

IN THE SENATE

SENATE BILL NO. 1048

BY LOCAL GOVERNMENT AND TAXATION COMMITTEE

AN ACT

1 RELATING TO TAXING DISTRICT BUDGETS; AMENDING SECTION 63-802, IDAHO CODE,
2 TO REVISE PROVISIONS REGARDING THE LIMITATION ON TAXING DISTRICT BUDGET
3 REQUESTS.
4

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

6 SECTION 1. That Section 63-802, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
9 EXCEPTIONS. (1) Except as otherwise provided in ~~subsections (3) and (4)~~ of
10 this section, no taxing district shall certify a budget request for an amount
11 of property tax revenues to finance an annual budget that exceeds the ~~greater~~
12 ~~of paragraphs (a) through (k) of this subsection, inclusive~~ maximum sum per-
13 mitted under the provisions of this section:

14 (a) (i) The highest dollar amount of property taxes certified for
15 its annual budget for any one (1) of the three (3) tax years pre-
16 ceding the current tax year, whichever is greater, for the past tax
17 year, which amount may be increased by a; plus

18 (ii) A growth factor of represented by the change in consumer
19 price index, as defined in section 63-3024, Idaho Code. The
20 increase shall be calculated by multiplying the amount in subpara-
21 graph (i) of this paragraph by the percentage representing the
22 consumer price index for the tax year immediately preceding the
23 current tax year divided by the consumer price index for tax year
24 2019, as determined by the state tax commission, but not to exceed
25 three percent (3%); plus

26 (iii) ~~The amount of revenue calculated as described in this sub-~~
27 ~~section. Multiply by multiplying~~ the levy of the previous year,
28 not including any levy described in subsection (4) of this sec-
29 tion, or any school district levy reduction resulting from a dis-
30 tribution of state funds pursuant to section 63-3638(11) or (13),
31 Idaho Code, by:

32 1. ~~The~~ value shown on the new construction roll compiled
33 pursuant to section 63-301A, Idaho Code; ~~and by~~ plus

34 2. ~~The~~ value of annexation during the previous calendar
35 year, as certified by the state tax commission for market
36 values of operating property of public utilities and by the
37 county assessor.

38 (iv) If the taxing district's budget increase permitted by the sum
39 of subparagraphs (i), (ii), and (iii) of this paragraph is less
40 than three percent (3%), the taxing district may instead choose up
41 to a three percent (3%) increase.

1 (v) Notwithstanding any other provision of this section, the to-
2 tal maximum increase permitted under paragraphs (a) and (e) of
3 this subsection shall not exceed four percent (4%) without voter
4 approval pursuant to subsection (3) of this section or paragraph
5 (h) of this subsection.

6 (b) The dollar amount of property taxes certified for its annual budget
7 during the last year in which a levy was made ~~may be substituted for the~~
8 amount in paragraph (a) (i) of this subsection if no levy has been made by
9 the taxing district for three (3) years.

10 (c) The dollar amount of the actual budget request ~~may be substituted~~
11 for the amount in paragraph (a) of this subsection if the taxing dis-
12 trict is newly created, except as may be provided in paragraph (i) of
13 this subsection ~~may be substituted~~.

14 (d) ~~In the case of school districts, the restriction~~ This section shall
15 not apply to school district levies imposed in section 33-802, Idaho
16 Code ~~may be substituted~~.

17 (e) In the case of a nonschool district for which less than the maxi-
18 mum allowable increase in the dollar amount of property taxes is cer-
19 tified for annual budget purposes in any one (1) year, such a district
20 may, in any following year, recover the forgone increase by certifying,
21 in addition to any increase otherwise allowed, ~~an amount not to exceed~~
22 ~~one hundred percent (100%)~~ any or all of the increase originally for-
23 gone. Provided however, that prior to budgeting any forgone increase,
24 the district must provide notice of its intent to do so, hold a public
25 hearing, which may be in conjunction with its annual budget hearing, and
26 certify by resolution the amount of forgone increase to be budgeted and
27 the specific purpose for which the forgone increase is being budgeted.
28 Upon adoption of the resolution, the clerk of the district shall file a
29 copy of the resolution with the county clerk and the state tax commis-
30 sion. Said additional amount shall be included in future calculations
31 for increases as allowed ~~may be substituted~~.

32 (f) If a taxing district elects to budget less than the maximum allow-
33 able increase in the dollar amount of property taxes, the taxing dis-
34 trict may reserve the right to recover all or any portion of that year's
35 forgone increase in a subsequent year by adoption of a resolution spec-
36 ifying the dollar amount of property taxes being reserved. Otherwise,
37 that year's forgone increase may not be recovered under paragraph (e) of
38 this subsection. The district must provide notice of its intent to do
39 so and hold a public hearing, which may be in conjunction with its an-
40 nual budget hearing if applicable. The resolution to reserve the right
41 to recover the forgone increase for that year shall be adopted at the an-
42 nual budget hearing of the taxing district if the district has a budget
43 hearing requirement ~~may be substituted~~.

44 (g) In the case of cities, if the immediately preceding year's levy
45 subject to the limitation provided by this section is less than 0.004,
46 the city may increase its budget by an amount not to exceed the differ-
47 ence between 0.004 and actual prior year's levy multiplied by the prior
48 year's market value for assessment purposes. The additional amount
49 must be approved by sixty percent (60%) of the voters voting on the ques-
50 tion at an election called for that purpose and held on the date in May or

1 November provided by law and may be included in the annual budget of the
2 city for purposes of this section~~7~~.

3 (h) A taxing district may submit to the electors within the district
4 the question of whether the budget from property tax revenues may be
5 increased beyond the amount authorized in this section, but not beyond
6 the levy authorized by statute. The additional amount must be approved
7 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
8 voting on the question at an election called for that purpose and held
9 on the May or November dates provided by section 34-106, Idaho Code.
10 If approved by the required minimum sixty-six and two-thirds percent
11 (66 2/3%) of the voters voting at the election, the new budget amount
12 shall be the base budget for the purposes of this section~~7~~.

13 (i) When a nonschool district consolidates with another nonschool
14 district or dissolves and a new district performing similar governmen-
15 tal functions as the dissolved district forms with the same boundaries
16 within three (3) years, the maximum amount of a budget of the district
17 from property tax revenues shall not be greater than the sum of the
18 amounts that would have been authorized by this section for the district
19 itself or for the districts that were consolidated or dissolved and in-
20 corporated into a new district~~7~~.

21 ~~(j) In the instance or case of cooperative service agencies, the re-~~
22 ~~strictions~~ This section shall not apply to cooperative services agency
23 levies imposed in sections 33-315 through 33-318, Idaho Code~~7~~.

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

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

35 (3) No board of county commissioners shall set a levy, nor shall the
36 state tax commission approve a levy for annual budget purposes, which ex-
37 ceeds the limitation imposed in subsection (1) of this section unless au-
38 thority to exceed such limitation has been approved by a majority of the tax-
39 ing district's electors voting on the question at an election called for that
40 purpose and held pursuant to section 34-106, Idaho Code, provided however,
41 that such voter approval shall be for a period of not to exceed two (2) years.

42 (4) The amount of property tax revenues to finance an annual budget does
43 not include revenues from nonproperty tax sources and does not include rev-
44 enue from levies for the payment of judicially confirmed obligations pur-
45 suant to sections 63-1315 and 63-1316, Idaho Code, and revenue from levies
46 that are voter-approved for bonds, override levies or supplemental levies,
47 plant facilities reserve fund levies, school emergency fund levies or for
48 levies applicable to newly annexed property or for levies applicable to new
49 construction as evidenced by the value of property subject to the occupancy
50 tax pursuant to section 63-317, Idaho Code, for the preceding tax year. The

1 amount of property tax revenues to finance an annual budget does not include
2 any property taxes that were collected and refunded on property that is ex-
3 empt from taxation, pursuant to section 63-1305C, Idaho Code. The amount of
4 property tax revenues to finance an annual budget does not include the amount
5 of money received in the twelve (12) months immediately preceding June 30 of
6 the current tax year as a result of distributions of the tax provided in sec-
7 tion 63-3502B(2), Idaho Code.

8 (5) The amount of property tax revenues to finance an annual budget
9 shall include moneys received as recovery of property tax for a revoked pro-
10 visional property tax exemption under section 63-1305C, Idaho Code.