

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 201

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO NONSCHOOL TAXING DISTRICTS AND PROPERTY TAX LEVIES; AMEND-
2 ING CHAPTER 13, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
3 63-1315, IDAHO CODE, TO PROVIDE FOR THE FUNDING OF CERTAIN JUDICIALLY
4 CONFIRMED OBLIGATIONS OF CERTAIN NONSCHOOL TAXING DISTRICTS; AMEND-
5 ING CHAPTER 13, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
6 63-1316, IDAHO CODE, TO PROVIDE FOR VOTER APPROVAL OF FUNDING FOR
7 A JUDICIALLY CONFIRMED OBLIGATION; AMENDING SECTION 31-1901, IDAHO
8 CODE, TO PROVIDE THAT COUNTY COMMISSIONERS MAY ISSUE BONDS TO FUND A
9 JUDICIALLY CONFIRMED OBLIGATION AND TO MAKE TECHNICAL CORRECTIONS;
10 AMENDING SECTION 50-2908, IDAHO CODE, TO PROVIDE FOR THE CALCULATION
11 OF THE TAX RATE IN A REVENUE ALLOCATION AREA FOR LEVIES FOR JUDICIALLY
12 CONFIRMED OBLIGATIONS, TO PROVIDE CORRECT CODE REFERENCES, AND TO MAKE
13 A TECHNICAL CORRECTION; AMENDING SECTION 63-802, IDAHO CODE, TO SPECIFY
14 THAT REVENUES FROM A LEVY FOR THE PAYMENT OF JUDICIALLY CONFIRMED OBLI-
15 GATIONS ARE EXCLUDED FROM A TAXING DISTRICT'S ANNUAL BUDGET AND TO MAKE
16 TECHNICAL CORRECTIONS; AMENDING SECTION 63-803, IDAHO CODE, TO PROVIDE
17 A CORRECT CODE REFERENCE; AMENDING SECTION 63-811, IDAHO CODE, TO PRO-
18 VIDE A CORRECT CODE REFERENCE; PROVIDING SEVERABILITY; AND DECLARING AN
19 EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.
20

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

22 SECTION 1. That Chapter 13, Title 63, Idaho Code, be, and the same is
23 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
24 ignated as Section 63-1315, Idaho Code, and to read as follows:

25 63-1315. FUNDING OF A JUDICIALLY CONFIRMED OBLIGATION. (1) A non-
26 school taxing district having a population of less than seven thousand five
27 hundred (7,500) may certify a budget request for an amount of property tax
28 revenues to finance an annual budget in excess of the limitations imposed
29 by section 63-802, Idaho Code, for the purpose of paying an obligation that
30 has been judicially confirmed pursuant to chapter 13, title 7, Idaho Code,
31 provided that all of the following conditions are met:

32 (a) The taxing district has, within the previous five (5) years, held at
33 least three (3) elections to obtain voter approval to incur the debt;

34 (b) The taxing district first budgets the maximum amount of property
35 tax permitted pursuant to section 63-802, Idaho Code, including any
36 available forgone amount;

37 (c) All surplus funds available to the taxing district are used to pay
38 the obligation;

39 (d) The obligation was judicially confirmed after March 1, 2018, but
40 before December 31, 2019;

1 (e) The obligation amount exceeds one-third (1/3) of the property tax
2 revenues used to finance the taxing district's highest annual budget in
3 the preceding three (3) years; and

4 (f) The amount in excess of the limitations imposed by section 63-802,
5 Idaho Code, authorized by this section does not increase the budget that
6 would otherwise be applicable by more than the amount raised by a levy
7 rate of one-tenth of one percent (0.1%).

8 (2) The provisions of subsection (1) of this section pertain regardless
9 of whether the obligation is paid in cash, redeemable warrants, the proceeds
10 of bonded indebtedness permitted as an ordinary and necessary expense, or
11 any combination of these methods of payment.

12 (3) The state tax commission may promulgate rules necessary to adminis-
13 ter the provisions of this section.

14 (4) The levy resulting from the provisions of subsection (1) of this
15 section may be imposed only until the obligation is paid in full.

16 SECTION 2. That Chapter 13, Title 63, Idaho Code, be, and the same is
17 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
18 ignated as Section 63-1316, Idaho Code, and to read as follows:

19 63-1316. ELECTION -- AUTHORIZATION OF GOVERNING BODY. (1) No non-
20 school taxing district shall exercise any powers provided pursuant to
21 section 63-1315, Idaho Code, unless a majority of qualified electors have
22 voted to approve the obligation provided for in section 63-1315, Idaho Code,
23 within the five (5) years prior to the budget request.

24 (2) The election provided for in this section shall be held in accor-
25 dance with the provisions of section 34-106, Idaho Code.

26 SECTION 3. That Section 31-1901, Idaho Code, be, and the same is hereby
27 amended to read as follows:

28 31-1901. COMMISSIONERS MAY ISSUE FUNDING AND REFUNDING BONDS. The
29 board of county commissioners of any county in this state may issue nego-
30 tiable coupon bonds of their county for the purpose of paying, redeeming,
31 funding or refunding the outstanding indebtedness of the county, including
32 an obligation meeting the criteria of section 63-1315, Idaho Code, whether
33 the indebtedness exists as a warrant indebtedness or bonded indebtedness.
34 All such bonds shall be in the form and shall be issued, sold or exchanged and
35 redeemed in accordance with the provisions of chapter 2, ~~of~~ title 57, Idaho
36 Code, known as the "Municipal Bond Law" of the state of Idaho, except
37 where different provision is made herein. Provided, that the authority to
38 fund warrant indebtedness shall extend only to the funding of warrant in-
39 debtedness existing as of the second Monday in January, 1933, and providing
40 further that all taxes and other revenues which but for the funding of war-
41 rants would have been lawfully applicable to the redemption of the warrants
42 so funded shall, as and when collected, be apportioned to and placed in the
43 sinking fund for the payment of the interest and retirement of the principal
44 of such bonds. Bonds issued for the purpose of funding warrants shall bear
45 interest payable semiannually as the board of county commissioners may de-
46 termine.

1 SECTION 4. That Section 50-2908, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1)
4 For purposes of calculating the rate at which taxes shall be levied by or
5 for each taxing district in which a revenue allocation area is located, the
6 county commissioners shall, with respect to the taxable property located in
7 such revenue allocation area, use the equalized assessed value of such tax-
8 able property as shown on the base assessment roll rather than on the current
9 equalized assessed valuation of such taxable property, except the current
10 equalized assessed valuation shall be used for calculating the tax rate for:

11 (a) Levies for refunds and credits pursuant to section 63-1305, Idaho
12 Code, and any judgment pursuant to section 33-802(1), Idaho Code, certi-
13 fied after December 31, 2007;

14 (b) Levies permitted pursuant to section 63-802(3), Idaho Code, certi-
15 fied after December 31, 2007;

16 (c) Levies for voter approved general obligation bonds of any taxing
17 district and plant facility reserve fund levies passed after December
18 31, 2007;

19 (d) Levies for payment of obligations that have been judicially con-
20 firm ed pursuant to chapter 13, title 7, Idaho Code, and that meet the
21 criteria of sections 63-1315 and 63-1316, Idaho Code;

22 (e) Levies set forth in paragraphs (a) through (ed) of this subsection,
23 first certified prior to December 31, 2007, when the property affected
24 by said levies is included within the boundaries of a revenue allocation
25 area by a change in the boundaries of either the revenue allocation area
26 or any taxing district after December 31, 2007; and

27 (ef) School levies for supplemental maintenance and operation pursuant
28 to section 33-802(3) and (4), Idaho Code, approved after December 31,
29 2007, and for emergency funds pursuant to section 33-805, Idaho Code,
30 approved after July 1, 2015.

31 (2) With respect to each such taxing district, the tax rate calculated
32 under subsection (1) of this section shall be applied to the current equal-
33 ized assessed valuation of all taxable property in the taxing district, in-
34 cluding the taxable property in the revenue allocation area. The tax rev-
35 enues thereby produced shall be allocated as follows:

36 (a) To the taxing district shall be allocated and shall be paid by the
37 county treasurer:

38 (i) All taxes levied by the taxing district or on its behalf on
39 taxable property located within the taxing district but outside
40 the revenue allocation area;

41 (ii) A portion of the taxes levied by the taxing district or on its
42 behalf on the taxable property located within the revenue allo-
43 cation area, which portion is the amount produced by applying the
44 taxing district's tax rate determined under subsection (1) of this
45 section to the equalized assessed valuation, as shown on the base
46 assessment roll, of the taxable property located within the rev-
47 enue allocation area; and

48 (iii) All taxes levied by the taxing district to satisfy obliga-
49 tions specified in subsection (1) ~~(a) through (e)~~ of this section.

1 (b) To the urban renewal agency shall be allocated the balance, if any,
2 of the taxes levied on the taxable property located within the revenue
3 allocation area.

4 (3) Upon enactment of an ordinance adopting a revenue allocation fi-
5 nancing provision as part of an urban renewal plan, the urban renewal agency
6 shall create a special fund or funds to be used for the purposes enumerated
7 in this chapter. The revenues allocated to the urban renewal agency pursuant
8 to this chapter shall be paid to the agency by the treasurer of the county in
9 which the revenue allocation district is located and shall be deposited by
10 the agency into one (1) or more of such special funds. The agency may, in ad-
11 dition, deposit into such special fund or funds such other income, proceeds,
12 revenues and funds it may receive from sources other than the revenues allo-
13 cated to it under subsection (2) (b) of this section.

14 (4) For the purposes of section 63-803, Idaho Code, during the period
15 when revenue allocation under this chapter is in effect, and solely with re-
16 spect to any taxing district in which a revenue allocation area is located,
17 the county commissioners shall, in fixing any tax levy other than ~~the~~ a levy
18 specified in subsection (1) ~~(a) through (e)~~ of this section, take into con-
19 sideration the equalized assessed valuation of the taxable property situ-
20 ated in the revenue allocation area as shown in the base assessment roll,
21 rather than the current equalized assessed value of such taxable property.

22 (5) For all other purposes, including, without limitation, for pur-
23 poses of sections 33-802, 33-1002 and 63-1313, Idaho Code, reference in the
24 Idaho Code to the term "market value for assessment purposes" (or any other
25 such similar term) shall mean market value for assessment purposes as de-
26 fined in section 63-208, Idaho Code.

27 SECTION 5. That Section 63-802, Idaho Code, be, and the same is hereby
28 amended to read as follows:

29 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES
30 -- EXCEPTIONS. (1) Except as provided in subsections (3) and (4) of this
31 section, no taxing district shall certify a budget request for an amount of
32 property tax revenues to finance an annual budget that exceeds the greater of
33 paragraphs (a) through (k) of this subsection, inclusive:

34 (a) The dollar amount of property taxes certified for its annual bud-
35 get for any one (1) of the three (3) tax years preceding the current tax
36 year, whichever is greater, for the past tax year, which amount may be
37 increased by a growth factor of not to exceed three percent (3%) plus
38 the amount of revenue calculated as described in this subsection. Mul-
39 tiple the levy of the previous year, not including any levy described
40 in subsection (4) of this section, or any school district levy reduc-
41 tion resulting from a distribution of state funds pursuant to section
42 63-3638(11) or (13), Idaho Code, by the value shown on the new construc-
43 tion roll compiled pursuant to section 63-301A, Idaho Code; and by the
44 value of annexation during the previous calendar year, as certified by
45 the state tax commission for market values of operating property of pub-
46 lic utilities and by the county assessor;

47 (b) The dollar amount of property taxes certified for its annual budget
48 during the last year in which a levy was made;

1 (c) The dollar amount of the actual budget request, if the taxing dis-
2 trict is newly created, except as may be provided in paragraph (i) of
3 this subsection;

4 (d) In the case of school districts, the restriction imposed in section
5 33-802, Idaho Code;

6 (e) In the case of a nonschool district for which less than the maximum
7 allowable increase in the dollar amount of property taxes is certified
8 for annual budget purposes in any one (1) year, such a district may,
9 in any following year, recover the forgone increase by certifying, in
10 addition to any increase otherwise allowed, an amount not to exceed one
11 hundred percent (100%) of the increase originally forgone. Provided
12 however, that prior to budgeting any forgone increase, the district
13 must provide notice of its intent to do so, hold a public hearing, which
14 may be in conjunction with its annual budget hearing, and certify by
15 resolution the amount of forgone increase to be budgeted and the spe-
16 cific purpose for which the forgone increase is being budgeted. Upon
17 adoption of the resolution, the clerk of the district shall file a copy
18 of the resolution with the county clerk and the state tax commission.
19 Said additional amount shall be included in future calculations for
20 increases as allowed;

21 (f) If a taxing district elects to budget less than the maximum allow-
22 able increase in the dollar amount of property taxes, the taxing dis-
23 trict may disclaim the right to recover all or any portion of that year's
24 forgone increase by adoption of a resolution declaring the same. The
25 district must provide notice of its intent to do so and hold a public
26 hearing, which may be in conjunction with its annual budget hearing if
27 applicable. The resolution to disclaim the right to recover the for-
28 gone increase for that year shall be adopted at the annual budget hear-
29 ing of the taxing district if the district has a budget hearing require-
30 ment; provided however, that the resolution shall not apply to forgone
31 increases from prior budget years-;

32 (g) In the case of cities, if the immediately preceding year's levy
33 subject to the limitation provided by this section is less than 0.004,
34 the city may increase its budget by an amount not to exceed the differ-
35 ence between 0.004 and actual prior year's levy multiplied by the prior
36 year's market value for assessment purposes. The additional amount
37 must be approved by sixty percent (60%) of the voters voting on the ques-
38 tion at an election called for that purpose and held on the date in May or
39 November provided by law, and may be included in the annual budget of the
40 city for purposes of this section;

41 (h) A taxing district may submit to the electors within the district
42 the question of whether the budget from property tax revenues may be
43 increased beyond the amount authorized in this section, but not beyond
44 the levy authorized by statute. The additional amount must be approved
45 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
46 voting on the question at an election called for that purpose and held
47 on the May or November dates provided by section 34-106, Idaho Code.
48 If approved by the required minimum sixty-six and two-thirds percent
49 (66 2/3%) of the voters voting at the election, the new budget amount
50 shall be the base budget for the purposes of this section;

1 (i) When a nonschool district consolidates with another nonschool
 2 district or dissolves and a new district performing similar governmen-
 3 tal functions as the dissolved district forms with the same boundaries
 4 within three (3) years, the maximum amount of a budget of the district
 5 from property tax revenues shall not be greater than the sum of the
 6 amounts that would have been authorized by this section for the district
 7 itself or for the districts that were consolidated or dissolved and in-
 8 corporated into a new district;

9 (j) In the instance or case of cooperative service agencies, the re-
 10 strictions imposed in sections 33-315 through 33-318, Idaho Code;

11 (k) The amount of money received in the twelve (12) months immediately
 12 preceding June 30 of the current tax year as a result of distributions of
 13 the tax provided in section 63-3502B(2), Idaho Code.

14 (2) In the case of fire districts, during the year immediately follow-
 15 ing the election of a public utility or public utilities to consent to be pro-
 16 vided fire protection pursuant to section 31-1425, Idaho Code, the maximum
 17 amount of property tax revenues permitted in subsection (1) of this section
 18 may be increased by an amount equal to the current year's taxable value of the
 19 consenting public utility or public utilities multiplied by that portion of
 20 the prior year's levy subject to the limitation provided by subsection (1) of
 21 this section.

22 (3) No board of county commissioners shall set a levy, nor shall the
 23 state tax commission approve a levy for annual budget purposes, which ex-
 24 ceeds the limitation imposed in subsection (1) of this section unless au-
 25 thority to exceed such limitation has been approved by a majority of the tax-
 26 ing district's electors voting on the question at an election called for that
 27 purpose and held pursuant to section 34-106, Idaho Code, provided however,
 28 that such voter approval shall be for a period of not to exceed two (2) years.

29 (4) The amount of property tax revenues to finance an annual budget does
 30 not include revenues from nonproperty tax sources, and does not include rev-
 31 enue from levies for the payment of judicially confirmed obligations pur-
 32 suant to sections 63-1315 and 63-1316, Idaho Code, and revenue from levies
 33 that are voter-approved for bonds, override levies or supplemental levies,
 34 plant facilities reserve fund levies, school emergency fund levies or for
 35 levies applicable to newly annexed property or for levies applicable to new
 36 construction as evidenced by the value of property subject to the occupancy
 37 tax pursuant to section 63-317, Idaho Code, for the preceding tax year. The
 38 amount of property tax revenues to finance an annual budget does not include
 39 any property taxes that were collected and refunded on property that is ex-
 40 empt from taxation, pursuant to section 63-1305C, Idaho Code.

41 (5) The amount of property tax revenues to finance an annual budget
 42 shall include moneys received as recovery of property tax for a revoked pro-
 43 visional property tax exemption under section 63-1305C, Idaho Code.

44 SECTION 6. That Section 63-803, Idaho Code, be, and the same is hereby
 45 amended to read as follows:

46 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
 47 district is required by law to certify to any county treasurer, county audi-
 48 tor, county assessor, county commissioners or to any other county officer,
 49 any property tax levy, upon property located within said district, such cer-

1 tification shall, notwithstanding any other provision of the law applicable
2 to any such district, be made at the time and in the manner hereinafter pro-
3 vided.

4 (2) The county auditor shall inform each of the taxing districts within
5 his county of the taxable value of that district as soon as such value is
6 known to the auditor, whether the value comes from the appraisal and assess-
7 ment of real and personal property, or from allocation of the taxable value
8 of operating property, or from other sources.

9 (3) Using the taxable value of the district, the council, trustees,
10 board or other governing body of any taxing district shall certify the total
11 amount required from a property tax upon property within the district to
12 raise the amount of money fixed by their budget as previously prepared or
13 approved. The amount of money so determined shall be certified in dollars
14 to the appropriate county commissioners. Any taxing unit, except regional
15 airport authorities, located in more than one (1) county shall divide its
16 dollar budget for certification to the separate counties by multiplying the
17 amount of such budget by a fraction, the numerator of which shall be the total
18 taxable value of all property in such taxing unit within the county to which
19 such certification is to be made, and the denominator of which shall be the
20 total taxable value of property in such taxing unit in all such counties.
21 Budget certification to the participating counties of regional airport
22 authorities shall be made in the manner prescribed in section 21-807(10),
23 Idaho Code. Taxable value shall be certified by the county auditor of each
24 affected county to such taxing unit and such certification shall be used in
25 this formula. Except as provided in section 33-805, Idaho Code, relating to
26 school emergency fund levies, the certification to the county commissioners
27 required in this section shall be made not later than the Thursday prior
28 to the second Monday in September, unless, upon application therefor, the
29 county commissioners grant an extension of not more than seven (7) working
30 days. After receipt of this certification, the county commissioners shall
31 make a tax levy as a percent of taxable value of all property in the taxing
32 district which, when applied to the tax rolls, will meet the budget require-
33 ments certified by such taxing districts.

34 (4) Except as provided in ~~subsection (1)(a) through (e) of section~~
35 ~~50-2908(1)~~, Idaho Code, for the purpose of this section, "taxable value"
36 shall mean the portion of the equalized assessed value, less any exemptions,
37 and the value that exceeds the value of the base assessment roll for the
38 portion of any taxing district within a revenue allocation area of an ur-
39 ban renewal district, located within each taxing district which certifies
40 a budget to be raised from a property tax levy. When the county auditor is
41 notified of revenues sufficient to cover expenses as provided in section
42 50-2903(5), Idaho Code, taxable value shall also include the value that
43 exceeds the value of the base assessment roll for the portion of any taxing
44 district within a revenue allocation area. For each taxing district, tax-
45 able value shall include the value from the property and operating property
46 rolls for the current year and subsequent and missed property rolls for the
47 prior year or the best estimate of the subsequent and missed property rolls
48 for the current year.

49 SECTION 7. That Section 63-811, Idaho Code, be, and the same is hereby
50 amended to read as follows:

1 63-811. COMPUTATION OF PROPERTY TAXES -- DUTY OF COUNTY AUDITOR. (1)
2 The county auditor must cause to be computed the amount of the local property
3 taxes levied on the total of the taxable value as entered on the property and
4 operating property rolls, and must deliver the property and operating prop-
5 erty rolls to the tax collector on or before the first Monday of November.

6 (2) The county auditor must cause to be computed the amount of the local
7 property taxes levied on the total of the taxable value as entered on the sub-
8 sequent property roll, and must deliver the subsequent property roll to the
9 tax collector as soon as possible, without delay, after the first Monday of
10 December.

11 (3) The county auditor must cause to be computed the amount of the state
12 property tax and the amount of the local property taxes levied on the total
13 taxable value as entered on the missed property roll, and must deliver the
14 missed property roll to the tax collector as soon as possible, without de-
15 lay, in the year following the year in which the assessment was entered on the
16 missed property roll.

17 (4) Except as provided in ~~subsection (1)(a) through (e) of section~~
18 50-2908(1), Idaho Code, for the purpose of this section, "taxable value"
19 shall mean the portion of the equalized assessed value, less any exemptions
20 and the value that exceeds the value of the base assessment roll for the
21 portion of any taxing district within a revenue allocation area of an urban
22 renewal district, located within each taxing district which certifies a bud-
23 get to be raised from a property tax levy.

24 (5) The county auditor, at the time of delivery to the county tax col-
25 lector of the property roll, subsequent property roll, missed property roll
26 or operating property roll with all property taxes computed, must subscribe
27 an affidavit to such roll that he has to the best of his knowledge and ability
28 computed the proper amount of property taxes due, and recorded such orders of
29 the board of equalization as have been made and has made no other changes.

30 (6) Failure of the auditor to make the affidavit shall not affect the
31 validity of any entry on the roll. The making of such affidavit, however, is
32 declared to be a duty pertaining to the office of the county auditor. In ev-
33 ery case where the said affidavit is omitted from the real property assess-
34 ment roll, completed and delivered as aforesaid, the board of county commis-
35 sioners must require the county auditor to make the same, and upon refusal or
36 neglect of such county auditor to make and subscribe to such affidavit forth-
37 with, the chairman of the said board must immediately file in the district
38 court in the county, an information in writing, verified by his oath, charg-
39 ing such county auditor with refusal or neglect to perform the official du-
40 ties pertaining to his office, and thereupon he must be proceeded against as
41 in such cases provided by law.

42 SECTION 8. SEVERABILITY. The provisions of this act are hereby declared
43 to be severable and if any provision of this act or the application of such
44 provision to any person or circumstance is declared invalid for any reason,
45 such declaration shall not affect the validity of the remaining portions of
46 this act.

47 SECTION 9. An emergency existing therefor, which emergency is hereby
48 declared to exist, this act shall be in full force and effect on and after its
49 passage and approval, and retroactively to January 1, 2019.