

STATEMENT OF PURPOSE

RS29669 / H0735

This legislation repeals the county Charity and Indigent Fund Levy, providing property tax relief to Idahoans in the current fiscal year and into the future. For FY23 and FY24, this bill provides for the reimbursement to counties for the total amount each county levied under those repealed provisions in 2021. Starting in FY25, this bill routs the Tax Relief Fund money from marketplace facilitators and out-of-state retailers (Section 63-3620F) through the sales tax distribution formula (Section 63-3638). Additionally, this bill provides that starting in FY25, \$9 million per quarter will be transferred from the local distribution to a new Public Defense Fund created in this bill. Starting October 1, 2024, using the current general fund appropriation to the Public Defense Commission (nearly \$11.7 million) combined with the amount automatically deposited in the fund (\$36 million annually with a possible 3% escalator for five years), the state will fund indigent public defense and relieve counties of that statutory obligation. Finally, the bill includes legislative intent that in the next legislative session, using the new funds made available under this bill starting in FY25, a new model for the provision of public defense in this state be adopted.

FISCAL NOTE

This bill reduces what counties can levy to provide immediate property tax relief to Idahoans but replaces that amount to counties for FY23 and FY24 while counties continue to provide indigent public defense services. That amount totals \$20,960,619 from sales tax revenue to counties for those two years. Rerouting the Tax Relief Fund money through the sales tax distribution will have a positive effect on local government budgets under the anticipated rates of growth of sales tax revenue.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).