTION.

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

SECTION 1. That Section 50-2908, Idaho Code, be, and the same is hereby amended to read as follows:

50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1) For purposes of calculating the rate at which taxes shall be levied by or for each taxing district in which a revenue allocation area is located, the county commissioners shall, with respect to the taxable property located in such revenue allocation area, use the equalized assessed value of such taxable property as shown on the base assessment roll rather than on the current equalized assessed valuation of such taxable property, except the current equalized assessed valuation shall be used for calculating the tax rate for:
   (a) Levies for refunds and credits pursuant to section 63-1305, Idaho Code, and any judgment pursuant to section 33-802(1), Idaho Code, certified after December 31, 2007;
   (b) Levies permitted pursuant to section 63-802(3), Idaho Code, certified after December 31, 2007;
   (c) Levies for voter-approved general obligation bonds of any taxing district and plant facility reserve fund levies passed after December 31, 2007;
   (d) Levies for payment of obligations that have been judicially confirmed pursuant to chapter 13, title 7, Idaho Code, and that meet the criteria of sections 63-1315 and 63-1316, Idaho Code;
   (e) Levies set forth in paragraphs (a) through (d) of this subsection, first certified prior to December 31, 2007, when the property affected by said levies is included within the boundaries of a revenue allocation area by a change in the boundaries of either the revenue allocation area or any taxing district after December 31, 2007; and
   (f) School levies for supplemental maintenance and operation pursuant to section 33-802(3) and (4), Idaho Code, approved after December 31, 2007, and for emergency funds pursuant to section 33-805, Idaho Code, approved after July 1, 2015.
   (2) With respect to each such taxing district, the tax rate calculated under subsection (1) of this section shall be applied to the current equalized assessed valuation of all taxable property in the taxing district, including the taxable property in the revenue allocation area. The tax revenues thereby produced shall be allocated as follows:
(a) To the taxing district shall be allocated and shall be paid by the county treasurer:

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

(ii) Except as otherwise provided in subparagraph (iv) of this paragraph, a portion of the taxes levied by the taxing district or on its behalf on the taxable property located within the revenue allocation area, which portion is the amount produced by applying the taxing district's tax rate determined under subsection (1) of this section to the equalized assessed valuation, as shown on the base assessment roll, of the taxable property located within the revenue allocation area; and

(iii) All taxes levied by the taxing district to satisfy obligations specified in subsection (1) of this section; and

(iv) In the case of a revenue allocation area first formed or expanded to include the property on or after July 1, 2020, all taxes levied by any highway district. In the case of property located within a revenue allocation area prior to July 1, 2020, the allocation of taxes shall be governed by subparagraph (ii) of this paragraph. In either case, the highway district and the urban renewal agency may enter into an agreement for a different allocation. A copy of any such agreement shall be submitted to the state tax commission and to the county clerk by the highway district as soon as practicable after the parties have entered into the contract and by no later than September 1 of the year in which the agreement takes effect.

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

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

(4) For the purposes of section 63-803, Idaho Code, during the period when revenue allocation under this chapter is in effect, and solely with respect to any taxing district in which a revenue allocation area is located, the county commissioners shall, in fixing any tax levy other than a levy specified in subsection (1) of this section, take into consideration the equalized assessed valuation of the taxable property situated in the revenue allocation area as shown in the base assessment roll, rather than the current equalized assessed value of such taxable property.

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