

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 74

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAX RELIEF; AMENDING SECTION 33-911, IDAHO CODE, TO RE-
2 VISE A PROVISION REGARDING THE SCHOOL DISTRICT FACILITIES FUND; AMEND-
3 ING SECTION 57-810, IDAHO CODE, TO PROVIDE FOR A CERTAIN CASH TRANSFER;
4 AMENDING SECTION 57-811, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE
5 TAX RELIEF FUND; AND DECLARING AN EMERGENCY.
6

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

8 SECTION 1. That Section 33-911, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 33-911. SCHOOL DISTRICT FACILITIES FUND. (1) There is hereby cre-
11 ated in the state treasury the school district facilities fund. The fund
12 shall consist of moneys provided pursuant to sections 57-811, 63-3638, and
13 67-7434, Idaho Code, and any legislative transfers or appropriations. In-
14 terest earned from the investment of moneys in the fund shall be returned to
15 the fund. Moneys in the fund are hereby continuously appropriated for the
16 purposes stated in this section.

17 (2) The moneys in the fund shall be distributed by the state controller
18 to the state department of education by August 1 each year for the purpose of
19 construction or renovation of school facilities. The moneys shall be dis-
20 tributed by the state department of education to each school district, as
21 defined in section 33-1001(21), Idaho Code, first as provided in subsection
22 (7) of this section and then on a per-pupil basis using the average daily at-
23 tendance calculation provided in section 33-1003A, Idaho Code, for each stu-
24 dent in kindergarten through grade 12 at physical facilities that are part
25 of and on school grounds of the school district in which the student is en-
26 rolled with verification, as needed, by the office of the state board of edu-
27 cation. Upon formal approval by the state board of education, a school dis-
28 trict may receive an exemption to the physical facility requirement pursuant
29 to this subsection if the student would have attended a physical facility in
30 the school district if not for a stated emergency. The state department of
31 education shall transfer the moneys by no later than August 31 each year to
32 each school district. Such moneys shall be used in place of property tax levy
33 moneys and shall be expended by a school district for one (1) or more of the
34 purposes set forth in paragraphs (a) through (d) of this subsection. Moneys
35 in the fund must be used by a school district in the following order of prior-
36 ity:

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

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

1 (c) Payment of school plant facility levies authorized pursuant to sec-
2 tions 33-804 and 33-804A, Idaho Code; and

3 (d) Any moneys that remain following the payments provided in para-
4 graphs (a) through (c) of this subsection may be: used for construction
5 of a new school facility, renovation, or maintenance needs; used to
6 secure and make payments on a new school facilities bond; or saved in
7 a reserve account by the school district for future school facility
8 needs. Uses of funds shall include regular and routine facilities
9 maintenance, including preventive maintenance, building repairs, and
10 building security, and periodic major facilities projects that involve
11 planning, design, construction, renovation, retrofitting, and replac-
12 ing of buildings and building systems, components, and features, as
13 well as site acquisition, site improvements, and new construction.

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

20 (4) Each school district shall identify the amount received in the cur-
21 rent year pursuant to this section in the certification of its budget in ac-
22 cordance with section 63-803, Idaho Code. Said amount must be subtracted
23 from the amount to be levied. The amount of moneys thereby saved from being
24 collected by a property tax levy shall be reported on each property tax no-
25 tice pursuant to section 63-902, Idaho Code.

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

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

33 (7) (a) For state fiscal year 2025 only, any school district that would
34 have received support from the bond levy equalization support program
35 for a qualified bond passed prior to January 1, 2024, and for which prop-
36 erty taxes were levied in property tax year 2023 pursuant to the amount
37 intended by the bond shall receive a distribution of funds from the dis-
38 tribution provided under subsection (2) of this section of at least as
39 much as would have been provided through bond levy equalization support
40 on July 1, 2024.

41 (b) For state fiscal year 2026 only, any school district that would have
42 received support from the bond levy equalization support program for a
43 qualified bond passed prior to January 1, 2024, and for which property
44 taxes were levied in property tax year 2024 pursuant to the amount in-
45 tended by the bond shall receive a distribution of funds from the dis-
46 tribution provided under subsection (2) of this section of at least as
47 much as would have been provided through bond levy equalization support
48 on July 1, 2025.

49 (c) The state department of education may adjust distributions for re-
50 maining districts proportionally as necessary pursuant to this para-

1 graph. On and after July 1, 2024, school districts may use funds pro-
2 vided in this section and section 33-913, Idaho Code, to offset the bond
3 levy equalization support.

4 SECTION 2. That Section 57-810, Idaho Code, be, and the same is hereby
5 amended to read as follows:

6 57-810. CASH TRANSFERS FOR PROPERTY TAX RELIEF. Notwithstanding the
7 provisions of section 57-814, Idaho Code, after the close of each fiscal year
8 in 2023, 2024, and 2025, the state controller shall determine any excess cash
9 balance in the general fund. When calculating any excess cash balance, the
10 state controller shall first provide for the ending balance, as determined
11 by the legislative record, to be carried over into the next fiscal year, plus
12 an amount sufficient to cover encumbrances as approved by the division of fi-
13 nancial management and an amount sufficient to cover any reappropriation as
14 authorized by the legislature. On July 1, or as soon thereafter as is practi-
15 cable, of each such year, there is hereby appropriated one hundred fifty mil-
16 lion dollars (\$150,000,000) or the balance of the general fund excess cash
17 balance, whichever is less, to be transferred as follows:

18 (1) The state controller shall transfer the first fifty million dollars
19 (\$50,000,000) to the homeowner property tax relief account established pur-
20 suant to the provisions of section 63-724, Idaho Code; and

21 (2) The state tax commission shall transfer the remaining moneys to be
22 used for the purpose of property tax relief in the following manner. Fifty
23 percent (50%) of the remaining moneys shall be distributed to the school dis-
24 trict facilities fund established pursuant to section 33-911, Idaho Code,
25 and fifty percent (50%) shall be distributed to the homeowner property tax
26 relief account established pursuant to the provisions of section 63-724,
27 Idaho Code.

28 (3) For fiscal year 2025, the state controller shall transfer fifty
29 million dollars (\$50,000,000) from the bond levy equalization fund to the
30 homeowner property tax relief account established pursuant to the provi-
31 sions of section 63-724, Idaho Code. The remaining balance in the bond levy
32 equalization fund shall be transferred to the general fund.

33 SECTION 3. That Section 57-811, Idaho Code, be, and the same is hereby
34 amended to read as follows:

35 57-811. TAX RELIEF FUND. (1) There is hereby created in the state trea-
36 sury the tax relief fund to which shall be credited all moneys remitted from
37 sections 63-3620F and 63-3638, Idaho Code, from federal grants, donations,
38 or any other source. Moneys in the fund are intended to fund future tax re-
39 lief statutes enacted by the legislature and may be expended pursuant to ap-
40 propriation. All interest earned on the investment of idle moneys in the
41 fund shall be returned to the fund.

42 (2) For fiscal year 2025 and At the end of each fiscal year thereafter,
43 the state controller shall transfer twenty percent (20%) of the moneys in
44 annual distributions to the tax relief fund is continuously appropriated
45 and shall be transferred, plus fifty million dollars (\$50,000,000), to the
46 school district facilities fund established pursuant to section 33-911,
47 Idaho Code.

1 (3) ~~For fiscal year 2025 and~~ At the end of each fiscal year thereafter,
2 the state controller shall transfer thirty-nine million dollars
3 (\$39,000,000) from the tax relief fund to the state public defense fund
4 established pursuant to section 57-827, Idaho Code.

5 (4) ~~For fiscal year 2023 and each fiscal year thereafter,~~ After the
6 state controller makes all transfers in subsections (1), (2), and (3) of this
7 section, the state controller shall transfer the remaining balance of the
8 tax relief fund or two hundred thirty-six million dollars (\$236,000,000),
9 whichever is less, ~~from the tax relief fund~~ to the general fund.

10 SECTION 4. An emergency existing therefor, which emergency is hereby
11 declared to exist, this act shall be in full force and effect on and after its
12 passage and approval.