

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 362

BY WAYS AND MEANS COMMITTEE

AN ACT

RELATING TO TRANSPORTATION FUNDING; PROVIDING LEGISLATIVE INTENT; AND  
AMENDING SECTION 63-3638, IDAHO CODE, TO INCREASE THE PERCENTAGE OF  
SALES TAX TO BE ALLOCATED TO TRANSPORTATION.

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

SECTION 1. LEGISLATIVE INTENT. It is the intent of the Legislature to partially address the long-term transportation needs of both state and local transportation systems. Additional amounts for the Idaho Transportation Department for bonding purposes allow for large infrastructure projects, while the remainder of the funds are allocated to local units of government to provide long-term, sustainable transportation funding. It is also the intent of the Legislature that a portion of the ongoing transportation needs of both the state and local highway systems be funded through the General Fund by way of an annual dedicated distribution of 4.5% of sales tax revenues. \$80,000,000 of sales tax revenues from such distribution shall be dedicated to the Idaho Transportation Department for bonding purposes to allow for large infrastructure projects on the state highway system. Amounts in excess of \$80,000,000, if any, shall be dedicated to local units of government as sales tax revenues increase.

SECTION 2. 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

1 reserve fund of the Idaho housing and finance association shall be repaid for  
2 distribution under the provisions of this section, subject to the provisions  
3 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-  
4 tion, as soon as possible, from any moneys available therefor and in excess  
5 of the amounts the association determines will keep it self-supporting.

6 (5) An amount equal to the sum required by the provisions of sections  
7 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
8 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
9 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

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

34 (9) One dollar (\$1.00) on each application for certificate of title  
35 or initial application for registration of a motor vehicle, snowmobile,  
36 all-terrain vehicle or other vehicle processed by the county assessor or the  
37 Idaho transportation department, excepting those applications in which any  
38 sales or use taxes due have been previously collected by a retailer, shall be  
39 a fee for the services of the assessor of the county or the Idaho transporta-  
40 tion department in collecting such taxes and shall be paid into the current  
41 expense fund of the county or state highway account established in section  
42 40-702, Idaho Code.

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

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

1 (i) The revenue-sharing amount calculated by the state tax com-  
2 mission for the various cities for each quarter of fiscal year 2020  
3 shall be the base amount for current quarterly revenue distribu-  
4 tion amounts. The state tax commission shall calculate the per  
5 capita distribution for each city resulting from the previous fis-  
6 cal year's distributions.

7 (ii) If there is no change in the amount of the revenue-sharing  
8 account from the same quarter of the previous fiscal year, then the  
9 various cities shall receive the same amount received for the same  
10 quarter of the previous fiscal year.

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

14 1. If the distributions made to the cities during the same  
15 quarter of the previous fiscal year were below the base  
16 amount established in fiscal year 2020, then the various  
17 cities shall first receive a proportional increase up to the  
18 base amount for each city and up to a one percent (1%) in-  
19 crease over such base amount. Any remaining moneys shall be  
20 distributed to cities with a below-average per capita dis-  
21 tribution in the proportion that the population of that city  
22 bears to the population of all cities with below-average per  
23 capita distributions within the state.

24 2. If the distributions made to the cities during the same  
25 quarter of the previous fiscal year were at or above the  
26 base amount established in fiscal year 2020, then the cities  
27 shall receive the same distribution they received during the  
28 same quarter of the previous fiscal year plus a proportional  
29 increase up to one percent (1%). Any remaining moneys shall  
30 be distributed to the cities with a below-average per capita  
31 distribution in the proportion that the population of that  
32 city bears to the population of all cities with a below-aver-  
33 age per capita distribution within the state.

34 (iv) If the balance of the revenue-sharing account for the cur-  
35 rent quarter is less than the balance of the revenue-sharing ac-  
36 count for the same quarter of the previous fiscal year, then the  
37 cities shall first receive a proportional reduction down to the  
38 base amount established in fiscal year 2020. If further reduc-  
39 tions are necessary, the cities shall receive reductions based on  
40 the proportion that each city's population bears to the population  
41 of all cities within the state.

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

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

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

1           2. The balance of such amount shall be paid to the various  
2           counties, and each county shall be entitled to an amount in  
3           the proportion that the population of that county bears to  
4           the population of the state; and

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

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

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

17          3. If the dollar amount of money available under this sub-  
18          section (10) (b) (ii) in any quarter exceeds the amount paid  
19          in the fourth quarter of calendar year 1999, each county  
20          shall be entitled to a proportionately increased payment,  
21          but such increase shall not exceed one hundred five percent  
22          (105%) of the total payment made in the fourth quarter of  
23          calendar year 1999.

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

31          (c) 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 that received a payment under the provi-  
35           sions of section 63-3638(e), Idaho Code, as such subsection ex-  
36           isted immediately prior to July 1, 2000, during the fourth quarter  
37           of calendar year 1999, shall be entitled to a like amount during  
38           succeeding calendar quarters.

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

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

1 forgone amounts as determined under section 63-802(1) (e), Idaho  
2 Code. When a special purpose taxing district is situated in more  
3 than one (1) county, the state tax commission shall determine the  
4 portion attributable to the special purpose taxing district from  
5 each county in which it is situated.

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

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

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

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

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

1 the market value on December 31, 2000, in the district of the property exempt  
 2 from taxation pursuant to section 63-602EE, Idaho Code, provided that the  
 3 result of these calculations shall not be less than zero (0). The result of  
 4 these school district calculations shall be further increased by six per-  
 5 cent (6%). For purposes of the limitation provided by section 63-802, Idaho  
 6 Code, moneys received pursuant to this section as property tax replacement  
 7 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,  
 8 shall be treated as property tax revenues.

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

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

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

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

39 (16) (a) ~~One Four and five-tenths percent (4.5%),~~ but not less than  
 40 ~~fifteen~~ eighty million dollars (~~\$1580,000,000~~), is continuously appro-  
 41 priated and shall be distributed to the transportation expansion and  
 42 congestion mitigation fund established in section 40-720, Idaho Code.

43 (b) Any portion of the four and five-tenths percent (4.5%) provided for  
 44 in paragraph (a) of this subsection that exceeds eighty million dollars  
 45 (\$80,000,000) is continuously appropriated and shall be apportioned  
 46 to local units of government for local highway projects in the same  
 47 percentages provided for in section 40-709(1) through (3), Idaho Code.  
 48 Local units of government may pool funds allocated to them pursuant to  
 49 this paragraph for local highway projects.

1        (c) The distribution provided for in this subsection must immediately  
2 follow the distribution provided for in subsection (10) of this sec-  
3 tion.