AN ACT

RELATING TO TAXATION; PROVIDING LEGISLATIVE FINDINGS AND INTENT; AMENDING SECTION 63-3024, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE INCOME TAX RATE ON INDIVIDUALS, ESTATES, AND TRUSTS; AMENDING SECTION 63-3025, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE CORPORATE INCOME TAX RATE; AMENDING SECTION 33-911, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE SCHOOL DISTRICT FACILITIES FUND; AMENDING SECTION 33-102A, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE APPOINTMENT OF AN EXECUTIVE OFFICER OF THE STATE BOARD OF EDUCATION AND TO PROVIDE FOR A CERTAIN REPORT; AMENDING SECTION 33-104, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE CONDUCT OF MEETINGS OF THE STATE BOARD OF EDUCATION; AMENDING SECTION 34-106, IDAHO CODE, TO REMOVE A PROVISION REGARDING SCHOOL DISTRICT BOND AND PROPERTY TAX LEVY ELECTIONS; AMENDING SECTION 33-802A, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE COMPUTATION OF SCHOOL BOND AND INTEREST LEVIES; REPEALING SECTION 33-905, IDAHO CODE, RELATING TO THE SCHOOL DISTRICT BUILDING ACCOUNT; REPEALING SECTION 33-906, IDAHO CODE, RELATING TO THE BOND LEVY EQUALIZATION SUPPORT PROGRAM; REPEALING SECTION 33-906A, IDAHO CODE, RELATING TO THE BOND LEVY EQUALIZATION FUND; REPEALING SECTION 33-906B, IDAHO CODE, RELATING TO A VALUE INDEX CALCULATION; AMENDING SECTION 33-907, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE PUBLIC EDUCATION STABILIZATION FUND; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-912, IDAHO CODE, TO ESTABLISH PROVISIONS REGARDING THE SCHOOL MODERNIZATION FACILITIES FUND; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-913, IDAHO CODE, TO PROVIDE FOR THE ISSUANCE OF BONDS FROM THE SCHOOL MODERNIZATION FACILITIES FUND; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-914, IDAHO CODE, TO PROVIDE FOR THE ELECTION OF AN ANNUALIZED OR LUMP SUM DISTRIBUTION FROM THE SCHOOL MODERNIZATION FACILITIES FUND; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-915, IDAHO CODE, TO PROVIDE FOR A FIXED DISTRIBUTION FROM THE SCHOOL MODERNIZATION FACILITIES FUND; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-916, IDAHO CODE, TO PROVIDE FOR THE ELIGIBILITY OF SCHOOL DISTRICTS FOR SCHOOL MODERNIZATION FACILITIES FUND DISTRIBUTIONS; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-917, IDAHO CODE, TO PROVIDE FOR A SCHOOL DISTRICT'S USE OF FUNDS FROM THE SCHOOL MODERNIZATION FACILITIES FUND; AMENDING CHAPTER 9, TITLE 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-918, IDAHO CODE, TO PROVIDE FOR A BEST PRACTICES PLAN FOR SCHOOL FACILITIES; REPEALING SECTION 33-1018B, IDAHO CODE, RELATING TO SCHOOL BUILDING MAINTENANCE MATCHING FUNDS; REPEALING SECTION 33-1019, IDAHO CODE, RELATING TO A REQUIRED ALLOCATION FOR SCHOOL BUILDING MAINTENANCE; REPEALING SECTION 39-8006A, IDAHO CODE, RELATING TO A BEST PRACTICES MAINTENANCE PLAN FOR SCHOOL BUILDINGS; AMENDING SECTION 57-810, IDAHO CODE, TO REVISE PROVISIONS REGARDING DISTRIBUTION OF CERTAIN EXCESS
Funds for property tax relief; amending section 57-811, Idaho code, to revise provisions regarding the tax relief fund; amending section 63-724, Idaho code, to revise provisions regarding homeowner property tax relief; amending section 63-2520, Idaho code, to remove a provision regarding a certain distribution to the general fund; amending section 63-3638, Idaho code, to provide for certain sales tax distributions; amending section 67-5771A, Idaho code, to revise provisions regarding the distribution of unexpended funds; amending section 67-6409, Idaho code, to provide that the State building authority may issue bonds related to the school modernization facilities fund and to make technical corrections; amending section 67-7434, Idaho code, to revise provisions regarding the distribution of lottery income; amending section 33-356, Idaho code, to remove code references; amending section 33-1018C, Idaho code, to provide a correct code reference; amending section 33-1102, Idaho code, to remove a provision regarding certain bonds; amending section 40-718, Idaho code, to provide a correct code reference; and declaring an emergency, providing retroactive application, and providing effective dates.

Be it enacted by the Legislature of the State of Idaho:

SECTION 1. Legislative findings and intent. (1) The Legislature finds that the burden of taxation on the people of Idaho is too great.

(2) The Legislature further finds that the primary drivers of this burden are the need for school districts to resort to property taxes to pay for the construction and repair of school facilities and an income tax rate that is in the second highest quintile among states.

(3) Therefore, it is the intent of the Legislature to amend state law to provide income tax relief and reduce the need for and likelihood of school districts resorting to property taxes to meet their school facility needs, including by restricting opportunities to increase school property taxes and directing additional state tax revenues to school facilities, while ensuring accountability for the same.

SECTION 2. That section 63-3024, Idaho Code, be, and the same is hereby amended to read as follows:

63-3024. Individuals' tax and tax on estates and trusts. (1) For each taxable year, a tax measured by Idaho taxable income as defined in this chapter is hereby imposed upon every individual, trust, or estate required by this chapter to file a return.

(2)(a) The tax imposed upon individuals, trusts, and estates shall be computed at the rate of five and eight-tenths percent (5.8%) five and six hundred ninety-five thousandths percent (5.695%) of taxable income over two thousand five hundred dollars ($2,500).

(b) For taxpayers filing a joint return pursuant to the provisions of section 63-3031, Idaho Code, the tax imposed shall be computed at the rate of five and eight-tenths percent (5.8%) five and six hundred ninety-five thousandths percent (5.695%) of taxable income over five thousand dollars ($5,000). For the purposes of this section, a return of a surviving spouse, as defined in section 2(a) of the Internal Rev-
venue Code, and a head of household, as defined in section 2(b) of the Internal Revenue Code, shall be treated as a joint return.

(3) For taxable year 2000 and each year thereafter, the state tax commission shall prescribe a factor that shall be used to compute the Idaho income tax thresholds provided in subsection (2) of this section. The factor shall provide an adjustment to the Idaho tax thresholds so that inflation will not result in a tax increase. The Idaho tax thresholds shall be adjusted as follows: multiply the last threshold amount by the percentage (the consumer price index for the calendar year immediately preceding the calendar year to which the adjusted threshold amount will apply divided by the consumer price index for calendar year 1998). For the purpose of this computation, the consumer price index for any calendar year is the average of the consumer price index as of the close of the twelve (12) month period for the immediately preceding calendar year, without regard to any subsequent adjustments, as adopted by the state tax commission. This adoption shall be exempt from the provisions of chapter 52, title 67, Idaho Code. The consumer price index shall mean the consumer price index for all U.S. urban consumers published by the United States department of labor. The state tax commission shall annually include the factor as provided in this subsection to multiply against Idaho taxable income using the thresholds in this section to arrive at that year's Idaho taxable income for tax threshold purposes.

(4) In the case of a trust that is an electing small business trust as defined in section 1361 of the Internal Revenue Code, the special rules for taxation of such trusts contained in section 641 of the Internal Revenue Code shall apply, except that the individual rate provided in subsection (2)(a) of this section shall apply in computing tax due under this chapter.

(5) The state tax commission may promulgate rules defining the conditions upon which such returns shall be filed.

SECTION 3. That Section 63-3025, Idaho Code, be, and the same is hereby amended to read as follows:

63-3025. TAX ON CORPORATE INCOME. (1) For each taxable year, a tax is hereby imposed on the Idaho taxable income of a corporation, other than an S corporation, that transacts or is authorized to transact business in this state or has income attributable to this state. The tax shall be equal to five and eight-tenths percent (5.8%) of five and six hundred ninety-five thousandths percent (5.695%) of Idaho taxable income.

(2) In the case of an S corporation that is required to file a return under section 63-3030, Idaho Code, a tax is hereby imposed at the rate provided in subsection (1) of this section upon both:

(a) Net recognized built-in gain attributable to this state. The amount of net recognized built-in gain attributable to this state shall be computed in accordance with section 1374 of the Internal Revenue Code subject to the apportionment and allocation provisions of section 63-3027, Idaho Code; and

(b) Excess net passive income attributable to this state. The amount of excess net passive income attributable to this state shall be computed in accordance with section 1375 of the Internal Revenue Code subject to the apportionment and allocation provisions of section 63-3027, Idaho Code.
(3) The tax imposed by subsection (1) or (2) of this section shall not be less than twenty dollars ($20.00); provided that the twenty-dollar ($20.00) minimum payment shall not be collected from nonproductive mining corporations.

(4) The tax imposed by this section shall not apply to corporations taxed pursuant to the provisions of section 63-3025A, Idaho Code.

SECTION 4. That Section 33-911, Idaho Code, be, and the same is hereby amended to read as follows:

33-911. SCHOOL DISTRICT FACILITIES FUND. (1) There is hereby created in the state treasury the school district facilities fund. The fund shall consist of moneys provided pursuant to sections 57-811, and 63-3638, and 67-7434, Idaho Code, and any other legislative transfers or appropriations. Interest earned from the investment of moneys in the fund shall be returned to the fund.

(2) The moneys in the fund shall be distributed by the state controller to the state department of education by August 1 each year for the purpose of construction or renovation of school facilities. The moneys shall be distributed by the state department of education to each school district, as defined in section 33-1001(21), Idaho Code, on a per-pupil basis, first as provided in subsection (7) of this section and then on a per-pupil basis using the average daily attendance calculation provided in section 33-1003A, Idaho Code, except that a student attending less than half-time through a virtual learning program shall not be counted toward that school district's average daily attendance calculation for each student in kindergarten through grade 12 at physical facilities that are part of and on school grounds of the school district in which the student is enrolled with verification, as needed, by the office of the state board of education. Upon formal approval by the state board of education, a school district may receive an exemption to the physical facility requirement pursuant to this subsection if the student would have attended a physical facility in the school district if not for a stated emergency. The state department of education shall transfer the moneys by no later than August 31 each year to each school district. Such moneys shall be used in place of property tax levy moneys and shall be expended by a school district for one (1) or more of the purposes set forth in paragraphs (a) through (d) of this subsection. Moneys in the fund must be used by a school district in the following order of priority:

(a) Payment of existing school bonds authorized pursuant to chapter 11, title 33, Idaho Code;

(b) Payment of supplemental school levies authorized pursuant to section 33-802, Idaho Code, excluding indefinite term supplemental levies described in section 33-802(5), Idaho Code;

(c) Saved in a reserve account by the school district for future school facility construction or renovation needs Payment of school plant facility levies authorized pursuant to sections 33-804 and 33-804A, Idaho Code; and

(d) For use in securing and making payments on a new school facilities bond. Any moneys that remain following the payments provided in paragraphs (a) through (c) of this subsection may be: used for construction of a new school facility, renovation, or maintenance needs; used to
secure and make payments on a new school facilities bond; or saved in a reserve account by the school district for future school facility needs. Uses of funds shall include regular and routine facilities maintenance, including preventive maintenance, building repairs, and building security, and periodic major facilities projects that involve planning, design, construction, renovation, retrofitting, and replacing of buildings and building systems, components, and features, as well as site acquisition, site improvements, and new construction.

(3) The amount of moneys received by a school district pursuant to this section must be deducted from a school levy that would otherwise have been paid by property taxpayers. Such moneys may not be duplicated by the collection of property tax, and no property taxes may be collected in order to make extra payments on expenses described in subsection (2) of this section in excess of required amounts.

(4) Each school district shall identify the amount received in the current year pursuant to this section in the certification of its budget in accordance with section 63-803, Idaho Code. Said amount must be subtracted from the amount to be levied. The amount of moneys thereby saved from being collected by a property tax levy shall be reported on each property tax notice pursuant to section 63-902, Idaho Code.

(5) Each school district shall report annually to the state department of education, in a manner prescribed by it, on the expenditure of moneys it has received pursuant to this section. The state department of education shall present the reports to the legislature each January.

(6) For the purposes of this section, the Idaho school for the deaf and the blind shall be considered a school district and shall receive a distribution based on the average daily attendance of the school.

(7) For state fiscal years 2025 and 2026 only, any school district that would have received support from the bond levy equalization support program for a qualified bond passed prior to January 1, 2024, and for which property taxes were levied in property tax year 2024 pursuant to the amount intended by the bond shall receive a distribution of funds from the distribution provided under subsection (2) of this section of at least as much as would have been provided through bond levy equalization support on July 1, 2024. The state department of education may adjust distributions for remaining districts proportionally as necessary pursuant to this paragraph. On and after July 1, 2024, school districts may use funds provided in this section and section 33-913, Idaho Code, to offset the bond levy equalization support.

SECTION 5. That Section 33-102A, Idaho Code, be, and the same is hereby amended to read as follows:

33-102A. OFFICE OF THE STATE BOARD -- EXECUTIVE OFFICER -- APPOINTMENT -- COMPENSATION -- DUTIES AND POWERS. (1) There is hereby created as an executive agency of the state board of education the office of the state board of education. The state board of education governor is hereby authorized to appoint an executive officer of the state board who shall serve at the pleasure of the state board governor and shall receive such salary as fixed by the state board governor. The executive secretary may be appointed as the executive officer.
(2) The executive officer shall, under the direction of the state board, have such duties and powers as prescribed by the said board of regents and the state board of education, not otherwise assigned by law.

(3) The executive officer shall, together with the president of the state board of education, submit an annual report to the legislature no later than January 15 of each year, detailing the uses and impact of the school modernization facilities fund.

SECTION 6. That Section 33-104, Idaho Code, be, and the same is hereby amended to read as follows:

33-104. MEETINGS OF THE BOARD -- HONORARIUM -- EXPENSES -- ORGANIZATION. (1) The state board shall hold no less than four (4) regular meetings annually at such time and place as may be directed by the board. Special meetings may be called by the president at any time and place designated in such call.

(2) Each member shall be compensated as provided by section 59-509(h), Idaho Code.

(3) The president of the board shall be selected by the governor.

(4) At its first meeting after the first day of April, in each year, the state board shall organize and shall elect from its membership a president, a vice president and a secretary. The president shall select a vice president and secretary.

SECTION 7. That Section 34-106, Idaho Code, be, and the same is hereby amended to read as follows:

34-106. LIMITATION UPON ELECTIONS. On and after January 1, 2011, notwithstanding any other provisions of the law to the contrary, there shall be no more than two (2) elections conducted in any county in any calendar year, except as provided in this section or section 34-220, Idaho Code, and except that elections to fill vacancies in the United States house of representatives shall be held as provided in the governor's proclamation.

(1) The dates on which elections may be conducted are:

(a) The third Tuesday in May of each year; and

(b) The Tuesday following the first Monday in November of each year.

(c) In addition to the elections specified in paragraphs (a) and (b) of this subsection and subsection (7) of this section, an emergency election may be called upon motion of the governing board of a political subdivision. An emergency exists when there is a great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, or when it is necessary to do emergency work to prepare for national or local defense or to safeguard life, health or property.

(2) Candidates for office elected in May shall take office on the date specified in the certificate of election but not more than sixty (60) days following the election.

(3) Candidates for office elected in November shall take office as provided in the constitution or on January 1 next succeeding the November election.

(4) The governing board of each political subdivision subject to the provisions of this section that, prior to January 1, 2011, conducted an elec-
tion for members of that governing board on a date other than a date permitted in subsection (1) of this section shall establish as the election date for that political subdivision the date authorized in subsection (1) of this section that falls nearest the date on which elections were previously conducted, unless another date is established by law.

(5) The secretary of state is authorized to provide such assistance as necessary and to prescribe any needed rules or interpretations for the conduct of election authorized under the provisions of this section.

(6) Water districts governed by chapter 6, title 42, Idaho Code, are exempt from the provisions of this section.

(7) Community colleges governed by chapter 21, title 33, Idaho Code, and school districts are subject to the limitations specified in subsection (1) of this section, except that school districts may also hold an election on the last Tuesday in August of each year on bonded indebtedness and property tax levy questions.

(8) A city initiative or referendum election shall be held on the Tuesday following the first Monday in November of odd-numbered years. A county initiative or referendum election or a bond, levy and any other ballot question elections conducted by any political subdivision shall be held on the nearest date authorized in subsection (1) of this section that falls more than sixty (60) days after the clerk of the political subdivision orders that such election shall be held in May or November of even-numbered years or more than fifty (50) days after the order for all other elections, unless otherwise provided by law. Ballot language for any question to be placed on the ballot shall be submitted to the county clerk at least sixty (60) days before an election held in May or November of even-numbered years and at least fifty (50) days before all other elections.

(9) Recall elections may be held on any of the three (3) dates authorized in subsections (1) and (7) of this section that fall more than forty-five (45) days after the clerk of the political subdivision orders that such election shall be held.

(10) Irrigation districts governed by title 43, Idaho Code, are subject to the limitations specified in subsection (1) of this section, except that irrigation districts may also hold an election on the first Tuesday in February of each year and on the first Tuesday in August of each year on questions required to be voted upon by title 43, Idaho Code.

SECTION 8. That Section 33-802A, Idaho Code, be, and the same is hereby amended to read as follows:

33-802A. COMPUTATION OF BOND AND BOND INTEREST LEVIES. When the board of trustees of any school district determines and makes a levy allowed by section 33-802, Idaho Code, and incorporates such levy as a part of the school district's budget to service all maturing bond and bond interest payments for the ensuing fiscal property tax year, it shall take into consideration any state bond levy equalization funds provided pursuant to section 33-906, Idaho Code, and any balances remaining or that may remain in its bond interest and redemption fund after meeting its bond and bond interest obligations for its current fiscal property tax year. The levy so made for the ensuing fiscal property tax year shall be an amount which, together with any state bond levy equalization funds provided pursuant to section 33-906,
Idaho Code, and the balance in its bond interest and redemption fund remaining after meeting its current fiscal property tax year bond and bond interest obligations, shall satisfy all maturing bond and bond interest payments for at least the ensuing twelve (12) months, and not to exceed the ensuing twenty-one (21) months counted from July 1 of the current calendar year's property tax year, but shall not exceed one hundred twenty percent (120%) of the amount required for the payments for the ensuing twelve (12) month property tax year.

SECTION 9. That Section 33-905, Idaho Code, be, and the same is hereby repealed.

SECTION 10. That Section 33-906, Idaho Code, be, and the same is hereby repealed.

SECTION 11. That Section 33-906A, Idaho Code, be, and the same is hereby repealed.

SECTION 12. That Section 33-906B, Idaho Code, be, and the same is hereby repealed.

SECTION 13. That Section 33-907, Idaho Code, be, and the same is hereby amended to read as follows:

33-907. PUBLIC EDUCATION STABILIZATION FUND. (1) There is hereby created in the state treasury a fund to be known as the public education stabilization fund, which shall function as a fund detail of the public school income fund. The fund shall consist of moneys transferred to the fund according to the provisions of sections 33-905, 33-1018 and 33-1018C, Idaho Code, and any other moneys made available through legislative transfers or appropriations. Moneys in the fund are hereby continuously appropriated for the purposes stated in sections 33-1018 and 33-1018B, Idaho Code, and shall only be expended for the purposes stated in sections 33-1018 and 33-1018A and 33-1018B, Idaho Code. Any accumulated balances in the fund that are in excess of eight and one-third percent (8.333%) fifteen percent (15%) of the current fiscal year's total appropriation of state funds for public school support shall be transferred to the bond levy equalization school district facilities fund. Interest earned from the investment of moneys in the fund shall be retained in the fund.

(2) For the period July 1, 2021, through June 30, 2023, no moneys from the public education stabilization fund shall be withdrawn for any purpose, including those in sections 33-1018, 33-1018A, and 33-1018B, Idaho Code, and any other law or rule to the contrary, for encumbered obligations and unencumbered expenditures associated with state funds appropriated for fiscal year 2022. The state department of education shall prorate any negative variance pursuant to section 33-1018, Idaho Code, by a formula prescribed by the state department of education.

SECTION 14. That Chapter 9, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-912, Idaho Code, and to read as follows:
33-912. SCHOOL MODERNIZATION FACILITIES FUND. (1) There is hereby created in the state treasury the school modernization facilities fund. The fund shall consist of moneys provided pursuant to section 63-3638(19), Idaho Code.

(2) Moneys in the fund are hereby continuously appropriated solely for the purpose of making annualized distributions to school districts electing to receive distributions and for paying the principal, interest, and other amounts required for education bonds issued by the Idaho state building authority for the state department of education in accordance with the provisions of this chapter.

(3) Moneys in the fund shall be paid by the state department of education to districts electing annual distributions and to the Idaho state building authority as required for annual debt service and other expenses relating to the bonds issued pursuant to section 33-913, Idaho Code.

(4) The state treasurer shall invest the idle moneys of the school modernization facilities fund, and the interest earned on such investment shall be retained by the school modernization facilities fund.

SECTION 15. That Chapter 9, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-913, Idaho Code, and to read as follows:

33-913. ISSUANCE OF BONDS -- SCHOOL MODERNIZATION FACILITIES FUND. (1) The Idaho state building authority is hereby authorized to issue bonds from time to time as needed for the state department of education, secured by unobligated moneys in the school modernization facilities fund established in section 33-912, Idaho Code, for the purpose of providing funds to the state department of education for distribution to eligible school districts as provided in this section.

(2) Bonds shall be issued with maturities of no more than ten (10) years from the date of issuance.

(3)(a) The annual debt service and related expenses of the Idaho state building authority for bonds issued under this section may not exceed the amount available from continuing appropriations of the school modernization facilities fund minus the annualized distributions elected by school districts.

(b) In times of economic recession in which sales tax receipts fall below prior year levels, the legislature may consider temporarily ceasing annualized distributions for those districts electing such annualized distributions. In the case of school districts that elect a lump sum, annual debt service and related expenses of such bonds may be covered during the economic recession by withholding other payments that would be made available to the district in response to the economic recession, such as distributions of rainy day funds or federal recovery funds.

SECTION 16. That Chapter 9, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-914, Idaho Code, and to read as follows:

33-914. ANNUALIZED OR LUMP SUM DISTRIBUTION -- SCHOOL MODERNIZATION FACILITIES FUND. (1) School districts may elect to receive their distribu-
tion as a lump sum from the net proceeds of the bonds paid to the state department of education. School districts may alternatively request to receive their distribution in annualized amounts, which shall be subject to the order of priority specified for the school district facilities fund established in section 33-911, Idaho Code. The state department of education shall establish a process for school districts to elect a lump sum or annualized distribution or a combination thereof in alignment with the dates specified in section 33-911, Idaho Code. Annualized distributions shall be distributed to school districts no later than August 31 each year, to those school districts electing such distributions prior to that date.

(2) If a school district elects not to receive either an annualized distribution or a lump sum amount or fails to make a selection by July 1, 2025, the amount the school district would have received shall be transferred to the school district facilities fund created in section 33-911, Idaho Code, for distribution to all schools according to the provisions of section 33-911, Idaho Code.

SECTION 17. That Chapter 9, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-915, Idaho Code, and to read as follows:

33-915. FIXED DISTRIBUTION -- SCHOOL MODERNIZATION FACILITIES FUND. (1) The state department of education shall establish a fixed distribution of funds to be made available for voluntary election to each school district subject to the conditions in this section.

(a) The distribution shall be calculated in state fiscal year 2025 for each school district, as defined in section 33-1001(21), Idaho Code, that is in operation as of July 1, 2024.

(b) The distribution shall be calculated by multiplying the following two (2) factors, both of which shall be based on the most recent data available in the state fiscal year coinciding with the distribution calculation:

(i) Calculate the per-pupil amount, using the average daily attendance calculation provided in section 33-1003A, Idaho Code, for each student in kindergarten through grade 12 at physical facilities that are part of and on school grounds of the school district in which the student is enrolled with verification, as needed, by the office of the state board of education. Upon formal approval by the state board of education, a school district may receive an exemption to the physical facility requirement pursuant to this subsection if the student would have attended a physical facility in the school district if not for a stated emergency; and

(ii) Calculate, together with the Idaho state building authority, the total amount that a bond issuance would generate, based on the amount established in section 63-3638(19), Idaho Code.

(c) In no case shall the amount awarded to any school district be less than twenty-five thousand dollars ($25,000) over the ten (10) year period.

(d) In no case shall the amount awarded to any school district with an active charter district maintenance and operation levy pursuant to section 33-802(6), Idaho Code, or a charter district supplemental main-
nance and operation levy pursuant to section 33-802(4), Idaho Code, exceed forty million dollars ($40,000,000) over the ten (10) year period. Excess funds shall be distributed proportionately according to the factors established in paragraph (b) of this subsection to remaining school districts that received initial allocations below forty million dollars ($40,000,000). Any districts receiving reallocations under this paragraph shall not exceed forty million dollars ($40,000,000).
(e) For the purposes of this section, the Idaho school for the deaf and the blind shall be considered a school district and shall receive a distribution based on the average daily attendance of the school.
(2) The provisions of this section shall be null, void, and of no force and effect on and after June 30, 2034.

SECTION 18. That Chapter 9, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-916, Idaho Code, and to read as follows:

33-916. ELIGIBILITY OF SCHOOL DISTRICTS FOR SCHOOL MODERNIZATION FACILITIES FUND DISTRIBUTIONS. The state department of education shall not approve school district requests for annualized distributions or for distribution from the applicable bond proceeds until the following conditions are satisfied:
(1) The school district has submitted a ten (10) year facilities plan in accordance with provisions of section 33-918, Idaho Code;
(2) The school district attests that if it operated on a five (5) day school week during fiscal year 2024, it will not convert to a four (4) day school week during the period for which the school district has elected to receive funding from the school modernization facilities fund. If the school district does convert from a five (5) day school week to a four (4) day school week or if it operated on a four (4) day school week during fiscal year 2024, it must attest that it meets the minimum contract days and minimum student instructional day requirements of the state board of education, which requirements shall be implemented no later than August 1, 2024; and
(3) The school district attests compliance with the dignity and nondiscrimination in public education requirements specified in section 33-138, Idaho Code, and further attests that the school district does not require job applicants to sign written diversity statements.

SECTION 19. That Chapter 9, Title 33, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 33-917, Idaho Code, and to read as follows:

33-917. SCHOOL DISTRICT USE OF FUNDS -- SCHOOL MODERNIZATION FACILITIES FUND.
(1)(a) Moneys distributed to a school district shall be used for school facility construction, renovation, or maintenance needs or, in the case of school districts electing annualized distributions, funds shall be used subject to section 33-911, Idaho Code. Uses of funds shall include regular and routine facilities maintenance, including preventive maintenance, building repairs, and building security, and shall also include periodic major facilities projects that involve plan-
ning, design, construction, renovation, retrofitting, and replacing
of buildings and building systems, components, and features, as well as
site acquisition, site improvements, and new construction.
(b) Any funds distributed by the state to school districts for facil-
ities must be used only for the purposes described in this subsection.
Any funds intended for facilities but used for another purpose shall
be returned to the state by the school district and deposited to the
state general fund. If the school district fails to return such funds,
an amount equivalent to the misused funds shall be deducted from the
state's next payment to the school district pursuant to this chapter or
chapter 52, title 33, Idaho Code.
(2) All funds shall be used for school facilities directly related to
the school district's core educational mission. No funds shall be used for
facilities with a primary athletic purpose.
(3) Each school district shall annually report to the state department
of education, in a manner prescribed by the state department of education, on
the planned and actual expenditure of moneys it has received pursuant to this
section.
(4) A model school facility council shall be created by July 1, 2024,
to research, adopt, and recommend a model school facility plan that schools
shall abide by when using school modernization facilities fund moneys pur-
suant to the plan adopted in paragraph (c) of this subsection. The council
shall:
(a) Be chaired by the executive director of the office of the state
board of education, with administrative support provided by the office
of the state board of education;
(b) Consist of nine (9) members, with three (3) members appointed by
the governor, three (3) members appointed by the speaker of the house of
representatives, and three (3) members appointed by the president pro
tempore of the senate; and
(c) Adopt a model school facility plan and submit it to the legislature
by July 1, 2026, that:
(i) Outlines a clear plan for school facility construction, in-
cluding standardization for elementary schools, middle schools,
and high schools;
(ii) Considers potential variability of school properties, ob-
jectives, and goals; and
(iii) Consults all necessary experts to develop a thorough plan
for school facilities to guide the use of funds from the school
modernization facilities fund.

SECTION 20. That Chapter 9, Title 33, Idaho Code, be, and the same is
hereby amended by the addition thereto of a NEW SECTION, to be known and des-
ignated as Section 33-918, Idaho Code, and to read as follows:

33-918. BEST PRACTICES PLAN FOR SCHOOL FACILITIES. The state depart-
ment of education shall draft a best practices maintenance plan for school
facilities that shall be supplied to the superintendent of each school dis-
trict. Based on the best practices plan, each school district shall develop
a ten (10) year plan and submit it to the state department of education for
approval outlining its anticipated construction, renovation, and mainte-
nance needs. Such plan shall be submitted in advance of receiving a distribu-

SECTION 21. That Section 33-1018B, Idaho Code, be, and the same is hereby repealed.

SECTION 22. That Section 33-1019, Idaho Code, be, and the same is hereby repealed.

SECTION 23. That Section 39-8006A, Idaho Code, be, and the same is hereby repealed.

SECTION 24. That Section 57-810, Idaho Code, be, and the same is hereby amended to read as follows:

57-810. CASH TRANSFERS FOR PROPERTY TAX RELIEF. Notwithstanding the provisions of section 57-814, Idaho Code, after the close of each fiscal year in 2023, 2024, and 2025, the state controller shall determine any excess cash balance in the general fund. When calculating any excess cash balance, the state controller shall first provide for the ending balance, as determined by the legislative record, to be carried over into the next fiscal year, plus an amount sufficient to cover encumbrances as approved by the division of financial management and an amount sufficient to cover any reappropriation as authorized by the legislature. On July 1, or as soon thereafter as is practicable, of each such year, there is hereby appropriated one hundred fifty million dollars ($150,000,000) or the balance of the general fund excess cash balance, whichever is less, to be transferred as follows:

1. The state controller shall transfer the first fifty million dollars ($50,000,000) to the homeowner property tax relief account established pursuant to the provisions of section 63-724, Idaho Code; and

2. The state tax commission shall transfer the remaining moneys to be used for the purpose of property tax relief in the following manner. Fifty percent (50%) of the remaining moneys shall be distributed to the school district facilities fund established pursuant to section 33-911, Idaho Code, and fifty percent (50%) shall be distributed to each county in the proportion that the amount of property taxes levied for the current tax year and approved pursuant to section 63-809, Idaho Code, on all taxable properties in the county bears to the total amount of property taxes levied for the current tax year and approved pursuant to section 63-809, Idaho Code, in all the counties. This amount shall be certified to the county auditor and tax collector by the state tax commission no later than the first Monday in November. Each county shall apply the moneys received as a credit on each property owner's property tax bill in proportion to the amount of property taxes on the property and shall distribute the moneys in the same manner as if they were property taxes the homeowner property tax relief account established pursuant to the provisions of section 63-724, Idaho Code.
SECTION 25. That Section 57-811, Idaho Code, be, and the same is hereby amended to read as follows:

57-811. TAX RELIEF FUND. (1) There is hereby created in the state treasury the tax relief fund to which shall be credited all moneys remitted from sections 63-3620F and 63-3638, Idaho Code, from federal grants, donations, or any other source. Moneys in the fund are intended to fund future tax relief statutes enacted by the legislature and may be expended pursuant to appropriation. All interest earned on the investment of idle moneys in the fund shall be returned to the fund.

(2) For fiscal year 2025 and each fiscal year thereafter, twenty percent (20%) of the moneys in the tax relief fund is continuously appropriated and shall be transferred to the school district facilities fund established pursuant to section 33-911, Idaho Code.

(3) For fiscal year 2024 2025 and each fiscal year thereafter, the state controller shall transfer thirty-six million dollars ($36,000,000), thirty-nine million dollars ($39,000,000) from the tax relief fund to the state public defense fund established pursuant to section 57-827, Idaho Code.

(4) For fiscal year 2023 and each fiscal year thereafter, the state controller shall transfer the remaining balance of the fund or two hundred thirty-six million dollars ($236,000,000), whichever is less, from the tax relief fund to the general fund.

SECTION 26. That Section 63-724, Idaho Code, be, and the same is hereby amended to read as follows:

63-724. HOMEOWNER PROPERTY TAX RELIEF. (1) It is the intent of the legislature to provide property tax relief on owner-occupied properties in Idaho receiving the homestead property tax exemption pursuant to section 63-602G, Idaho Code, as of the second Monday in July each year by providing state moneys as replacement funding as provided in this section. This section does not apply to occupancy taxes levied pursuant to section 63-317, Idaho Code.

(2) For the purpose of this section:
(a) "Eligible property taxes" means all property tax levies on homes receiving the homestead property tax exemption pursuant to section 63-602G, Idaho Code, as of the second Monday in July each year, except for bonds, school district levies, plant facility levies, and any voter-approved temporary levy for a specific duration. When calculating the eligible property taxes for the purpose of this section, the taxable value of each property shall include the value of no more than one (1) acre.
(b) "Homeowner property tax relief homestead" means a property receiving the homestead property tax exemption pursuant to section 63-602G, Idaho Code, as of the second Monday in July each year.
(3) There is hereby created in the state treasury the homeowner property tax relief account. Moneys in this account shall consist of moneys transferred from the general fund and are continuously appropriated for homeowner property tax relief pursuant to the provisions of this section.
(4) The county assessor shall prepare a homeowner property tax relief roll, which shall be in addition to all other property rolls. By no later
than the fourth first Monday of August September each year, the homeowner property tax relief roll shall be certified by the county assessor to the county auditor and to the state tax commission in the manner prescribed by rules promulgated by the state tax commission. The homeowner property tax relief roll shall show:

(a) The name of the taxpayer;
(b) An accurate description of the homeowner property tax relief home- stead; and
(c) The property's current market value for assessment purposes.

(5) (a) The county auditor shall complete the homeowner property tax relief roll by adding the following information:

(i) The current immediate prior year's eligible levy for the tax code area in which the property is situated;
(ii) The estimated amount of eligible property taxes levied calculated by applying the levy in subparagraph (i) of this para- graph to the current year's market value for assessment purposes on each qualifying homestead; and
(iii) The total estimated amount of eligible property taxes levied on all properties within the county that are receiving the homestead property tax exemption as of the second Monday in July of each the current year.

(b) By no later than the fourth second Monday of October September each year, the county auditor shall certify the completed homeowner property tax relief roll to the state tax commission in the manner prescribed by rules promulgated by the state tax commission.

(6) The state tax commission shall determine the total number of homeowner property tax relief homesteads to be allowed in each county, the dollar amount of eligible property taxes for each homeowner property tax relief homestead allowed, and the total dollar amount of eligible property taxes for all homeowner property tax relief homesteads within each county from the amounts certified on the homeowner property tax relief roll. The state tax commission shall divide the moneys in the homeowner property tax relief account as of August 1 each year by the total dollar amount of eli- gible property taxes levied on all such property tax relief homesteads in all counties, then multiply the result by the total amount of eligible prop- erty taxes levied on such homesteads in each county. Such amounts shall be summed for all eligible property tax relief homesteads in all counties to determine the total amount of estimated eligible property taxes. This sum shall be divided into the amount of moneys in the homeowner property tax relief account as of August 1 of each year. The result shall be multiplied by the total amount of estimated eligible property taxes on such homesteads in each county. This amount shall be certified to the county auditor and tax collector by the state tax commission no later than the first third Monday in November September. By no later than December 20 of each year, the state tax commission shall pay to the county tax collector of each county the first half of the amount due to each county as reimbursement for homeowner property tax relief as provided in this section and shall pay the second half of such amount by no later than June 20 of the following year.

(7) The state tax commission may audit each and every property on the homeowner property tax relief roll. If the state tax commission determines
that a homeowner property tax relief homestead credit is erroneous, the
state tax commission shall disapprove as much of the credit as necessary in
order to conform with statutory standards. The state tax commission shall
provide the homeowner written notice of the state tax commission's intent
to disapprove all or a portion of the credit. The homeowner shall have
twenty-eight (28) days to make written protest to the state tax commission
of the intended action. The homeowner may submit additional information and
may request an informal hearing with the state tax commission. If the home-
owner fails to make written protest within twenty-eight (28) days, the state
tax commission shall provide written notice of disapproval to both the home-
owner and the county auditor of the county in which the property is situated
by December 20. Any homeowner whose claim is disapproved in whole or in part
by the state tax commission may appeal such disapproval to the board of tax
appeals or to the district court of the county of residence of the taxpayer
within thirty (30) days.

(8) Each county treasurer shall apply the moneys received pursuant to
subsection (6) of this section to the eligible property taxes levied on the
properties listed on the certified homeowner property tax relief roll that
year. The moneys shall be designated as a line item credit against the to-
tal of all eligible property taxes on the property tax bill for each property
receiving the tax relief provided by this section. Such moneys shall be dis-
tributed in the same manner as property tax revenues.

(9) The amount of property tax relief for a homeowner's property taxes
shall be applied after the homestead exemption pursuant to section 63-602G,
Idaho Code, has been applied. The property tax relief amount cannot exceed
the actual amount of current eligible property taxes due on the homeowner's
property tax notice. No delinquent property taxes, penalties, interest, or
fines may be paid with moneys from this program.

(10) Nothing in this section shall prevent a homeowner from applying
for or receiving any other property tax relief provided pursuant to this
chapter. The property tax relief provided pursuant to this section shall be
credited to the homeowner's property tax bill before any other property tax
relief is applied, up to a maximum of the actual property taxes due on the
homeowner property tax relief homestead.

(11) Any amount of homeowner property tax relief moneys distributed by
the state tax commission to a county that exceeds the total amount of all el-
igible property taxes due from all homeowner property tax relief homesteads
in the county shall revert to the state general fund. The county treasurer
shall deposit such moneys with the state treasurer by the fourth Monday in
July each year for the preceding property tax year.

(12) Within three (3) years of payment, the state tax commission may re-
cover any erroneous or incorrect payment made to any homeowner receiving re-
lied under this section. The deficiency determination, collection, and en-
forcement procedures provided in chapter 30, title 63, Idaho Code, shall ap-
ply and be available to the state tax commission for enforcement and collec-
tion under this section. Wherever liens or any other proceedings are defined
as income tax liens or proceedings, they shall, when applied in enforcement
or collection under this section, be described as tax relief liens and pro-
ceedings. In connection with this section, a deficiency shall consist of any
amount erroneously paid on behalf of a homeowner under this section.
SECTION 27. That Section 63-2520, Idaho Code, be, and the same is hereby amended to read as follows:

63-2520. DISTRIBUTION OF MONEYS COLLECTED. Revenues received from the taxes imposed by this chapter, and any revenues received from licenses, permits, penalties, interest, or deficiency additions, shall be distributed by the state tax commission as follows:

(a) 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.

(b) The balance remaining with the state treasurer after deducting the amount described in subsection (a) of this section shall be distributed as follows:

(1) Five million dollars ($5,000,000) shall be distributed to the permanent building fund created by section 57-1108, Idaho Code.

(2) Three hundred sixty thousand dollars ($360,000) shall be distributed to the central cancer registry fund and is subject to appropriation as provided for in chapter 35, title 67, Idaho Code.

(3) Three hundred thousand dollars ($300,000) shall be distributed to the cancer control fund created by section 57-1702, Idaho Code, and is subject to appropriation as provided for in chapter 35, title 67, Idaho Code.

(4) An amount equal to the annual general fund appropriation for bond levy equalization, less the amount distributed under section 67-7434(1), Idaho Code, if applicable, pursuant to section 33-906, Idaho Code, shall be annually distributed to the general fund.

(5) All remaining moneys shall be distributed as follows: For fiscal years on and after July 1, 2006, all moneys shall be distributed to the permanent building fund with the moneys to be used for the repair, remodel and restoration of the state capitol building and state facilities pertaining to the capitol restoration until such time as the capitol restoration is adequately funded as certified by the director of the department of administration. Thereafter, all remaining moneys shall be distributed in the following priority order:

(i) Four million seven hundred thousand dollars ($4,700,000) to be used for the purpose of paying the state match as required for federal funds committed to pay the annual scheduled GARVEE debt service until such time as the Idaho housing and finance association certifies that any such bonds or notes are adequately paid for, in accordance with chapter 62, title 67, Idaho Code;

(ii) Five million dollars ($5,000,000) to the secondary aquifer planning, management and implementation fund as established in section 42-1780, Idaho Code. Such moneys shall be used for statewide aquifer stabilization; and

(iii) All remaining moneys following distributions pursuant to subparagraphs (i) and (ii) of this paragraph shall be distributed to the transportation expansion and congestion mitigation fund established in section 40-720, Idaho Code.
SECTION 28. 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, 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 reserve fund of the Idaho housing and finance association shall be repaid for distribution under the provisions of this section, subject to the provisions of section 67-6215, Idaho Code, by the Idaho housing and finance association, as soon as possible, from any moneys available therefor and in excess of the amounts the association determines will keep it self-supporting.

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

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

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

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

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

(10) Eleven and five-tenths percent (11.5%) of revenues collected under this chapter, following any distributions required by sections 63-3203, 63-3620F, and 63-3709, Idaho Code, and by subsection (1) of this section, is continuously appropriated and shall be distributed to the revenue-sharing account, which is hereby created in the state treasury, and the moneys in the revenue-sharing account will be paid in installments each calendar quarter by the state tax commission as follows:

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

(i) The revenue-sharing amount calculated by the state tax commission for the various cities for each quarter of fiscal year 2020 shall be the base amount for current quarterly revenue distributions. The state tax commission shall calculate the per capita distribution for each city resulting from the previous fiscal year’s distributions.

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

(iii) If the balance of the revenue-sharing account for the current quarter is greater than the balance of the revenue-sharing account for the same quarter of the previous fiscal year, then:

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

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

(iv) If the balance of the revenue-sharing account for the current quarter is less than the balance of the revenue-sharing account for the same quarter of the previous fiscal year, then the cities shall first receive a proportional reduction down to the base amount established in fiscal year 2020. If further reductions are necessary, the cities shall receive reductions based on the proportion that each city's population bears to the population of all cities within the state.

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

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

1. One million three hundred twenty thousand dollars ($1,320,000) annually shall be distributed one forty-fourth (1/44) to each of the various counties; and
2. The balance of such amount shall be paid to the various counties, and each county shall be entitled to an amount in the proportion that the population of that county bears to the population of the state; and

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

1. Each county that received a payment under the provisions of section 63-3638(e), Idaho Code, as that subsection existed immediately prior to July 1, 2000, during the fourth quarter of calendar year 1999, shall be entitled to a like amount during succeeding calendar quarters.
2. If the dollar amount of money available under this subsection (10)(b)(ii) in any quarter does not equal the amount paid in the fourth quarter of calendar year 1999, each county's payment shall be reduced proportionately.
3. If the dollar amount of money available under this subsection (10)(b)(ii) in any quarter exceeds the amount paid in the fourth quarter of calendar year 1999, each county shall be entitled to a proportionately increased payment, but such increase shall not exceed one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999.
4. If the dollar amount of money available under this subsection (10)(b)(ii) in any quarter exceeds one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999, any amount over and above such
one hundred five percent (105%) shall be paid to the various
counties in the proportion that the population of the county
bears to the population of the state; and
(c) Seven and seven-tenths percent (7.7%) of the amount appropriated in
this subsection shall be paid to the several counties for distribution
to special purpose taxing districts as follows:
   (i) Each such district that received a payment under the provi-
sions of section 63-3638(e), Idaho Code, as such subsection ex-
isted immediately prior to July 1, 2000, during the fourth quarter
of calendar year 1999, shall be entitled to a like amount during
succeeding calendar quarters.
   (ii) If the dollar amount of money available under this subsec-
tion (10)(c) in any quarter does not equal the amount paid in the
fourth quarter of calendar year 1999, each special purpose taxing
district's payment shall be reduced proportionately.
   (iii) If the dollar amount of money available under this subsec-
tion (10)(c) in any quarter exceeds the amount distributed under
paragraph (c)(i) of this subsection, each special purpose taxing
district shall be entitled to a share of the excess based on the
proportion each such district's current property tax budget bears
to the sum of the current property tax budgets of all such dis-
tricts in the state. Each year, starting with the distribution
for the quarter ending December 31, the state tax commission shall
calculate this distribution based on the district's current prop-
erty tax budgets, including any unrecovered forgone amounts as de-
termined under section 63-802(1)(e), Idaho Code. When a special
purpose taxing district is situated in more than one (1) county,
the state tax commission shall determine the portion attributable
to the special purpose taxing district from each county in which it
is situated.
   (iv) If special purpose taxing districts are consolidated, the
resulting district is entitled to a base amount equal to the sum of
the base amounts received in the last calendar quarter by each dis-
trict prior to the consolidation.
   (v) If a special purpose taxing district is dissolved or disincor-
porated, the state tax commission shall continuously distrib-
ute to the board of county commissioners an amount equal to the
last quarter's distribution prior to dissolution or disincorpora-
tion. The board of county commissioners shall determine any re-
distribution of moneys so received.
   (vi) Taxing districts formed after January 1, 2001, are not en-
titled to a payment under the provisions of this paragraph (c) of
this subsection.
   (vii) For purposes of this paragraph (c) of this subsection, a spe-
cial purpose taxing district is any taxing district that is not a
city, a county, or a school district.
   (viii) Special purpose taxing districts shall use funds received
under the provisions of this subsection only for the purposes for
which the special purpose taxing districts were formed.
(11) Amounts calculated in accordance with section 2, chapter 356, laws of 2001, for annual distribution to counties and other taxing districts begining in October 2001 for replacement of property tax on farm machinery and equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool districts, the state tax commission shall distribute one-fourth (1/4) of this amount certified quarterly to each county. For school districts, the state tax commission shall distribute one-fourth (1/4) of the amount certified quarterly to each school district. For nonschool districts, the county auditor shall distribute such amounts to each district within thirty (30) calendar days from receipt of moneys from the state tax commission. Moneys received by each taxing district for replacement shall be utilized in the same manner and in the same proportions as revenues from property taxation. The moneys remitted to the county treasurer for replacement of property exempt from taxation pursuant to section 63-602EE, Idaho Code, may be considered by the counties and other taxing districts and budgeted at the same time, in the same manner, and in the same year as revenues from taxation on personal property, which these moneys replace. If taxing districts are consolidated, the resulting district is entitled to an amount equal to the sum of the amounts received in the last calendar quarter by each district pursuant to this subsection prior to the consolidation. If a taxing district is dissolved or disincorporated, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or disincorporation. The board of county commissioners shall determine any redistribution of moneys so received. If a taxing district annexes territory, the distribution of moneys received pursuant to this subsection shall be unaffected. Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this subsection. School districts shall receive an amount determined by multiplying the sum of the year 2000 school district levy minus .004 times the market value on December 31, 2000, in the district of the property exempt from taxation pursuant to section 63-602EE, Idaho Code, provided that the result of these calculations shall not be less than zero (0). The result of these school district calculations shall be further increased by six percent (6%). For purposes of the limitation provided by section 63-802, Idaho Code, moneys received pursuant to this section as property tax replacement for property exempt from taxation pursuant to section 63-602EE, Idaho Code, shall be treated as property tax revenues.

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

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

(14) For fiscal year 2023 only, a sum of thirty-four million dollars
($34,000,000) shall be distributed each year by the state tax commission to
the forty-four (44) counties in the proportion that the expenditures of each
county for indigent defense services during county fiscal year 2021, excluding
any state funding or grants, bear to the expenditures of all counties
in the state for indigent defense services during county fiscal year 2021,
excluding any state funding or grants. No later than July 1, 2022, the state
public defense commission shall certify to the state tax commission each
county's proportionate share of all counties' indigent defense expenses in
county fiscal year 2021, excluding any state funding or grants.

(15) For fiscal year 2024 and each fiscal year thereafter, two and
twenty-five hundredths percent (2.25%) of revenues collected under this
chapter, following any distributions required by sections 63-3203, 63-3620F, and 63-3709, Idaho Code, and by subsections (1), (10), and (16)
of this section, is continuously appropriated and shall be distributed an-
ually to the homeowner property tax relief account established in section
63-724, Idaho Code.

(16) Four and five-tenths percent (4.5%) of revenues collected under
this chapter, following any distributions required by sections 63-3620F and
63-3709, Idaho Code, and by subsections (1) and (10) of this section, but no
less than eighty million dollars ($80,000,000) and no more than one hundred
forty million dollars ($140,000,000), shall be distributed as follows:

(a) Eighty million dollars ($80,000,000) is continuously appropriated
and shall be distributed to the transportation expansion and congestion
mitigation fund established in section 40-720, Idaho Code; and

(b) The remaining moneys in excess of eighty million dollars
($80,000,000) provided for in this subsection is continuously ap-
propriated and shall be apportioned to local units of government for
local highway projects in the same percentages provided for in section
40-709(1) through (3), Idaho Code. Local units of government may pool
funds allocated to them pursuant to this paragraph for local highway
projects.

(17) Beginning in fiscal year 2024 and each fiscal year thereafter,
three hundred thirty million dollars ($330,000,000) shall be distributed
annually to the public school income fund created in section 33-903, Idaho
Code, and eighty million dollars ($80,000,000) shall be distributed an-
ually to the in-demand careers fund established in section 72-1206, Idaho
Code. The state tax commission shall make such transfers in quarterly in-
stallments.

(18) For fiscal year 2024 and each fiscal year thereafter, two and
twenty-five hundredths percent (2.25%) (3.25%) of revenues collected under
this chapter, following any distributions required by sections 63-3203, 63-3620F, and 63-3709, Idaho Code, and by subsections (1), (10), and (16) of
this section, is continuously appropriated and shall be distributed annu-
ally to the school district facilities fund established pursuant to section 33-911, Idaho Code.

(19) One hundred twenty-five million dollars ($125,000,000) collected under this chapter, following any distributions required by sections 63-3620F and 63-3709, Idaho Code, and by subsections (1), (10), (15), (16), and (18) of this section is continuously appropriated and shall be distributed to the school modernization facilities fund established in section 33-912, Idaho Code. The state tax commission shall make such transfers in quarterly installments.

(19) (20) Any moneys remaining over and above those necessary to meet and reserve for payments under other subsections of this section shall be distributed to the general fund.

SECTION 29. That Section 67-5771A, Idaho Code, be, and the same is hereby amended to read as follows:

67-5771A. PUBLIC SCHOOL HEALTH INSURANCE PARTICIPATION FUND. (1) There is hereby created in the state treasury the public school health insurance participation fund. The fund is continuously appropriated to the state department of education for the purpose of funding the actuarially established onetime amount required for a public school to buy in to the state's medical and dental group insurance plan. The fund shall consist of moneys made available through legislative transfers, appropriations, or as otherwise provided by law and shall be available for use only to publicly funded K-12 educational institutions. Interest earnings from the investment of moneys in the fund shall be returned to the fund.

(2) All moneys in the fund shall be used only for onetime expenses associated with accommodating participation into the state's health plan as set forth in this section. The state department of education shall make payment or payments to the office of group insurance for this purpose within a reasonable time of participants being identified. If demand exceeds available funds, the state department of education shall administer the fund on a first-come, first-served basis. No funds may be expended prior to July 1, 2022, and any unexpended moneys remaining in the fund after June 30, 2025, shall be transferred by the state controller to the public education stabilization fund. If the public education stabilization fund is fully funded, then remaining funds shall be transferred to the general fund public charter school facilities program fund created in section 33-5218, Idaho Code.

SECTION 30. That Section 67-6409, Idaho Code, be, and the same is hereby amended to read as follows:

67-6409. GENERAL POWERS OF THE AUTHORITY. The authority is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate its corporate purposes, including, without limitation, the following:

(a) to sue and be sued in its own name;
(b) to have an official seal and to alter the same at pleasure;
(c) to have perpetual succession;
(d) to maintain an office at such place or places within this state as it may designate;
(e) to adopt and from time to time amend and repeal bylaws and rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority and the conduct of its business;

(f) to make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions;

(g) to acquire real or personal property, or any interest therein, on either a temporary or long-term basis in the name of the authority by gift, purchase, transfer, foreclosure, lease or otherwise including rights or easements; hold, sell, assign, lease, encumber, mortgage or otherwise dispose of any real or personal property, or any interest therein, or mortgage interest owned by it or under its control, custody or in its possession and release or relinquish any right, title, claim, lien, interest, easement or demand however acquired, including any equity or right of redemption in property foreclosed by it and to do any of the foregoing by public sale, with such public bidding as shall be required by the provisions of any other law;

(h) to lease or rent any lands, buildings, structures, facilities or equipment from private parties to effectuate the purposes of this act;

(i) to enter into agreements or other transactions with and accept grants and the cooperation of the United States or any agency thereof or of the state of Idaho or any agency or governmental subdivision thereof in furtherance of the purposes of this act, including but not limited to the development, maintenance, operation and financing of any facility and to do any and all things necessary in order to avail itself of such aid and cooperation;

(j) to receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of this act subject to such conditions upon which such grants and contributions may be made, including, but not limited to, gifts or grants from any department or agency of the United States or this state or any community college district for any purpose consistent with this act;

(k) to employ architects, engineers, attorneys, accountants, building construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix their compensation;

(l) to procure insurance against any loss in connection with its property and other assets in such amounts and from such insurers as it deems desirable;

(m) to invest any funds not needed for immediate use or disbursement, including any funds held in reserve, in:

(1) bonds, notes and other obligations of the United States or any agency or instrumentality thereof and other securities secured by such bonds, notes or other obligation;

(2) money market funds which are insured or the assets of which are limited to obligations of the United States or any agency or instrumentality thereof;

(3) time certificates of deposit and savings accounts;

(4) commercial paper which, at the time of its purchase, is rated in the highest category by a nationally recognized rating service; and

(5) property or securities in which the state treasurer may invest funds in the state treasury pursuant to section 67-1210, Idaho Code.
(n) to borrow money and issue bonds and notes or other evidences of indebtedness thereof as hereinafter provided;
(o) to the extent permitted under its contract with the holders of bonds, notes and other obligations of the authority to consent to any modification of any contract, lease or agreement of any kind to which the authority is a party;
(p) to manage or operate real and personal property, in the state, take assignments of leases and rentals, proceed with foreclosure actions, or take any other action necessary or incidental to the performance of its corporate duties;
(q) to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter;
(r) to plan, carry out, acquire, lease and operate facilities and to provide for the construction, reconstruction, improvement, alteration or repair of any facility or part thereof;
s to sell, lease, rent or sublease to any state body or community college district, any facility or any space embraced in any facility constructed or leased under this act, to establish and revise the rents or charges therefor and to do any other acts necessary to the management and operation of its facilities;
to do any act necessary or convenient to the exercise of the powers herein granted or reasonably implied therefrom; and
(u) to issue bonds for the state department of education associated with the school modernization facilities fund, pursuant to section 33-913, Idaho Code, which shall be exempt from the provisions of section 67-6410, Idaho Code.

SECTION 31. That Section 67-7434, Idaho Code, be, and the same is hereby amended to read as follows:

67-7434. LOTTERY DIVIDENDS. (1) Annually, on July 1, the lottery shall transfer three-eighths (3/8) of its net income to the permanent building account; three eighths (3/8) fund and five eighths (5/8) of its net income to the school district building account; and one fourth (1/4) of its net income to the bond levy equalization fund school district facilities fund pursuant to section 33-911, Idaho Code, after reserving sufficient moneys to ensure the continuation of the lottery, as determined by the director and commission.
(2) The lottery shall ensure that the distributions made to the permanent building account and the school district building account, pursuant to the provisions of subsection (1) of this section, shall not be less than the amount those accounts received for fiscal year 2008, provided funds are available at the fiscal year 2008 level. Provided however, in the event the level of available funds is less than the fiscal year 2008 level, one half (1/2) of the available funds shall be transferred to the permanent building account and one half (1/2) of the available funds shall be transferred to the school district building account.
(3) In the event the lottery determines that an adjustment to an annual transfer as provided in subsection (1) of this section must be made pursuant to the provisions of subsection (2) of this section, the difference shall be
deducted from the one-fourth (1/4) net income transfer that was to be made to
the bond levy equalization fund, and the bond levy equalization fund shall
receive the remainder, if any."

SECTION 32. That Section 33-356, Idaho Code, be, and the same is hereby
amended to read as follows:

33-356. SCHOOL BUILDING DESIGN AND ENERGY EFFICIENCY.
(1) (a) School districts may seek to qualify for a reduction in building
replacement value calculation for qualified, newly constructed public
school buildings pursuant to section 33-1019(4), Idaho Code.
(b) Each school district that seeks to qualify a newly constructed
building for the building replacement value calculation provided for in
Section 33-1019(4), Idaho Code, shall use integrated design practices
and fundamental commissioning in the design and construction of such
building.
(c) Following the first year of operations of a building that was cer-
tified in accordance with the provisions of subsection (5)(a) of this
section, the governing school district shall perform or cause to be per-
formed an annual optimization review of the qualifying building. Such
annual optimization review shall be performed in a manner that is con-
sistent with rules promulgated pursuant to this section. Such school
district shall thereafter perform or cause to be performed an annual op-
timization review each year it seeks to qualify such building for the
building replacement value calculation provided in section 33-1019(4),
Idaho Code.
(2) (1) For purposes of this section, the following terms shall have the
following meanings:
(a) "Fundamental commissioning" means the use of a third party to re-
view building design and building system specifications and to specify
and monitor preoccupancy system testing to ensure functional integra-
tion of specified systems and functional operation of systems at the
completion of a project.
(b) "Integrated design" means a process to develop consensus among the
project team and owner as to the energy savings and building performance
goals of the project and to identify design strategies to achieve those
goals, including documentation strategies for design decisions to en-
sure accurate implementation of design through construction.
(2) (2) It shall be the duty and responsibility of the administrator
of the division of occupational and professional licenses to provide assis-
tance to school districts to ensure school districts can access the tech-
nical and educational support needed to implement the processes of integrated
design and fundamental commissioning. It shall further be the duty and re-
sponsibility of the administrator of the division of occupational and pro-
fessional licenses to compile and cause to be made available to school dis-
tricts a list of all third-party building commissioning agents in Idaho and
contiguous states. The administrator shall ensure that all commissioning
agents that appear on such list are certified by the building commissioning
association or other similar certifying entity. The administrator shall en-
sure that such list is updated annually.
(4) (3) The administrator of the division of occupational and professional licenses is hereby authorized and directed to promulgate rules in accordance with the provisions of chapter 52, title 67, Idaho Code, that provide the guidance, education and technical information necessary for school districts to implement the processes of integrated design and fundamental commissioning. The administrator is authorized to expand upon the terms defined in subsection (2)(1) of this section, and to provide additional definitions as needed. In addition, the administrator shall promulgate rules governing annual optimization review and evaluation of germane building systems to ensure optimal performance of such systems and maximum energy savings and building performance. Such rules shall include, but not be limited to, a definition for the minimum scope of work required for annual optimization.

(5)(a) The administrator of the division of occupational and professional licenses shall certify to the state department of education when a building has qualified for school building replacement value calculation exclusions as provided for in section 33-1019(4), Idaho Code. As part of such certification, the administrator shall state specifically the school building(s) and the square footage thereof that shall be excluded from the school building replacement value calculations.

(b) Following the first year of operations of a building that was certified in accordance with the provisions of paragraph (a) of this subsection, the administrator of the division of occupational and professional licenses shall certify to the state department of education when such building has undergone an annual optimization review as provided in subsection (1)(c) of this section. Such certification shall ensure that the qualifying building meets or exceeds the requirements of annual optimization review rules promulgated pursuant to subsection (4) of this section.

SECTION 33. That Section 33-1018C, Idaho Code, be, and the same is hereby amended to read as follows:

33-1018C. PUBLIC EDUCATION STABILIZATION FUND — REPLACEMENT FUNDS. In the event that moneys are withdrawn from the public education stabilization fund for the circumstances authorized pursuant to section 33-1018 or 33-1018B, Idaho Code, then the joint finance-appropriations committee shall consider transferring the amount of the withdrawal as a supplemental appropriation to the public education stabilization fund for the current fiscal year.

SECTION 34. That Section 33-1102, Idaho Code, be, and the same is hereby amended to read as follows:

33-1102. PURPOSES FOR WHICH BONDS MAY BE ISSUED. The purposes for which bonds may be issued shall be: To acquire, purchase or improve a school site or school sites; to build a schoolhouse or schoolhouses or other building or buildings; to demolish or remove school buildings; to add to, remodel or repair any existing building; to furnish and equip any building or buildings, including all lighting, heating, ventilation and sanitation facilities and appliances necessary to maintain and operate the buildings of
the district; to purchase school buses and to acquire, develop or renovate
school facilities to establish, create and develop renewable energy sys-
tems as described in section 33-604, Idaho Code. The provisions of section
33-306, Idaho Code, shall not apply to bonds or portions of bonds issued to
acquire, develop or renovate school energy systems as authorized in section
33-604, Idaho Code, when the school district begins to sell thermal energy
for revenue as authorized in section 33-605, Idaho Code.

SECTION 35. That Section 40-718, Idaho Code, be, and the same is hereby
amended to read as follows:

40-718. GARVEE FUNDS ESTABLISHED -- CAPITAL PROJECT FUND -- DEBT SER-
VICE FUND. (1) There is established in the state treasury a fund known as the
"GARVEE Capital Project Fund" which shall include:
(a) Any draw by the board of proceeds from the transportation bonds or
notes issued by the Idaho housing and finance association in accordance
with chapter 62, title 67, Idaho Code.
(b) Interest earned on the investment of idle moneys in the GARVEE capi-
tal project fund shall be paid to the GARVEE capital project fund.
Disbursements from this fund shall be made for projects in accordance with
chapter 3, title 40, Idaho Code. All moneys in the fund are hereby continu-
ously appropriated to the department.
(2) There is established in the state treasury a fund known as the
"GARVEE Debt Service Fund" for the purpose of paying the principal, interest
and other amounts required for transportation bonds or notes of the Idaho
housing and finance association in accordance with chapter 62, title 67,
Idaho Code. The fund shall include:
(a) Amounts transferred from the state highway account upon certifi-
cation by the Idaho housing and finance association to the state con-
troller, state treasurer and the board as necessary for payment of prin-
cipal, interest and other amounts required for transportation bonds or
notes.
(b) Amounts distributed pursuant to section 63-2520(b) (4), Idaho
Code. Provided that such moneys distributed to the GARVEE debt service
fund pursuant to this paragraph shall be used in combination with the
amounts provided for in paragraph (a) of this subsection and shall be
used for payment of principal, interest and other amounts required for
transportation bonds or notes.
(c) Interest earned on the investment of idle moneys in the GARVEE debt
service fund shall be paid to the GARVEE debt service fund.
From moneys within this fund, there are hereby continuously appropriated
such amounts as, from time to time, shall be certified by the Idaho housing
and finance association to the state controller, state treasurer and the
board as necessary for payment of principal, interest and other amounts
required for transportation bonds or notes of the Idaho housing and finance
association in accordance with chapter 62, title 67, Idaho Code, which
amounts shall be paid over as directed by the association.

SECTION 36. An emergency existing therefor, which emergency is hereby
declared to exist, Sections 2 and 3 of this act shall be in full force and ef-
fec on and after passage and approval, and retroactively to January 1, 2024,
and Sections 1 and 4 through 35 shall be in full force and effect on and after July 1, 2024.