

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 482

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO DISTRIBUTIONS OF MONEYS TO LOCAL GOVERNMENTAL ENTITIES; AMEND-
2 ING SECTION 63-3637, IDAHO CODE, TO REVISE DEFINITIONS; AMENDING
3 SECTION 63-3638, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE FRE-
4 QUENCY OF MONEYS DISTRIBUTED TO COUNTIES, CITIES, AND SPECIAL TAXING
5 DISTRICTS; AMENDING SECTION 63-602KK, IDAHO CODE, TO REVISE PROVISIONS
6 REGARDING THE PAYMENT OF PROPERTY TAX REPLACEMENT MONEYS AND TO MAKE
7 TECHNICAL CORRECTIONS; AMENDING SECTION 67-1076, IDAHO CODE, TO REVISE
8 A PROVISION REGARDING THE WITHHOLDING OF CERTAIN MONEYS TO NONCOMPLIANT
9 LOCAL GOVERNMENTAL ENTITIES AND TO MAKE A TECHNICAL CORRECTION; AND
10 DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
11

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

13 SECTION 1. That Section 63-3637, Idaho Code, be, and the same is hereby
14 amended to read as follows:

15 63-3637. SALES TAX DISTRIBUTION -- DEFINITIONS. For the purposes of
16 section 63-3638, Idaho Code, the following definitions shall apply:

17 (1) "Per capita distribution" means the amount to be distributed to
18 cities and counties on the basis of their most current population or popula-
19 tion estimates available from the United States census bureau no later than
20 thirty (30) days prior to the next ~~quarterly~~ monthly distribution from the
21 revenue-sharing account.

22 (2) "Revenue-sharing account" means the account established in the
23 treasury for all sales and use tax revenue to be distributed on a ~~quarterly~~
24 monthly basis pursuant to section 63-3638(10), Idaho Code.

25 SECTION 2. That Section 63-3638, Idaho Code, be, and the same is hereby
26 amended to read as follows:

27 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
28 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,
29 and 63-3709, Idaho Code, and except as provided in subsection (16) of this
30 section, shall be distributed by the state tax commission as follows:

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

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

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

1 (4) An amount equal to the sum required to be certified by the chair-
2 man of the Idaho housing and finance association to the state tax commis-
3 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
4 appropriated and shall be paid to any capital reserve fund established by
5 the Idaho housing and finance association pursuant to section 67-6211, Idaho
6 Code. Such amounts, if any, as may be appropriated hereunder to the capital
7 reserve fund of the Idaho housing and finance association shall be repaid for
8 distribution under the provisions of this section, subject to the provisions
9 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
10 tion, as soon as possible, from any moneys available therefor and in excess
11 of the amounts the association determines will keep it self-supporting.

12 (5) An amount equal to the sum required by the provisions of sections
13 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
14 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
15 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

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

40 (9) One dollar (\$1.00) on each application for certificate of title
41 or initial application for registration of a motor vehicle, snowmobile,
42 all-terrain vehicle or other vehicle processed by the county assessor or the
43 Idaho transportation department, excepting those applications in which any
44 sales or use taxes due have been previously collected by a retailer, shall be
45 a fee for the services of the assessor of the county or the Idaho transporta-
46 tion department in collecting such taxes and shall be paid into the current
47 expense fund of the county or state highway account established in section
48 40-702, Idaho Code.

49 (10) Eleven and five-tenths percent (11.5%) is continuously appro-
50 priated and shall be distributed to the revenue-sharing account, which is

1 hereby created in the state treasury, and the moneys in the revenue-sharing
 2 account will be paid in installments each ~~calendar quarter~~ month by the state
 3 tax commission on and after July 1, 2020, as follows:

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

6 (i) The revenue-sharing amount calculated by the state tax com-
 7 mission for the various cities for each quarter, divided by three
 8 (3) to achieve the monthly amount, of fiscal year 2020 shall be
 9 the base amount for current ~~quarterly~~ monthly revenue distribu-
 10 tion amounts. The state tax commission shall calculate the per
 11 capita distribution for each city resulting from the previous fis-
 12 cal year's distributions.

13 (ii) If there is no change in the amount of the revenue-sharing
 14 account from the same ~~quarter~~ period of the previous fiscal year,
 15 then the various cities shall receive the same amount received for
 16 the same ~~quarter~~ period of the previous fiscal year.

17 (iii) If the balance of the revenue-sharing account for the
 18 current ~~quarter~~ month is greater than the balance of the rev-
 19 enue-sharing account for the same ~~quarter~~ period of the previous
 20 fiscal year, then:

21 1. If the distributions made to the cities during the same
 22 ~~quarter~~ period of the previous fiscal year were below the
 23 base amount established in fiscal year 2020, then the vari-
 24 ous cities shall first receive a proportional increase up to
 25 the base amount for each city and up to a one percent (1%) in-
 26 crease over such base amount. Any remaining moneys shall be
 27 distributed to cities with a below-average per capita dis-
 28 tribution in the proportion that the population of that city
 29 bears to the population of all cities with below-average per
 30 capita distributions within the state.

31 2. If the distributions made to the cities during the same
 32 ~~quarter~~ period of the previous fiscal year were at or above
 33 the base amount established in fiscal year 2020, then the
 34 cities shall receive the same distribution they received
 35 during the same ~~quarter~~ period of the previous fiscal year
 36 plus a proportional increase up to one percent (1%). Any
 37 remaining moneys shall be distributed to the cities with
 38 a below-average per capita distribution in the proportion
 39 that the population of that city bears to the population
 40 of all cities with a below-average per capita distribution
 41 within the state.

42 (iv) If the balance of the revenue-sharing account for the cur-
 43 rent ~~quarter~~ month is less than the balance of the revenue-sharing
 44 account for the same ~~quarter~~ period of the previous fiscal year,
 45 then the cities shall first receive a proportional reduction down
 46 to the base amount established in fiscal year 2020. If further re-
 47 ductions are necessary, the cities shall receive reductions based
 48 on the proportion that each city's population bears to the popula-
 49 tion of all cities within the state.

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

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

6 1. One million three hundred twenty thousand dollars
7 (\$1,320,000) annually shall be distributed one forty-fourth
8 (1/44) to each of the various counties; and

9 2. The balance of such amount shall be paid to the various
10 counties, and each county shall be entitled to an amount in
11 the proportion that the population of that county bears to
12 the population of the state; and

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

16 1. Each county that received a payment under the provisions
17 of section 63-3638(e), Idaho Code, as that subsection ex-
18 isted immediately prior to July 1, 2000, during the fourth
19 quarter of calendar year 1999, shall be entitled to a like
20 amount, divided by three (3), during succeeding calendar
21 quarters months.

22 2. If the dollar amount of money available under this sub-
23 section (10) (b) (ii) in any quarter month does not equal one-
24 third (1/3) of the amount paid in the fourth quarter of cal-
25 endar year 1999, each county's payment shall be reduced pro-
26 portionately.

27 3. If the dollar amount of money available under this sub-
28 section (10) (b) (ii) in any quarter month exceeds one-third
29 (1/3) of the amount paid in the fourth quarter of calendar
30 year 1999, each county shall be entitled to a proportion-
31 ately increased payment, but such increase shall not exceed
32 one hundred five percent (105%) of one-third (1/3) of the to-
33 tal payment made in the fourth quarter of calendar year 1999.

34 4. If the dollar amount of money available under this sub-
35 section (10) (b) (ii) in any quarter month exceeds one hundred
36 five percent (105%) of one-third (1/3) of the total payment
37 made in the fourth quarter of calendar year 1999, any amount
38 over and above such one hundred five percent (105%) shall be
39 paid to the various counties in the proportion that the pop-
40 ulation of the county bears to the population of the state;
41 and

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

45 (i) Each such district that received a payment under the provi-
46 sions of section 63-3638(e), Idaho Code, as such subsection ex-
47 isted immediately prior to July 1, 2000, during the fourth quar-
48 ter of calendar year 1999, shall be entitled to a like one-third
49 (1/3) of such quarterly amount during succeeding calendar quar-
50 ters months.

1 (ii) If the dollar amount of money available under this subsection
 2 (10) (c) in any ~~quarter~~ month does not equal one-third (1/3) of the
 3 amount paid in the fourth quarter of calendar year 1999, each spe-
 4 cial purpose taxing district's payment shall be reduced propor-
 5 tionately.

6 (iii) If the dollar amount of money available under this subsec-
 7 tion (10) (c) in any ~~quarter~~ month exceeds the amount distributed
 8 under paragraph (c) (i) of this subsection, each special purpose
 9 taxing district shall be entitled to a share of the excess based
 10 on the proportion each such district's current property tax bud-
 11 get bears to the sum of the current property tax budgets of all
 12 such districts in the state. The state tax commission shall cal-
 13 culate district current property tax budgets annually, beginning
 14 with the January monthly distribution, to include any unrecovered
 15 forgone amounts as determined under section 63-802(1) (e), Idaho
 16 Code. When a special purpose taxing district is situated in more
 17 than one (1) county, the state tax commission shall determine the
 18 portion attributable to the special purpose taxing district from
 19 each county in which it is situated.

20 (iv) If special purpose taxing districts are consolidated, the
 21 resulting district is entitled to a base amount equal to the sum
 22 of the base amounts received in the last ~~calendar quarter~~ month by
 23 each district prior to the consolidation.

24 (v) If a special purpose taxing district is dissolved or disin-
 25 corporated, the state tax commission shall continuously distrib-
 26 ute to the board of county commissioners an amount equal to the
 27 last ~~quarter's~~ month's distribution prior to dissolution or dis-
 28 incorporation. The board of county commissioners shall determine
 29 any redistribution of moneys so received.

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

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

36 (11) Amounts calculated in accordance with section 2, chapter 356, laws
 37 of 2001, for annual distribution to counties and other taxing districts
 38 beginning in October 2001 for replacement of property tax on farm machin-
 39 ery and equipment exempted pursuant to section 63-602EE, Idaho Code. For
 40 nonschool districts, the state tax commission shall distribute ~~one-fourth~~
 41 ~~(1/4)~~ one-twelfth (1/12) of this amount certified ~~quarterly~~ monthly to
 42 each county. For school districts, the state tax commission shall distrib-
 43 ute ~~one-fourth (1/4)~~ one-twelfth (1/12) of the amount certified ~~quarterly~~
 44 monthly to each school district. For nonschool districts, the county audi-
 45 tor shall distribute to each district within thirty (30) calendar days from
 46 receipt of moneys from the state tax commission. Moneys received by each
 47 taxing district for replacement shall be utilized in the same manner and in
 48 the same proportions as revenues from property taxation. The moneys remit-
 49 ted to the county treasurer for replacement of property exempt from taxation
 50 pursuant to section 63-602EE, Idaho Code, may be considered by the counties

1 and other taxing districts and budgeted at the same time, in the same manner
2 and in the same year as revenues from taxation on personal property which
3 these moneys replace. If taxing districts are consolidated, the resulting
4 district is entitled to an amount equal to the sum of the amounts received in
5 the last ~~calendar quarter~~ month by each district pursuant to this subsection
6 prior to the consolidation. If a taxing district is dissolved or disincorporated,
7 the state tax commission shall continuously distribute to the
8 board of county commissioners an amount equal to the last ~~quarter's~~ month's
9 distribution prior to dissolution or disincorporation. The board of county
10 commissioners shall determine any redistribution of moneys so received. If
11 a taxing district annexes territory, the distribution of moneys received
12 pursuant to this subsection shall be unaffected. Taxing districts formed
13 after January 1, 2001, are not entitled to a payment under the provisions
14 of this subsection. School districts shall receive an amount determined by
15 multiplying the sum of the year 2000 school district levy minus .004 times
16 the market value on December 31, 2000, in the district of the property exempt
17 from taxation pursuant to section 63-602EE, Idaho Code, provided that the
18 result of these calculations shall not be less than zero (0). The result of
19 these school district calculations shall be further increased by six per-
20 cent (6%). For purposes of the limitation provided by section 63-802, Idaho
21 Code, moneys received pursuant to this section as property tax replacement
22 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,
23 shall be treated as property tax revenues.

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

27 (13) Amounts calculated in accordance with section 63-602KK(4), Idaho
28 Code, for ~~annual~~ monthly distribution to counties and other taxing districts
29 for replacement of property tax on personal property tax exemptions pur-
30 suant to section 63-602KK(2), Idaho Code, which amounts are continuously
31 appropriated unless the legislature enacts a different appropriation for a
32 particular fiscal year. For purposes of the limitation provided by section
33 63-802, Idaho Code, moneys received pursuant to this section as property tax
34 replacement for property exempt from taxation pursuant to section 63-602KK,
35 Idaho Code, shall be treated as property tax revenues. If taxing districts
36 are consolidated, the resulting district is entitled to an amount equal to
37 the sum of the amounts that were received in the last calendar year by each
38 district pursuant to this subsection prior to the consolidation. If a taxing
39 district or revenue allocation area annexes territory, the distribution of
40 moneys received pursuant to this subsection shall be unaffected. Taxing
41 districts and revenue allocation areas formed after January 1, 2022, are not
42 entitled to a payment under the provisions of this subsection.

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

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

4 (16) (a) Four and five-tenths percent (4.5%), but not less than eighty
 5 million dollars (\$80,000,000), is continuously appropriated and shall
 6 be distributed to the transportation expansion and congestion mitiga-
 7 tion fund established in section 40-720, Idaho Code.

8 (b) Any portion of the four and five-tenths percent (4.5%) provided for
 9 in paragraph (a) of this subsection that exceeds eighty million dollars
 10 (\$80,000,000) is continuously appropriated and shall be apportioned
 11 to local units of government for local highway projects in the same
 12 percentages provided for in section 40-709(1) through (3), Idaho Code.
 13 Local units of government may pool funds allocated to them pursuant to
 14 this paragraph for local highway projects.

15 (c) The distribution provided for in this subsection must immediately
 16 follow the distribution provided for in subsection (10) of this sec-
 17 tion.

18 SECTION 3. That Section 63-602KK, Idaho Code, be, and the same is hereby
 19 amended to read as follows:

20 63-602KK. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY.

21 (1) (a) An item of taxable personal property purchased on or after Jan-
 22 uary 1, 2013, shall be exempt from property taxation if the item of tax-
 23 able personal property has an acquisition price of three thousand dol-
 24 lars (\$3,000) or less.

25 (b) For purposes of this section, the term "acquisition cost" means all
 26 costs required to put an item of taxable personal property into service
 27 and includes:

- 28 (i) The purchase price of a new or used item;
- 29 (ii) The cost of freight and shipping;
- 30 (iii) The cost of installation, engineering, erection or assem-
 31 bly; and
- 32 (iv) Sales and use taxes.

33 (c) For purposes of this subsection, an "item of taxable personal prop-
 34 erty" means equipment, machinery, furniture or other personal property
 35 that is functioning at its highest and best use for the purpose it was
 36 designed and constructed and is generally capable of performing that
 37 function without being combined with other items of personal property.
 38 An item of taxable personal property is not an individual component part
 39 of a piece of equipment, machinery, furniture or other personal prop-
 40 erty as a whole. An item of taxable personal property does not include
 41 an improvement to real property, a part that will become an improvement,
 42 or anything defined as a fixture.

43 (2) (a) On and after January 1, 2015, except as provided in subsection
 44 (8) of this section, each person's personal property, located in the
 45 county, which is not otherwise exempt, shall be exempt to the extent of
 46 one hundred thousand dollars (\$100,000).

47 (b) On and after January 1, 2022, except as provided in subsection
 48 (8) of this section, each person's personal property, located in the
 49 county, which is not otherwise exempt, shall be exempt to the extent of

1 an additional amount of one hundred fifty thousand dollars (\$150,000).
2 The combined exemption under this paragraph and paragraph (a) of this
3 subsection shall not exceed a total amount of two hundred fifty thousand
4 dollars (\$250,000).

5 (c) For the purposes of this section, a person includes two (2) or more
6 people using the property in a common enterprise who are within a rela-
7 tionship described in section 267 of the Internal Revenue Code, as de-
8 fined in section 63-3004, Idaho Code.

9 (3) (a) No later than the third Monday of November 2013, the county clerk
10 of each county shall certify to the state tax commission the amount of
11 exemption from property taxes under subsection (2) (a) of this section,
12 in that county for that year. No later than the third Monday of Novem-
13 ber 2022, the county clerk of each county shall certify to the state tax
14 commission the amount of exemption from property taxes under subsection
15 (2) (b) of this section in that county for that year. The certification
16 shall identify the property receiving tax reductions, the value of the
17 property, the property's location, the amount of the tax levy applica-
18 ble to personal property in the location, and the tax before and after
19 the exemption allowed in subsection (2) of this section. The certifi-
20 cation shall be in the form prescribed by the state tax commission and
21 shall include such additional information as the commission may require
22 by rule as needed to implement the purpose of this section. The certi-
23 fication shall be reviewed and, if necessary, corrected by the state tax
24 commission.

25 (b) Except as provided in subsection (7) of this section, a taxing
26 district created prior to January 1, 2013, shall be eligible for reim-
27 bursement for the exemptions granted under subsection (2) (a) and (b) of
28 this section. A taxing district created on and after January 1, 2013,
29 and prior to January 1, 2022, shall be eligible for reimbursement of
30 property taxes exempted only under subsection (2) (b) of this section.
31 A taxing district created on or after January 1, 2022, shall not be
32 eligible for reimbursement of any property taxes exempted under this
33 section. The amount of annual replacement of property tax on personal
34 property exempted pursuant to subsection (2) of this section shall be
35 the amount approved by the state tax commission pursuant to paragraph
36 (a) of this subsection.

37 (4) (a) Subject to the limitations of this section, the state tax com-
38 mission shall reimburse from the amount appropriated for personal
39 property tax replacement in section 63-3638, Idaho Code, the county
40 treasurer of each county for the reduction on the certifications pro-
41 vided in subsection (3) of this section. The county treasurer shall
42 reimburse from the amount received to each taxing district within the
43 county an amount in proportion to the amount of reduction shown on the
44 certifications in subsection (3) of this section as corrected. The
45 amount that would otherwise be attributable to tax revenues derived
46 from tax levies on personal property exempted by this section within
47 an existing revenue allocation area as defined in section 50-2903(15),
48 Idaho Code, shall be paid directly by the county treasurer to such pub-
49 lic body or agency entitled thereto, equal to the amounts that would

1 have been distributed in accordance with the formula for such distribu-
2 tion set forth in section 50-2908, Idaho Code.

3 (b) The state tax commission shall pay ~~one-half (1/2)~~ one-twelfth
4 (1/12) of the reimbursement provided in this section ~~no later than De-~~
5 ~~cember 20 of each year, and the second one-half (1/2) shall be paid by~~
6 ~~no later than June 20 of the following year~~ on a monthly basis. The
7 money received by the county tax collector under the provisions of this
8 section may be considered by counties and other taxing districts and
9 budgeted against at the same time, and in the same manner, and in the
10 same year as revenues from taxation. The total amount paid to the county
11 treasurers shall not exceed the amount certified to the state tax com-
12 mission under subsection (3) of this section.

13 (c) For purposes of the limitation provided by section 63-802, Idaho
14 Code, moneys received from distributions pursuant to section 63-3638,
15 Idaho Code, as property tax replacement for the taxable value of prop-
16 erty exempt from taxation pursuant to this section shall be treated as
17 property tax revenues.

18 (5) (a) Nothing contained in this section shall affect the taxation of
19 forest lands or forest products pursuant to chapter 17, title 63, Idaho
20 Code, or the taxation of the net profits of mines pursuant to chapter 28,
21 title 63, Idaho Code.

22 (b) The exemption from personal property tax provided for in subsec-
23 tion (2) of this section shall not apply to motor vehicles, recreational
24 vehicles, aircraft and boats that are not registered with the state of
25 Idaho and for which required registration fees have not been paid.

26 (6) (a) The application for the exemption provided for in subsection (2)
27 of this section shall be in the form prescribed by the state tax commis-
28 sion and shall include such information as the state tax commission may
29 require by rule as needed to implement the purpose of this section in-
30 cluding, but not limited to, a list of each item of personal property,
31 the purchase date of each item of personal property, the unit cost of
32 each item of personal property, if more than the exemption allowed in
33 subsection (1) of this section, and the total cost of the items of per-
34 sonal property.

35 (b) The application for this exemption, if the county is capable of so
36 providing, may be transmitted by the county assessor electronically,
37 as that term is defined in section 63-115, Idaho Code, when requested
38 by the taxpayer, or mailed by the county assessor to the taxpayer, or
39 his agent or representative at the taxpayer's last known post office
40 address, no later than March 1 of each year. The transmission or mail-
41 ing of the application shall also include the taxpayer's application
42 for the exemption allowed by this section for the last year in which the
43 taxpayer filed an application.

44 (c) A taxpayer need only make application for the exemption in this sec-
45 tion once as long as all of the following conditions are met:

46 (i) The taxpayer has received the exemption during the previous
47 year as a result of him making a valid application as defined in
48 this section.

49 (ii) The amount of the exemption allowed by this section is more
50 than the taxable value of personal property owned by the taxpayer.

1 (iii) The taxpayer has not made purchases of personal property,
2 excluding items of taxable personal property exempted pursuant to
3 subsection (1) of this section, that would cause the taxable value
4 of the personal property owned by the taxpayer to exceed the maxi-
5 mum amount allowed as an exemption by this section.

6 (d) Knowingly failing to report changes in the taxable value of per-
7 sonal property that exceed the amount of the exemption allowed pursuant
8 to this section shall subject the taxpayer to a fine not in excess of ten
9 thousand dollars (\$10,000) in addition to other penalties set forth in
10 this chapter.

11 (7) Recovery of property tax exemptions allowed by this section but im-
12 properly claimed:

13 (a) Upon discovery of evidence, facts or circumstances indicating any
14 exemption allowed by this section was improperly claimed, the county
15 assessor shall decide whether the exemption claimed should have been
16 allowed, and, if not, notify the board of county commissioners, at which
17 time the board may waive a recovery of the property tax and notify such
18 taxpayer in writing.

19 (b) The assessment and collection of the recovery of property tax must
20 begin within the seven (7) year period beginning on the date the assess-
21 ment notice reflecting the improperly claimed exemption was required to
22 be mailed to the taxpayer.

23 (c) The taxpayer may appeal to the board of tax appeals the decision by
24 the board of county commissioners to assess the recovery of property tax
25 within thirty (30) days of the date the county assessor sent the notice
26 to the taxpayer pursuant to this section.

27 (d) For purposes of calculating the tax, the amount of the recovered
28 property tax shall be for each year the exemption allowed by this sec-
29 tion was improperly claimed or approved, up to a maximum of seven (7)
30 years. The amount of the recovery of property tax shall be calculated
31 using the product of the amount of exempted value for each year multi-
32 plied by the levy for that year plus costs, late charges and interest for
33 each year at the rates equal to those provided for delinquent property
34 taxes during that year. In cases of fraud, the fine set forth in subsec-
35 tion (6) (d) of this section shall be assessed for each tax year.

36 (e) Any recovery of property tax shall be due and payable no later than
37 the date provided for property taxes in section 63-903, Idaho Code, and
38 if not timely paid, late charges and interest, beginning the first day
39 of January in the year following the year the county assessor sent the
40 notice to the taxpayer pursuant to this section, shall be calculated at
41 the current rate provided for property taxes.

42 (f) Recovered property taxes shall be billed, collected and dis-
43 tributed in the same manner as property taxes. If the recovery is
44 for property tax for which the state provided replacement money, the
45 amounts recovered shall be reported and remitted to the state tax
46 commission, which shall reimburse the general fund. The state tax com-
47 mission will then notify each affected taxing district or unit of its
48 proportionate share of the recovered property tax, which amount shall
49 be deducted from future payments to be made pursuant to subsection (3)
50 of this section.

1 (g) Thirty (30) days after the taxpayer is notified, as provided in
2 paragraph (a) of this subsection, the assessor shall record a notice
3 of intent to attach a lien. Upon the payment in full of such recover-
4 ed property taxes prior to the attachment of the lien as provided in
5 paragraph (h) of this subsection, or upon the successful appeal by the
6 taxpayer, the county assessor shall record a rescission of the intent to
7 attach a lien within seven (7) business days of receiving such payment
8 or within seven (7) business days of the county commissioners' decision
9 granting the appeal.

10 (h) Any unpaid recovered property taxes shall become a lien upon the
11 taxpayer's personal property in the same manner as provided for prop-
12 erty taxes in section 63-206, Idaho Code, except such lien shall attach
13 as of the first day of January in the year following the year the county
14 treasurer sent the notice to the taxpayer pursuant to this section.

15 (i) For purposes of the limitation provided by section 63-802, Idaho
16 Code, moneys received pursuant to this subsection as recovery of prop-
17 erty tax shall be treated as property tax revenue.

18 (8) For operating property with values apportioned to more than one (1)
19 county, the personal property exemption shall be subtracted from the Idaho
20 allocated value prior to apportionment and, for private railcar companies,
21 prior to determining whether their values are to be apportioned. Notwith-
22 standing amounts calculated as provided in subsection (1) of this section,
23 the amount of the exemption otherwise provided in subsection (2) of this sec-
24 tion shall be calculated as follows:

25 (a) Take the lesser amount of:

26 (i) The number of counties in which a company has operating prop-
27 erty multiplied by two hundred fifty thousand dollars (\$250,000);
28 or

29 (ii) The total statewide value of eligible personal property re-
30 ported by the company.

31 (b) Reduce the amount calculated in paragraph (a) of this subsection by
32 the value of any nonoperating personal property granted the exemption
33 otherwise found in subsection (2) of this section, as reported by county
34 assessors.

35 SECTION 4. That Section 67-1076, Idaho Code, be, and the same is hereby
36 amended to read as follows:

37 67-1076. LOCAL GOVERNMENTAL ENTITIES CENTRAL REGISTRY -- REPORTING
38 INFORMATION REQUIRED -- PENALTIES FOR FAILURE TO REPORT. (1) In addition
39 to the provisions applicable to local governmental entities found in sec-
40 tion 67-450B, Idaho Code, the provisions of this section also apply to local
41 governmental entities. For purposes of section 67-1075, Idaho Code, and
42 this section, "local governmental entity" includes without limitation all
43 cities, counties, entities governed by chapter 20, title 50, Idaho Code,
44 authorities, and districts organized as separate legal and reporting enti-
45 ties under Idaho law and includes the councils, commissions, and boards as
46 appointed or elected and charged with fiscal management responsibilities of
47 the local governmental entity. If a local governmental entity is governed by
48 the provisions of section 33-701, Idaho Code, such entity is not required to
49 comply with the provisions of this section.

1 (a) There is hereby established a central registry and reporting portal
2 (registry) on the state controller's website. The registry and report-
3 ing portal shall serve as the unified location for the reporting of and
4 access to administrative and financial information of local governmen-
5 tal entities in this state. Every local governmental entity must regis-
6 ter with the state registry.

7 (b) The county clerk must notify each local governmental entity of the
8 requirements of this section.

9 (c) Each year, according to the schedule set forth in the uniform ac-
10 counting manual for local governmental entities authorized under sec-
11 tion 67-1075, Idaho Code:

12 (i) The state tax commission must submit a list to the state con-
13 troller of all taxing districts within the state; and

14 (ii) The county clerk of each county must submit a list to the
15 state controller of all taxing districts in the county and any
16 other local governmental entities that are authorized to impose
17 fees or assessments or to receive property tax money within the
18 county.

19 (2) On or before December 1 of each year, every local governmental en-
20 tity must submit to the online central registry and reporting portal the fol-
21 lowing information:

22 (a) Administrative information:

23 (i) The terms of membership and appointing authority for the gov-
24 erning board member of the local governmental entity;

25 (ii) The official name, mailing address, and electronic mailing
26 address of the entity;

27 (iii) The fiscal year of the entity; and

28 (iv) Except for cities and counties, the section of Idaho Code un-
29 der which the entity was established, the date of establishment,
30 the establishing entity, and the statute or statutes under which
31 the entity operates, if different from the statute or statutes un-
32 der which the entity was established.

33 (b) Financial information:

34 (i) The most recent adopted budget of the entity;

35 (ii) An unaudited comparison of the budget to actual revenues and
36 expenditures for the most recently completed fiscal year;

37 (iii) The date of its last independent audit; and

38 (iv) Any other information required by the uniform accounting
39 manual for local governmental entities.

40 (c) Bonds or other debt obligation information:

41 (i) The cumulative dollar amount of all bonds or other debt obli-
42 gations issued or incurred by the entity; and

43 (ii) The average length of term of all bond issuances or other debt
44 obligations and the average interest rate of all bonds or other
45 debt obligations.

46 (3) Within five (5) days of submitting to the central registry the in-
47 formation required by this subsection, the local ~~governing~~ governmental en-
48 tity must notify the entity's appointing authority, if the entity has an ap-
49 pointing authority, that it has submitted such information.

1 (4) If any information provided by an entity as required by this subsec-
2 tion changes during the year, the entity must update its information on the
3 registry within thirty (30) days of any such change.

4 (5) All reasonable fees, costs, and other expenses incurred assisting
5 local governmental entities in compiling the reporting information required
6 by this section may be charged by the county against the local governmental
7 entity requesting the county's service. An entity may request assistance
8 from the county to comply with provisions of this section, but the county
9 is under no obligation to provide such assistance. For purposes of this
10 section, reasonable fees and costs include but are not limited to the labor
11 costs, material costs, and copying costs incurred while assisting local gov-
12 ernmental entities to comply with this section. Such fees and costs may be
13 deducted from any distributions of taxes, fees, or assessments collected by
14 the county on behalf of the local governmental entity.

15 (6) Audits required by sections 67-450B, 67-450C, and 67-450D, Idaho
16 Code, will be submitted to the online portal and provided by the state con-
17 troller's office to the legislative services office.

18 (7) Notification, late fees, and penalties.

19 (a) If a local governmental entity fails to submit information required
20 by this section or submits noncompliant information required by this
21 section, the state controller must notify the entity immediately af-
22 ter the due date of the information that either the information was not
23 submitted in a timely manner or the information submitted was noncom-
24 pliant. The local governmental entity then has thirty (30) days from
25 the date of notice to submit the information or notify the state con-
26 troller that it will comply by a time certain. The state controller may
27 impose a late fee for each day over said thirty (30) days that the local
28 governmental entity has failed to provide the information required un-
29 der this section. The late fee may be in the amount of up to five hundred
30 dollars (\$500) per day and is immediately payable from the local govern-
31 mental entity to the state controller's office, which shall deposit the
32 fee in the state general fund.

33 (b) No later than January 15 of any year, the state controller must
34 notify the appropriate board of county commissioners and the state tax
35 commission of the entity's failure to comply with the provisions of this
36 section. Upon receipt of such notification, the board of county commis-
37 sioners must place a public notice in a newspaper of general circulation
38 in the county indicating that the entity is noncompliant with the legal
39 reporting requirements of this section. The county commissioners shall
40 assess to the entity the cost of the public notice. Such costs may be
41 deducted from any distributions of taxes, fees, increment financing, or
42 assessments collected by the county on behalf of the local governmental
43 entity. For any noncomplying entity, the state controller must notify
44 the board of county commissioners and the state tax commission of the
45 compliance status of such entity once the entity is in compliance.

46 (c) A local governmental entity that fails to comply with this section
47 is prohibited from including in its budget any budget increase other-
48 wise permitted by subsection (1)(a) or (e) of section 63-802, Idaho
49 Code.

1 (d) In addition to any other penalty provided in this section, during
2 any failure to comply with this section, the state tax commission must
3 withhold the quarterly distribution of sales tax distribution pursuant
4 to section 63-3638(10), Idaho Code, for any noncomplying entity. The
5 state tax commission must withhold and retain such money in a reserve
6 account until the state controller certifies that the entity has com-
7 plied with the provisions of this section, at which point the state tax
8 commission must pay any money owed to the local governmental entity pre-
9 viously in violation of this section.

10 (e) For any local governmental entity that is a non-taxing district,
11 including entities established pursuant to title 50, Idaho Code,
12 upon notification to the board of county commissioners from the state
13 controller of noncompliance by such entity, the board of county com-
14 missioners must convene to determine appropriate compliance measures,
15 including but not limited to the following:

16 (i) Require a meeting of the board of county commissioners and the
17 entity's governing body wherein the board of county commissioners
18 requires compliance of this section by the entity;

19 (ii) Assess a noncompliance fee on the noncomplying entity. Such
20 fee may not exceed five thousand dollars (\$5,000). Such fees and
21 costs may be deducted from any distributions of taxes, fees, in-
22 crement financing, or assessments collected by the county on be-
23 half of the local governmental entity until such time as the entity
24 is in compliance with the requirements of this section and section
25 67-1075, Idaho Code. The amount of any such fee may not be passed
26 on to persons subject to the jurisdiction of the entity in the form
27 of adjustments to any fee or assessment imposed or collected by the
28 entity. Any fee collected must be deposited into the county's cur-
29 rent expense fund; and

30 (iii) Cause a special audit to be conducted on the entity at the
31 cost of the entity.

32 (8) The provisions of this section have no impact or effect upon report-
33 ing requirements for local governmental entities relating to the state tax
34 commission.

35 SECTION 5. An emergency existing therefor, which emergency is hereby
36 declared to exist, this act shall be in full force and effect on and after
37 January 1, 2023.