STATEMENT OF PURPOSE

RS30604 / H0292

This legislation provides immediate and long term property tax relief to all property tax payers in Idaho. The first year of the bill will provide up to $355 million dollars in property tax relief. The second and third year, approximately $110 million be used to reduce property taxes for owner occupied tax payers; approximately $100 million will be used to reduce property taxes for all property tax payers; and another approximate $100 million will be distributed to school districts on an average daily attendance basis. School districts are required to use funds in the order of priority as follows: (1) payment of school bonds (2) payment of school levies (3) saved for future school facility construction needs (4) used for new bonds. This legislation also eliminates the March date that school districts can use for elections. Circuit breaker criteria are also relaxed to allow more people to qualify.

FISCAL NOTE

In the first year of implementation, this bill provides at least $205 million of property tax relief and as much as $355 million. This will impact property owners beginning in December of 2023. Year 2 of implementation will provide property tax relief at a minimum of $122.5 million and as much as $272.5 million. This will impact property owners beginning in December of 2024. Year 3 of implementation will provide property tax relief at a minimum of $182.4 million and as much as $332.4 million. This will impact property owners beginning in December of 2025. The General Fund impact is as follows:

General Fund Impact			
	FY 23	**FY 24**	**FY 25**
General Fund Cash Transfer	($75)	$0	$0
4.5% for PTAX	$0	($122.5)	($135.8)
Wayfair/Tax Relief Fund	$0	$0.0	($24.2)
Circuit Breaker	($1.6)	($1.7)	($1.8)
Total Impact	($76.6)	($124.2)	($161.8)

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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).