

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 342

BY WAYS AND MEANS COMMITTEE

AN ACT

RELATING TO TRANSPORTATION FUNDING; AMENDING SECTION 63-3638, IDAHO CODE,  
TO REVISE PROVISIONS REGARDING THE DISTRIBUTION OF SALES AND USE TAX  
REVENUE FOR STATE AND LOCAL TRANSPORTATION FUNDING.

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 appro-  
priated 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 chair-  
man of the Idaho housing and finance association to the state tax commis-  
sion 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 associa-  
tion, 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

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

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

28 (10) Eleven and five-tenths percent (11.5%) is continuously appro-  
29 priated and shall be distributed to the revenue-sharing account, which is  
30 hereby created in the state treasury, and the moneys in the revenue-sharing  
31 account will be paid in installments each calendar quarter by the state tax  
32 commission on and after July 1, 2020, as follows:

33 (a) Forty-five and two-tenths percent (45.2%) shall be paid to the var-  
34 ious cities as follows:

35 (i) The revenue-sharing amount calculated by the state tax com-  
36 mission for the various cities for each quarter of fiscal year 2020  
37 shall be the base amount for current quarterly revenue distribu-  
38 tion amounts. The state tax commission shall calculate the per  
39 capita distribution for each city resulting from the previous fis-  
40 cal year's distributions.

41 (ii) If there is no change in the amount of the revenue-sharing  
42 account from the same quarter of the previous fiscal year, then the  
43 various cities shall receive the same amount received for the same  
44 quarter of the previous fiscal year.

45 (iii) If the balance of the revenue-sharing account for the cur-  
46 rent quarter is greater than the balance of the revenue-sharing  
47 account for the same quarter of the previous fiscal year, then:

48 1. If the distributions made to the cities during the same  
49 quarter of the previous fiscal year were below the base  
50 amount established in fiscal year 2020, then the various

1 cities shall first receive a proportional increase up to the  
 2 base amount for each city and up to a one percent (1%) in-  
 3 crease over such base amount. Any remaining moneys shall be  
 4 distributed to cities with a below-average per capita dis-  
 5 tribution in the proportion that the population of that city  
 6 bears to the population of all cities with below-average per  
 7 capita distributions within the state.

8 2. If the distributions made to the cities during the same  
 9 quarter of the previous fiscal year were at or above the  
 10 base amount established in fiscal year 2020, then the cities  
 11 shall receive the same distribution they received during the  
 12 same quarter of the previous fiscal year plus a proportional  
 13 increase up to one percent (1%). Any remaining moneys shall  
 14 be distributed to the cities with a below-average per capita  
 15 distribution in the proportion that the population of that  
 16 city bears to the population of all cities with a below-aver-  
 17 age per capita distribution within the state.

18 (iv) If the balance of the revenue-sharing account for the cur-  
 19 rent quarter is less than the balance of the revenue-sharing ac-  
 20 count for the same quarter of the previous fiscal year, then the  
 21 cities shall first receive a proportional reduction down to the  
 22 base amount established in fiscal year 2020. If further reduc-  
 23 tions are necessary, the cities shall receive reductions based on  
 24 the proportion that each city's population bears to the population  
 25 of all cities within the state.

26 (b) Forty-seven and one-tenth percent ( 47.1%) shall be paid to the var-  
 27 ious counties as follows:

28 (i) Fifty-nine and eight-tenths percent (59.8%) of the amount to  
 29 be distributed under this paragraph (b) of this subsection shall  
 30 be distributed as follows:

31 1. One million three hundred twenty thousand dollars  
 32 (\$1,320,000) annually shall be distributed one forty-fourth  
 33 (1/44) to each of the various counties; and

34 2. The balance of such amount shall be paid to the various  
 35 counties, and each county shall be entitled to an amount in  
 36 the proportion that the population of that county bears to  
 37 the population of the state; and

38 (ii) Forty and two-tenths percent (40.2%) of the amount to be dis-  
 39 tributed under this paragraph (b) of this subsection shall be dis-  
 40 tributed as follows:

41 1. Each county that received a payment under the provisions  
 42 of section 63-3638(e), Idaho Code, as that subsection ex-  
 43 isted immediately prior to July 1, 2000, during the fourth  
 44 quarter of calendar year 1999, shall be entitled to a like  
 45 amount during succeeding calendar quarters.

46 2. If the dollar amount of money available under this sub-  
 47 section (10) (b) (ii) in any quarter does not equal the amount  
 48 paid in the fourth quarter of calendar year 1999, each  
 49 county's payment shall be reduced proportionately.

1           3. If the dollar amount of money available under this sub-  
2           section (10) (b) (ii) in any quarter exceeds the amount paid  
3           in the fourth quarter of calendar year 1999, each county  
4           shall be entitled to a proportionately increased payment,  
5           but such increase shall not exceed one hundred five percent  
6           (105%) of the total payment made in the fourth quarter of  
7           calendar year 1999.

8           4. If the dollar amount of money available under this sub-  
9           section (10) (b) (ii) in any quarter exceeds one hundred five  
10          percent (105%) of the total payment made in the fourth quar-  
11          ter of calendar year 1999, any amount over and above such  
12          one hundred five percent (105%) shall be paid to the various  
13          counties in the proportion that the population of the county  
14          bears to the population of the state; and

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

18           (i) Each such district that received a payment under the provi-  
19           sions of section 63-3638(e), Idaho Code, as such subsection ex-  
20           isted immediately prior to July 1, 2000, during the fourth quarter  
21           of calendar year 1999, shall be entitled to a like amount during  
22           succeeding calendar quarters.

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

27           (iii) If the dollar amount of money available under this subsec-  
28           tion (10) (c) in any quarter exceeds the amount distributed under  
29           paragraph (c) (i) of this subsection, each special purpose tax-  
30           ing district shall be entitled to a share of the excess based on  
31           the proportion each such district's current property tax budget  
32           bears to the sum of the current property tax budgets of all such  
33           districts in the state. The state tax commission shall calculate  
34           district current property tax budgets to include any unrecovered  
35           forgone amounts as determined under section 63-802(1) (e), Idaho  
36           Code. When a special purpose taxing district is situated in more  
37           than one (1) county, the state tax commission shall determine the  
38           portion attributable to the special purpose taxing district from  
39           each county in which it is situated.

40           (iv) If special purpose taxing districts are consolidated, the  
41           resulting district is entitled to a base amount equal to the sum of  
42           the base amounts received in the last calendar quarter by each dis-  
43           trict prior to the consolidation.

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

1 (vi) Taxing districts formed after January 1, 2001, are not en-  
2 titled to a payment under the provisions of this paragraph (c) of  
3 this subsection.

4 (vii) For purposes of this paragraph (c) of this subsection, a spe-  
5 cial purpose taxing district is any taxing district that is not a  
6 city, a county, or a school district.

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

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

47 (13) Amounts calculated in accordance with subsection (4) of section  
48 63-602KK, Idaho Code, for annual distribution to counties and other taxing  
49 districts for replacement of property tax on personal property tax exemp-  
50 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which

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

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

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

24 (16) (a) One Three percent (13%), but not less than fifteen forty-five  
25 million dollars (\$145,000,000), is continuously appropriated and shall  
26 be distributed to the transportation expansion and congestion mitiga-  
27 tion fund established in section 40-720, Idaho Code.

28 (b) One and five-tenths percent (1.5%), but not less than twenty-two  
29 million five hundred thousand dollars (\$22,500,000), is continuously  
30 appropriated and shall be allocated to local units of government as pro-  
31 vided in section 40-709, Idaho Code. Local units of government may pool  
32 funds allocated to them pursuant to this paragraph for local highway  
33 projects.

34 (c) The distributions provided for in this subsection must immediately  
35 follow the distribution provided for in subsection (10) of this sec-  
36 tion.