

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 741

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO TAXATION; AMENDING SECTION 50-2903, IDAHO CODE, TO REVISE A DEF-
2 INITIATION; AMENDING CHAPTER 8, TITLE 57, IDAHO CODE, BY THE ADDITION OF
3 A NEW SECTION 57-810, IDAHO CODE, TO ESTABLISH THE PROPERTY TAX RELIEF
4 STABILIZATION FUND; AMENDING SECTION 63-201, IDAHO CODE, TO DEFINE A
5 TERM; AMENDING SECTION 63-301A, IDAHO CODE, TO REVISE PROVISIONS RE-
6 GARDING THE NEW CONSTRUCTION ROLL; AMENDING SECTION 63-602G, IDAHO
7 CODE, TO REVISE PROVISIONS REGARDING THE HOMESTEAD PROPERTY TAX EX-
8 EMPTION; AMENDING SECTION 63-701, IDAHO CODE, TO REVISE A DEFINITION;
9 AMENDING SECTION 63-802, IDAHO CODE, TO REVISE PROVISIONS REGARDING
10 TAXING DISTRICT BUDGET LIMITATIONS; AMENDING SECTION 63-3024A, IDAHO
11 CODE, TO REVISE A PROVISION REGARDING THE FOOD TAX CREDIT; AMENDING SEC-
12 TION 63-3619, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE SALES TAX;
13 AMENDING SECTION 63-3620F, IDAHO CODE, TO REVISE PROVISIONS REGARD-
14 ING THE DISTRIBUTION OF CERTAIN ONLINE SALES TAXES; AMENDING SECTION
15 63-3621, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE USE TAX; AMEND-
16 ING SECTION 63-3638, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE
17 SALES TAX REVENUE DISTRIBUTION FORMULA; AMENDING CHAPTER 36, TITLE 63,
18 IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3638B, IDAHO CODE, TO
19 PROVIDE FOR THE DISTRIBUTION OF CERTAIN SALES AND USE TAXES FOR PROP-
20 ERTY TAX RELIEF; AMENDING SECTION 34-914, IDAHO CODE, TO REMOVE A CODE
21 REFERENCE; AMENDING SECTION 63-510, IDAHO CODE, TO REMOVE A CODE REFER-
22 ENCE; AMENDING SECTION 63-1009, IDAHO CODE, TO PROVIDE A CORRECT CODE
23 REFERENCE; AMENDING SECTION 63-3077G, IDAHO CODE, TO PROVIDE A CORRECT
24 CODE REFERENCE; AMENDING SECTION 63-3077H, IDAHO CODE, TO PROVIDE A
25 CORRECT CODE REFERENCE; PROVIDING LEGISLATIVE INTENT AND SUBMITTING AN
26 ADVISORY QUESTION TO THE ELECTORS, DIRECTING THE SECRETARY OF STATE TO
27 SUBMIT THE QUESTION, STATING THE QUESTION TO BE SUBMITTED, DECLARING
28 THE ADVISORY QUESTION A MEASURE, AND MAKING APPLICABLE CERTAIN PROVI-
29 SIONS GOVERNING ELECTION CAMPAIGN CONTRIBUTIONS AND EXPENDITURES; AND
30 DECLARING AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION, AND PROVID-
31 ING EFFECTIVE DATES.
32

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

34 SECTION 1. That Section 50-2903, Idaho Code, be, and the same is hereby
35 amended to read as follows:

36 50-2903. DEFINITIONS. The following terms used in this chapter shall
37 have the following meanings, unless the context otherwise requires:

38 (1) "Act" or "this act" means this revenue allocation act.

39 (2) "Agency" or "urban renewal agency" means a public body created pur-
40 suant to section 50-2006, Idaho Code.

41 (3) "Authorized municipality" or "municipality" means any county or
42 incorporated city which has established an urban renewal agency, or by or-

1 dinance has identified and created a competitively disadvantaged border
2 community.

3 (4) Except as provided in section 50-2903A, Idaho Code, "base assess-
4 ment roll" means the equalized assessment rolls, for all classes of taxable
5 property, on January 1 of the year in which the local governing body of an au-
6 thorized municipality passes an ordinance adopting or modifying an urban re-
7 newal plan containing a revenue allocation financing provision, except that
8 the base assessment roll shall be adjusted as follows: the equalized as-
9 sessment valuation of the taxable property in a revenue allocation area as
10 shown upon the base assessment roll shall be reduced by the amount by which
11 the equalized assessed valuation as shown on the base assessment roll ex-
12 ceeds the current equalized assessed valuation of any taxable property lo-
13 cated in the revenue allocation area, and by the equalized assessed valu-
14 ation of taxable property in such revenue allocation area that becomes ex-
15 empt from taxation subsequent to the date of the base assessment roll. The
16 equalized assessed valuation of the taxable property in a revenue allocation
17 area as shown on the base assessment roll shall be increased by the equalized
18 assessed valuation, as of the date of the base assessment roll, of taxable
19 property in such revenue allocation area that becomes taxable after the date
20 of the base assessment roll, provided any increase in valuation caused by or
21 attributed to property exempted pursuant to section 63-602G, Idaho Code, or
22 by the removal of the agricultural tax exemption from undeveloped agricul-
23 tural land in a revenue allocation area shall be added to the base assess-
24 ment roll. An urban renewal plan containing a revenue allocation financ-
25 ing provision adopted or modified prior to July 1, 2016, is not subject to
26 section 50-2903A, Idaho Code. For plans adopted or modified prior to July
27 1, 2016, and for subsequent modifications of those urban renewal plans, the
28 value of the base assessment roll of property within the revenue allocation
29 area shall be determined as if the modification had not occurred.

30 (5) "Budget" means an annual estimate of revenues and expenses for the
31 following fiscal year of the agency. An agency shall, by September 1 of each
32 calendar year, adopt and publish, as described in section 50-1002, Idaho
33 Code, a budget for the next fiscal year. An agency may amend its adopted
34 budget using the same procedures as used for adoption of the budget. For
35 the fiscal year that immediately predates the termination date for an urban
36 renewal plan involving a revenue allocation area or will include the termi-
37 nation date, the agency shall adopt and publish a budget specifically for the
38 projected revenues and expenses of the plan and make a determination as to
39 whether the revenue allocation area can be terminated before the January 1
40 of the termination year pursuant to the terms of section 50-2909(4), Idaho
41 Code. In the event that the agency determines that current tax year revenues
42 are sufficient to cover all estimated expenses for the current year and all
43 future years, by September 1 the agency shall adopt a resolution advising and
44 notifying the local governing body, the county auditor, and the state tax
45 commission and recommending the adoption of an ordinance for termination of
46 the revenue allocation area by December 31 of the current year and declaring
47 a surplus to be distributed as described in section 50-2909, Idaho Code,
48 should a surplus be determined to exist. The agency shall cause the ordi-
49 nance to be filed with the office of the county recorder and the Idaho state
50 tax commission as provided in section 63-215, Idaho Code. Upon notification

1 of revenues sufficient to cover expenses as provided herein, the increment
2 value of that revenue allocation area shall be included in the net taxable
3 value of the appropriate taxing districts when calculating the subsequent
4 property tax levies pursuant to section 63-803, Idaho Code. The increment
5 value shall also be included in subsequent notification of taxable value for
6 each taxing district pursuant to section 63-1312, Idaho Code, and subsequent
7 certification of actual and adjusted market values for each school district
8 pursuant to section 63-315, Idaho Code.

9 (6) "Clerk" means the clerk of the municipality.

10 (7) "Competitively disadvantaged border community area" means a parcel
11 of land consisting of at least forty (40) acres which is situated within the
12 jurisdiction of a county or an incorporated city and within twenty-five (25)
13 miles of a state or international border, which the governing body of such
14 county or incorporated city has determined by ordinance is disadvantaged in
15 its ability to attract business, private investment, or commercial develop-
16 ment, as a result of a competitive advantage in the adjacent state or nation
17 resulting from inequities or disparities in comparative sales taxes, income
18 taxes, property taxes, population or unique geographic features.

19 (8) "Deteriorated area" means:

20 (a) Any area, including a slum area, in which there is a predominance
21 of buildings or improvements, whether residential or nonresidential,
22 which by reason of dilapidation, deterioration, age or obsolescence,
23 inadequate provision for ventilation, light, air, sanitation, or open
24 spaces, high density of population and overcrowding, or the existence
25 of conditions which endanger life or property by fire and other causes,
26 or any combination of such factors, is conducive to ill health, trans-
27 mission of disease, infant mortality, juvenile delinquency, or crime,
28 and is detrimental to the public health, safety, morals or welfare.

29 (b) Any area which by reason of the presence of a substantial number of
30 deteriorated or deteriorating structures, predominance of defective or
31 inadequate street layout, faulty lot layout in relation to size, ade-
32 quacy, accessibility or usefulness, insanitary or unsafe conditions,
33 deterioration of site or other improvements, diversity of ownership,
34 tax or special assessment delinquency exceeding the fair value of the
35 land, defective or unusual conditions of title, or the existence of con-
36 ditions which endanger life or property by fire and other causes, or any
37 combination of such factors, results in economic underdevelopment of
38 the area, substantially impairs or arrests the sound growth of a munici-
39 pality, retards the provision of housing accommodations or constitutes
40 an economic or social liability and is a menace to the public health,
41 safety, morals or welfare in its present condition and use.

42 (c) Any area which is predominately open and which because of obsolete
43 platting, diversity of ownership, deterioration of structures or im-
44 provements, or otherwise, results in economic underdevelopment of the
45 area or substantially impairs or arrests the sound growth of a munici-
46 pality. The provisions of section 50-2008(d), Idaho Code, shall apply
47 to open areas.

48 (d) Any area which the local governing body certifies is in need of
49 redevelopment or rehabilitation as a result of a flood, storm, earth-
50 quake, or other natural disaster or catastrophe respecting which the

1 governor of the state has certified the need for disaster assistance
2 under any federal law.

3 (e) Any area which by reason of its proximity to the border of an ad-
4 jacent state is competitively disadvantaged in its ability to attract
5 private investment, business or commercial development which would
6 promote the purposes of this chapter.

7 (f) "Deteriorated area" does not mean not developed beyond agricul-
8 tural, or any agricultural operation as defined in section 22-4502(1),
9 Idaho Code, or any forest land as defined in section 63-1701(4), Idaho
10 Code, unless the owner of the agricultural operation or the forest
11 landowner of the forest land gives written consent to be included in the
12 deteriorated area, except for an agricultural operation or forest land
13 that has not been used for three (3) consecutive years.

14 (9) "Facilities" means land, rights in land, buildings, structures,
15 machinery, landscaping, extension of utility services, approaches, road-
16 ways and parking, handling and storage areas, and similar auxiliary and re-
17 lated facilities.

18 (10) "Increment value" means the total value calculated by summing the
19 differences between the current equalized value of each taxable property in
20 the revenue allocation area and that property's current base value on the
21 base assessment roll, provided such difference is a positive value.

22 (11) "Local governing body" means the city council or board of county
23 commissioners of a municipality.

24 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
25 from time to time be amended, prepared and approved pursuant to sections
26 50-2008 and 50-2905, Idaho Code, and any method or methods of financing such
27 plan, which methods may include revenue allocation financing provisions.

28 (13) "Project" or "urban renewal project" or "competitively disadvan-
29 taged border areas" may include undertakings and activities of a municipal-
30 ity in an urban renewal area for the elimination of deteriorated or deterio-
31 rating areas and for the prevention of the development or spread of slums and
32 blight and may involve slum clearance and redevelopment in an urban renewal
33 area, or rehabilitation or conservation in an urban renewal area, or any com-
34 bination or part thereof in accordance with an urban renewal plan. Such un-
35 dertakings and activities may include:

36 (a) Acquisition of a deteriorated area or a deteriorating area or por-
37 tion thereof;

38 (b) Demolition and removal of buildings and improvement;

39 (c) Installation, construction, or reconstruction of streets, utili-
40 ties, parks, playgrounds, open space, off-street parking facilities,
41 public facilities, public recreation and entertainment facilities or
42 buildings and other improvements necessary for carrying out, in the ur-
43 ban renewal area or competitively disadvantaged border community area,
44 the urban renewal objectives of this act in accordance with the urban
45 renewal plan or the competitively disadvantaged border community area
46 ordinance.

47 (d) Disposition of any property acquired in the urban renewal area or
48 the competitively disadvantaged border community area (including sale,
49 initial leasing or retention by the agency itself) or the municipality
50 creating the competitively disadvantaged border community area at its

1 fair value for uses in accordance with the urban renewal plan except for
2 disposition of property to another public body;

3 (e) Carrying out plans for a program of voluntary or compulsory repair
4 and rehabilitation of buildings or other improvements in accordance
5 with the urban renewal plan;

6 (f) Acquisition of real property in the urban renewal area or the com-
7 petitively disadvantaged border community area which, under the urban
8 renewal plan, is to be repaired or rehabilitated for dwelling use or re-
9 lated facilities, repair or rehabilitation of the structures for guid-
10 ance purposes, and resale of the property;

11 (g) Acquisition of any other real property in the urban renewal area
12 or competitively disadvantaged border community area where necessary
13 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
14 sity, eliminate obsolete or other uses detrimental to the public wel-
15 fare, or otherwise to remove or to prevent the spread of blight or dete-
16 rioration, or to provide land for needed public facilities or where nec-
17 essary to accomplish the purposes for which a competitively disadvan-
18 taged border community area was created by ordinance;

19 (h) Lending or investing federal funds; and

20 (i) Construction of foundations, platforms and other like structural
21 forms.

22 (14) "Project costs" includes, but is not limited to:

23 (a) Capital costs, including the actual costs of the construction of
24 public works or improvements, facilities, buildings, structures, and
25 permanent fixtures; the demolition, alteration, remodeling, repair or
26 reconstruction of existing buildings, structures, and permanent fix-
27 tures; the acquisition of equipment; and the clearing and grading of
28 land;

29 (b) Financing costs, including interest during construction and capi-
30 talized debt service or repair and replacement or other appropriate re-
31 serves;

32 (c) Real property assembly costs, meaning any deficit incurred from the
33 sale or lease by a municipality of real or personal property within a
34 revenue allocation district;

35 (d) Professional service costs, including those costs incurred for ar-
36 chitectural, planning, engineering, and legal advice and services;

37 (e) Direct administrative costs, including reasonable charges for the
38 time spent by city or county employees in connection with the implemen-
39 tation of a project plan;

40 (f) Relocation costs;

41 (g) Other costs incidental to any of the foregoing costs.

42 (15) "Revenue allocation area" means that portion of an urban renewal
43 area or competitively disadvantaged border community area where the equal-
44 ized assessed valuation (as shown by the taxable property assessment rolls)
45 of which the local governing body has determined, on and as a part of an urban
46 renewal plan, is likely to increase as a result of the initiation of an urban
47 renewal project or competitively disadvantaged border community area. The
48 base assessment roll or rolls of revenue allocation area or areas shall not
49 exceed at any time ten percent (10%) of the current assessed valuation of all
50 taxable property within the municipality.

1 (16) "State" means the state of Idaho.

2 (17) "Tax" or "taxes" means all property tax levies upon taxable prop-
3 erty.

4 (18) "Taxable property" means taxable real property, personal prop-
5 erty, operating property, or any other tangible or intangible property
6 included on the equalized assessment rolls.

7 (19) "Taxing district" means a taxing district as defined in section
8 63-201, Idaho Code, as that section now exists or may hereafter be amended.

9 (20) "Termination date" means a specific date no later than twenty (20)
10 years from the effective date of an urban renewal plan or as described in sec-
11 tion 50-2904, Idaho Code, on which date the plan shall terminate. Every ur-
12 ban renewal plan shall have a termination date that can be modified or ex-
13 tended subject to the twenty (20) year maximum limitation. Provided how-
14 ever, the duration of a revenue allocation financing provision may be ex-
15 tended as provided in section 50-2904, Idaho Code.

16 SECTION 2. That Chapter 8, Title 57, 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 57-810, Idaho Code, and to read as follows:

19 57-810. PROPERTY TAX RELIEF STABILIZATION FUND. (1) There is hereby
20 created in the state treasury the property tax relief stabilization fund, to
21 which shall be transferred certain sales and use tax revenues pursuant to the
22 provisions of section 63-3638B, Idaho Code.

23 (2) The fund shall initially be funded with the moneys provided pur-
24 suant to section 63-3638B(2), Idaho Code.

25 (3) The fund balance shall not at any time exceed thirty percent
26 (30%) of the amount collected in the preceding fiscal year from the sales
27 and use tax revenues distributed pursuant to sections 63-3619(1)(b) and
28 63-3621(1)(b), Idaho Code. Any moneys in excess of such amount shall be
29 distributed pursuant to the formula set forth in section 63-3638B(4), Idaho
30 Code.

31 (4) The state tax commission shall use the fund to make distributions
32 to the various local tax areas as defined in section 63-201, Idaho Code, en-
33 titled to distributions under section 63-3638B, Idaho Code, in the event of
34 a negative change in revenues. The state tax commission shall transfer mon-
35 eys from the fund to the various local tax areas in amounts sufficient to en-
36 sure that the distributions to such entities are equal to the revenues dis-
37 tributed to them for the same period of the previous fiscal year, subject to
38 the following provisions:

39 (a) For the purpose of this section, "negative change in revenues"
40 means that there has been a reduction greater than or equal to three per-
41 cent (3%) in the amount of sales and use tax collections in any period of
42 time compared to the amount collected for the same period of time in the
43 previous fiscal year.

44 (b) Newly created taxing districts are not eligible for stabiliza-
45 tion moneys in the first year they receive moneys pursuant to section
46 63-3638B, Idaho Code.

47 (c) Total distributions from the fund in a single fiscal year shall not
48 exceed one-half (1/2) of the fund's balance at the beginning of that
49 fiscal year.

1 SECTION 3. That Section 63-201, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 63-201. DEFINITIONS. As used for property tax purposes in chapters 1
4 through 23, title 63, Idaho Code, the terms defined in this section shall
5 have the following meanings, unless the context clearly indicates another
6 meaning:

7 (1) "Appraisal" means an estimate of property value for property tax
8 purposes.

9 (a) For the purpose of estimated property value to place the value on
10 any assessment roll, the value estimation must be made by the assessor
11 or a certified property tax appraiser.

12 (b) For the purpose of estimating property value to present for an ap-
13 peal filed pursuant to sections 63-501A, 63-407 and 63-409, Idaho Code,
14 the value estimation may be made by the assessor, a certified property
15 tax appraiser, a licensed appraiser, or a certified appraiser or any
16 party as specified by law.

17 (2) "Bargeline" means those water transportation tugs, boats, barges,
18 lighters and other equipment and property used in conjunction with waterways
19 for bulk transportation of freight or ship assist.

20 (3) "Cogenerators" means facilities that produce electric energy, and
21 steam or forms of useful energy that are used for industrial, commercial,
22 heating or cooling purposes.

23 (4) "Collection costs" are amounts authorized by law to be added after
24 the date of delinquency and collected in the same manner as property tax.

25 (5) "Credit card" means a card or device, whether known as a credit card
26 or by any other name, issued under an arrangement pursuant to which a card is-
27 suer gives to a cardholder the privilege of obtaining credit from the card
28 issuer or other person in purchasing or leasing property or services, ob-
29 taining loans, or otherwise.

30 (6) "Debit card" means any instrument or device, whether known as a
31 debit card or by any other name, issued with or without a fee by an issuer for
32 the use of the cardholder in depositing, obtaining or transferring funds.

33 (7) "Delinquency" means any property tax, special assessment, fee,
34 collection cost, or charge collected in the same manner as property tax, that
35 has not been paid in the manner and within the time limits provided by law.

36 (8) "Electronic funds transfer" means any transfer of funds that is
37 initiated by electronic means, such as an electronic terminal, telephone,
38 computer, ATM or magnetic tape.

39 (9) "Fixtures" means those articles that, although once movable chat-
40 tels, have become accessory to and a part of improvements to real property
41 by having been physically incorporated therein or annexed or affixed thereto
42 in such a manner that removing them would cause material injury or damage to
43 the real property, the use or purpose of such articles is integral to the use
44 of the real property to which it is affixed, and a person would reasonably
45 be considered to intend to make the articles permanent additions to the real
46 property. "Fixtures" includes systems for the heating, air conditioning,
47 ventilation, sanitation, lighting and plumbing of such building.

1 (10) "Floating home" means a floating structure that is designed and
2 built to be used, or is modified to be used, as a stationary waterborne resi-
3 dential dwelling.

4 (11) "Improvements" means all buildings, structures, manufactured
5 homes, as defined in section 39-4105(8), Idaho Code, mobile homes as defined
6 in section 39-4105(9), Idaho Code, and modular buildings, as defined in
7 section 39-4301(10), Idaho Code, erected upon or affixed to land, fences,
8 water ditches constructed for mining, manufacturing or irrigation purposes,
9 fixtures, and floating homes, whether or not such improvements are owned
10 separately from the ownership of the land upon or to which the same may be
11 erected, affixed or attached. The term "improvements" also includes all
12 fruit, nut-bearing and ornamental trees or vines not of natural growth,
13 growing upon the land, except nursery stock.

14 (12) "Late charge" means a charge of two percent (2%) of the delin-
15 quency.

16 (13) "Lawful money of the United States" means currency and coin of the
17 United States at par value and checks and drafts that are payable in dollars
18 of the United States at par value, payable upon demand or presentment.

19 (14) "Legal tender" means lawful money as defined in subsection (13) of
20 this section.

21 (15) "Local tax area" means a county, city, or nonschool taxing dis-
22 trict, but does not include a community infrastructure district.

23 (16) "Market value" means the amount of United States dollars or equiva-
24 lent for which, in all probability, a property would exchange hands between a
25 willing seller, under no compulsion to sell, and an informed, capable buyer,
26 with a reasonable time allowed to consummate the sale, substantiated by a
27 reasonable down or full cash payment.

28 (167) "Operating property" means real and personal property operated
29 in connection with any public utility, railroad or private railcar fleet,
30 wholly or partly within this state, and which property is necessary to the
31 maintenance and operation of the public utility, railroad or private railcar
32 fleet, and the roads or lines thereof, and includes all rights-of-way ac-
33 companied by title; roadbeds; tracks; pipelines; bargelines; equipment and
34 docks; terminals; rolling stock; equipment; power stations; power sites;
35 lands; reservoirs, generating plants, transmission lines, distribution
36 lines and substations; and all title and interest in such property, as owner,
37 lessee or otherwise. The term includes electrical generation plants under
38 construction, whether or not owned by or operated in connection with any
39 public utility. For the purpose of the appraisal, assessment and taxation of
40 operating property, pursuant to chapter 4, title 63, Idaho Code, the value of
41 intangible personal property shall be excluded from the taxable value of op-
42 erating property in accordance with the provisions of section 63-602L, Idaho
43 Code, and the value of personal property, other than intangible personal
44 property, shall be excluded from the taxable value of operating property in
45 accordance with the provisions of section 63-602KK, Idaho Code. Operating
46 property shall be included in taxable value for the purpose of making a levy,
47 as required in section 63-803, Idaho Code, except when an exemption is pro-
48 vided or when said levy is to be made against real property only.

49 (178) "Party in interest" means a person who holds a recorded purchase
50 contract, mortgage, deed of trust, security interest, lien or lease upon the

1 property. For purposes of notice requirements in section 63-1009, Idaho
2 Code, recording includes documents recorded in full or by memorandum provid-
3 ing notice thereof.

4 (189) "Person" means any entity, individual, corporation, partnership,
5 firm, association, limited liability company, limited liability partner-
6 ship or other such entities as recognized by the state of Idaho.

7 (1920) "Personal property" means everything that is the subject of own-
8 ership and that is not included within the term "real property."

9 (201) "Private railcar fleet" means railroad cars or locomotives owned
10 by, leased to, occupied by or franchised to any person other than a railroad
11 company operating a line of railroad in Idaho or any company classified as a
12 railroad by the interstate commerce commission and entitled to possess such
13 railroad cars and locomotives except those possessed solely for the purpose
14 of repair, rehabilitation or remanufacturing of such locomotives or rail-
15 road cars.

16 (212) "Public utility" means electrical companies, pipeline companies,
17 natural gas distribution companies, or power producers included within fed-
18 eral law, bargelines, and water companies which are under the jurisdiction
19 of the Idaho public utilities commission. The term also includes telephone
20 corporations, as that term is defined in section 62-603, Idaho Code, except
21 as hereinafter provided, whether or not such telephone corporation has been
22 issued a certificate of convenience and necessity by the Idaho public utili-
23 ties commission.

24 This term does not include cogenerators, mobile telephone service or
25 companies, nor does it include pager service or companies, except when such
26 services are an integral part of services provided by a certificated utility
27 company, nor does the term "public utility" include companies or persons
28 engaged in the business of providing solely on a resale basis, any telephone
29 or telecommunication service that is purchased from a telephone corporation
30 or company.

31 (223) "Railroad" means every kind of railway, whether its line of rails
32 or tracks be at, above or below the surface of the earth, and without regard
33 to the kind of power used in moving its rolling stock, and shall be consid-
34 ered to include every kind of street railway, suburban railway or interur-
35 ban railway excepting facilities established solely for maintenance and re-
36 building of railroad cars or locomotives.

37 (234) "Real property" means land and all rights and privileges thereto
38 belonging or any way appertaining, all quarries and fossils in and under the
39 land, and all other property that the law defines, or the courts may inter-
40 pret, declare and hold to be real property under the letter, spirit, intent
41 and meaning of the law, improvements and all standing timber thereon, in-
42 cluding standing timber owned separately from the ownership of the land upon
43 which the same may stand, except as modified in chapter 17, title 63, Idaho
44 Code. Timber, forest, forest land, and forest products shall be defined as
45 provided in chapter 17, title 63, Idaho Code.

46 (245) "Record owner" means the person or persons in whose name or names
47 the property stands upon the records of the county recorder's office. Where
48 the record owners are husband and wife at the time of notice of pending issue
49 of tax deed, notice to one (1) shall be deemed and imputed as notice to the
50 other spouse.

1 (256) "Special assessment" means a charge imposed upon property for
2 a specific purpose, collected and enforced in the same manner as property
3 taxes.

4 (267) "System value" means the market value for assessment purposes of
5 the operating property when considered as a unit.

6 (278) "Tax code area" means a geographical area made up of one (1) or
7 more taxing districts with one (1) total levy within the geographic area, ex-
8 cept as otherwise provided by law.

9 (289) "Taxing district" means any entity or unit with the statutory au-
10 thority to levy a property tax.

11 (2930) "Taxable value" means market value for assessment purposes, less
12 applicable exemptions or other statutory provisions. When statutory pro-
13 visions define taxable value as limited to real property for the purpose of
14 making a levy, operating property shall not be included.

15 (301) "Transient personal property" is personal property, specifically
16 such construction, logging or mining machinery and equipment which is kept,
17 moved, transported, shipped, hauled into or remaining for periods of not
18 less than thirty (30) days, in more than one (1) county in the state during
19 the same year.

20 (312) "Warrant of distraint" means a warrant ordering the seizure of
21 personal property to enforce payment of property tax, special assessment,
22 expense, fee, collection cost or charge collected in the same manner as per-
23 sonal property tax.

24 SECTION 4. That Section 63-301A, Idaho Code, be, and the same is hereby
25 amended to read as follows:

26 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall pre-
27 pare a new construction roll, which shall be in addition to the property
28 roll, ~~which~~. The new construction roll shall not include any residential
29 parcel exempt from tax levies from a local tax area as described in section
30 63-602G(11), Idaho Code. The new construction roll shall show:

31 (a) The name of the taxpayer;

32 (b) The description of the new construction, suitably detailed to meet
33 the requirements of the individual county;

34 (c) A description of the land and its change in use, suitably detailed
35 to meet the needs of the individual county;

36 (d) The amount of taxable market value added to the property on the cur-
37 rent year's property roll that is directly the result of new construc-
38 tion, including a change in use of the land associated with the new con-
39 struction;

40 (e) The amount of taxable market value added as provided in subsection
41 (3)(g) of this section as a result of dissolution of any revenue alloca-
42 tion area;

43 (f) The amount of taxable market value to be deducted to reflect the ad-
44 justments required in this paragraph:

45 (i) Any board of tax appeals or court-ordered value change, if
46 property has a taxable value lower than that shown on any new con-
47 struction roll in any one (1) of the immediate five (5) tax years
48 preceding the current tax year;

1 (ii) Any reduction in value resulting from correction of value im-
2 properly included on any previous new construction roll as a re-
3 sult of double or otherwise erroneous assessment;

4 (iii) Any reduction in value, in any one (1) of the immediate five
5 (5) tax years preceding the current tax year, resulting from a
6 change of land use classification;

7 (iv) Any reduction in value resulting from the exemption provided
8 in section 63-602W(4), Idaho Code, in any one (1) of the immediate
9 five (5) tax years preceding the current tax year; and

10 (v) Any voluntary reduction in value reflecting a portion of
11 certain homestead exemptions as provided in section 63-602G(9),
12 Idaho Code.

13 (2) As soon as possible, but in any event by no later than the first Mon-
14 day in June, the new construction roll shall be certified to the county audi-
15 tor and a listing showing the amount of value on the new construction roll in
16 each taxing district or unit be forwarded to the state tax commission on or
17 before the fourth Monday in July. Provided however, the value shown in sub-
18 section (3) (f) of this section shall be reported to the appropriate county
19 auditor by the state tax commission by the third Monday in July and the value
20 sent by the county auditor to each taxing district. The value established
21 pursuant to subsection (3) (f) of this section is subject to correction by the
22 state tax commission until the first Monday in September and any such correc-
23 tions shall be sent to the appropriate county auditor, who shall notify any
24 affected taxing districts.

25 (3) Except as otherwise provided in this subsection, the value shown on
26 the new construction roll shall include ninety percent (90%) of the taxable
27 market value increase from:

28 (a) Construction of any new structure that previously did not exist; or

29 (b) Additions or alterations to existing nonresidential structures; or

30 (c) Installation of new or used manufactured housing that did not pre-
31 viously exist within the county; or

32 (d) Change of land use classification associated with the new struc-
33 ture; or

34 (e) Property newly taxable as a result of loss of the exemption provided
35 by section 63-602W(3) or (4), Idaho Code; or

36 (f) The construction of any improvement or installation of any equip-
37 ment used for or in conjunction with the generation of electricity and
38 the addition of any improvement or equipment intended to be so used, ex-
39 cept property that has a value allocated or apportioned pursuant to sec-
40 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-
41 ity as those terms are defined in section 61-332A, Idaho Code, or that
42 is owned by a public utility as that term is defined in section 61-332A,
43 Idaho Code, owning any other property that is allocated or apportioned.
44 No replacement equipment or improvements may be included; or

45 (g) Provided such increases do not include increases already reported
46 on the new construction roll as permitted in paragraphs (j) and (k) of
47 this subsection, increases in value over the base value of property on
48 the base assessment roll within an urban renewal revenue allocation
49 area that has been terminated pursuant to section 50-2909(4), Idaho
50 Code, to the extent that this increment exceeds the incremental value

1 as of December 31, 2006, or, for revenue allocation areas formed af-
2 ter December 31, 2006, eighty percent (80%) of the increment value.
3 Notwithstanding other provisions of this section, the new construction
4 roll shall not include new construction located within an urban renewal
5 district's revenue allocation area, except as provided in this para-
6 graph; or

7 (h) New construction, in any one (1) of the immediate five (5) tax years
8 preceding the current tax year, allowable but never included on a new
9 construction roll, provided however, that, for such property, the value
10 on the new construction roll shall reflect the taxable value that would
11 have been included on the new construction roll for the first year in
12 which the property should have been included.

13 (i) Formerly exempt improvements on state college or state university-
14 owned land for student dining, housing, or other education-related pur-
15 poses approved by the state board of education and board of regents of
16 the university of Idaho as proper for the operation of such state col-
17 lege or university provided however, such improvements were never in-
18 cluded on any previous new construction roll.

19 (j) Increases in base value when due to previously determined incre-
20 ment value added to the base value as required in sections 50-2903 and
21 50-2903A, Idaho Code, due to a modification of the urban renewal plan.
22 In this case, the amount added to the new construction roll will equal
23 eighty percent (80%) of the amount by which the increment value in the
24 year immediately preceding the year in which the base value adjustment
25 described in this subsection occurs exceeds the incremental value as of
26 December 31, 2006, or, for revenue allocation areas formed after Decem-
27 ber 31, 2006, the entire increment value.

28 (k) Increases in base value when due to previously determined incre-
29 ment value added to the base value as a result of a de-annexation within
30 a revenue allocation area as defined in section 50-2903, Idaho Code.
31 In this case, the amount added to the new construction roll will equal
32 eighty percent (80%) of the amount by which the increment value in the
33 year immediately preceding the year in which the de-annexation de-
34 scribed in this subsection occurs exceeds the incremental value as of
35 December 31, 2006, or, for revenue allocation areas formed after Decem-
36 ber 31, 2006, the entire increment value within the area subject to the
37 de-annexation.

38 (4) The amount of taxable market value of new construction shall be the
39 change in net taxable market value that is attributable directly to the new
40 construction, a change in use of the land upon completion of the new con-
41 struction, or loss of the exemption provided by section 63-602W(3) or (4),
42 Idaho Code. It shall not include any change in value of existing property
43 that is due to external market forces such as general or localized inflation,
44 except as provided in subsection (3)(g) of this section.

45 (5) The amount of taxable market value of new construction shall not in-
46 clude any new construction of property that has been granted a provisional
47 property tax exemption, pursuant to section 63-1305C, Idaho Code. A prop-
48 erty owner may apply to the board of county commissioners, if an applica-
49 tion is required pursuant to section 63-602, Idaho Code, for an exemption from
50 property tax at the time the initial building permits are applied for or at

1 the time construction of the property has begun, whichever is earlier, or at
2 any time thereafter.

3 (6) The amount of taxable market value of new construction shall not in-
4 clude any new construction of property for which an exemption from sales and
5 use tax has been granted pursuant to section 63-3622VV, Idaho Code.

6 SECTION 5. That Section 63-602G, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax
9 year, the first one hundred twenty-five thousand dollars (\$125,000) of the
10 market value for assessment purposes of the homestead as that term is defined
11 in section 63-701, Idaho Code, or fifty percent (50%) of the market value
12 for assessment purposes of the homestead as that term is defined in section
13 63-701, Idaho Code, whichever is the lesser, shall be exempt from property
14 taxation.

15 (2) The exemption allowed by this section may be granted only if:

16 (a) The homestead is owner-occupied and used as the primary dwelling
17 place of the owner. The homestead may consist of part of a multidwelling
18 or multipurpose building and shall include all of such dwelling or
19 building except any portion used exclusively for anything other than
20 the primary dwelling of the owner. The presence of an office in a home-
21 stead, which office is used for multiple purposes, including business
22 and personal use, shall not prevent the owner from claiming the exemp-
23 tion provided in this section; and

24 (b) The state tax commission has certified to the board of county com-
25 missioners that all properties in the county which are subject to ap-
26 praisal by the county assessor have, in fact, been appraised uniformly
27 so as to secure a just valuation for all property within the county; and

28 (c) The owner has certified to the county assessor that:

29 (i) He is making application for the exemption allowed by this
30 section;

31 (ii) The homestead is his primary dwelling place; and

32 (iii) He has not made application in any other county for the ex-
33 emption, and has not made application for the exemption on any
34 other homestead in the county.

35 (d) For the purpose of this section, the definition of "owner" shall be
36 the same definition set forth in section 63-701(7), Idaho Code.

37 When an "owner," pursuant to the provisions of section 63-701(7), Idaho
38 Code, is any person who is the beneficiary of a revocable or irrevocable
39 trust, or who is a partner of a limited partnership, a member of a lim-
40 ited liability company, or shareholder of a corporation, he or she may
41 provide proof of the trust, limited partnership, limited liability com-
42 pany, or corporation in the manner set forth in section 63-703(4), Idaho
43 Code.

44 (e) Any owner may request in writing the return of all copies of any
45 documents submitted with the affidavit set forth in section 63-703(4),
46 Idaho Code, that are held by a county assessor, and the copies shall
47 be returned by the county assessor upon submission of the affidavit in
48 proper form.

1 (f) For the purpose of this section, the definition of "primary
2 dwelling place" shall be the same definition set forth in section
3 63-701(8), Idaho Code.

4 (g) For the purpose of this section, the definition of "occupied" shall
5 be the same definition set forth in section 63-701(6), Idaho Code.

6 (3) An owner need only make application for the exemption described in
7 subsection (1) of this section once, as long as all of the following condi-
8 tions are met:

9 (a) The owner has received the exemption during the previous year as
10 a result of his making a valid application as set forth in subsection
11 (2)(c) of this section.

12 (b) The owner or beneficiary, partner, member or shareholder, as appro-
13 priate, still occupies the same homestead for which the owner made ap-
14 plication.

15 (c) The homestead described in paragraph (b) of this subsection is
16 owner-occupied or occupied by a beneficiary, partner, member or share-
17 holder, as appropriate, and used as the primary dwelling place of the
18 owner or beneficiary, partner, member or shareholder, as appropriate.

19 (4) The exemption allowed by this section shall be effective upon the
20 date of the application and must be taken before the reduction in taxes pro-
21 vided by sections 63-701 through 63-710, Idaho Code, is applied.

22 (5) Recovery of property tax exemptions allowed by this section but im-
23 properly claimed or approved:

24 (a) Upon discovery of evidence, facts or circumstances indicating any
25 exemption allowed by this section was improperly claimed or approved,
26 the county assessor shall decide whether the exemption claimed should
27 have been allowed and, if not, notify the taxpayer in writing, assess
28 a recovery of property tax and notify the county treasurer of this as-
29 sessment. If the county assessor determined that an exemption was im-
30 properly approved as a result of county error, the county assessor shall
31 present the discovered evidence, facts or circumstances from the im-
32 properly approved exemption to the board of county commissioners, at
33 which time the board may waive a recovery of the property tax and notify
34 such taxpayer in writing.

35 (b) When information indicating that an improper claim for the exemp-
36 tion allowed by this section is discovered by the state tax commission,
37 the state tax commission may disclose this information to the ap-
38 propriate county assessor, board of county commissioners and county
39 treasurer. Information disclosed to county officials by the state tax
40 commission under this subsection may be used to decide the validity of
41 any entitlement to the exemption provided in this section and is not
42 otherwise subject to public disclosure pursuant to chapter 1, title 74,
43 Idaho Code.

44 (c) The assessment and collection of the recovery of property tax must
45 begin within the seven (7) year period beginning the date the assessment
46 notice reflecting the improperly claimed or approved exemption was re-
47 quired to be mailed to the taxpayer.

48 (d) The taxpayer may appeal to the county board of equalization the
49 decision by the county assessor to assess the recovery of property tax
50 within thirty (30) days of the date the county assessor sent the notice

1 to the taxpayer pursuant to this section. The board may waive the col-
2 lection of all or part of any costs, late charges, and interest in order
3 to facilitate the collection of the recovery of the property tax.

4 (e) For purposes of calculating the tax, the amount of the recovered
5 property tax shall be for each year the exemption allowed by this sec-
6 tion was improperly claimed or approved, up to a maximum of seven (7)
7 years. The amount of the recovery of property tax shall be calculated
8 using the product of the amount of exempted value for each year multi-
9 plied by the levy for that year plus costs, late charges and interest for
10 each year at the rates equal to those provided for delinquent property
11 taxes during that year.

12 (f) Any recovery of property tax shall be due and payable no later than
13 the date provided for property taxes in section 63-903, Idaho Code, and
14 if not timely paid, late charges and interest, beginning the first day
15 of January in the year following the year the county assessor sent the
16 notice to the taxpayer pursuant to this section, shall be calculated at
17 the current rate provided for property taxes.

18 (g) Recovered property taxes shall be billed, collected and dis-
19 tributed in the same manner as property taxes, except each taxing dis-
20 trict or unit shall be notified of the amount of any recovered property
21 taxes included in any distribution.

22 (h) Thirty (30) days after the taxpayer is notified, as provided in
23 paragraph (a) of this subsection, the assessor shall record a notice
24 of intent to attach a lien. Upon the payment in full of such recov-
25 ered property taxes prior to the attachment of the lien as provided in
26 paragraph (i) of this subsection, or upon the successful appeal by the
27 taxpayer, the county assessor shall record a rescission of the intent to
28 attach a lien within seven (7) business days of receiving such payment
29 or within seven (7) business days of the county board of equalization
30 decision granting the appeal. If the real property is sold to a bona
31 fide purchaser for value prior to the recording of the notice of the in-
32 tent to attach a lien, the county assessor and treasurer shall cease the
33 recovery of such unpaid recovered property tax.

34 (i) Any unpaid recovered property taxes shall become a lien upon the
35 real property in the same manner as provided for property taxes in sec-
36 tion 63-206, Idaho Code, except such lien shall attach as of the first
37 day of January in the year following the year the county assessor sent
38 the notice to the taxpayer pursuant to this section.

39 (j) For purposes of the limitation provided by section 63-802, Idaho
40 Code, moneys received pursuant to this subsection as recovery of prop-
41 erty tax shall be treated as property tax revenue.

42 (6) The legislature declares that this exemption is necessary and just.

43 (7) A homestead, having previously qualified for exemption under this
44 section in the preceding year, shall not lose such qualification due to: the
45 owner's, beneficiary's, partner's, member's or shareholder's absence in the
46 current year by reason of active military service, or because the homestead
47 has been leased because the owner, beneficiary, partner, member or share-
48 holder is absent in the current year by reason of active military service.
49 An owner subject to the provisions of this subsection must apply for the ex-
50 emption with the county assessor every year on or before a deadline date as

1 specified by the county assessor for the county in which the homestead is
2 claimed. If an owner fails to apply on or before the established deadline,
3 the county may, at its discretion, discontinue the exemption for that year.

4 (8) A homestead, having previously qualified for exemption under this
5 section in the preceding year, shall not lose such qualification due to
6 the owner's, beneficiary's, partner's, member's or shareholder's death
7 during the year of the owner's, beneficiary's, partner's, member's or share-
8 holder's death and the tax year immediately following such death provided
9 that the homestead continues to be a part of the owner's, beneficiary's,
10 partner's, member's or shareholder's estate. After such time, the new owner
11 shall reapply to receive the exemption pursuant to this section and shall
12 meet the qualification criteria contained in this section.

13 (9) The amount by which each exemption approved under this section ex-
14 ceeds one hundred thousand dollars (\$100,000) may, in the discretion of the
15 governing board of a taxing district, be deducted from the new construction
16 roll for the following year prepared by the county assessor in accordance
17 with section 63-301A, Idaho Code, but only to the extent that the amount ex-
18 ceeds the same deduction made in the previous year.

19 (10) By no later than July 25, 2022, each county assessor shall report to
20 the state tax commission the number of homestead exemptions approved in the
21 taxing district as of December 31, 2021, and the taxable value of all such
22 homes receiving the exemption pursuant to this section to enable the distri-
23 bution of revenues pursuant to sections 57-810 and 63-3638B, Idaho Code.

24 (11) Beginning in tax year 2022, the entirety of a residential parcel up
25 to five (5) acres, excluding any portion of the parcel classified for prop-
26 erty tax purposes as nonresidential, receiving a homestead exemption pur-
27 suant to this section shall be subject to approved school levies, community
28 infrastructure district levies, and any voter-approved or currently exist-
29 ing local tax area bonds when applicable, but shall be exempt from any other
30 property tax levies from a local tax area as defined in section 63-201, Idaho
31 Code.

32 SECTION 6. That Section 63-701, Idaho Code, be, and the same is hereby
33 amended to read as follows:

34 63-701. DEFINITIONS. As used in this chapter:

35 (1) "Claimant" means a person who has filed an application under sec-
36 tion 63-602G, Idaho Code, and has filed a claim under the provisions of
37 sections 63-701 through 63-710, Idaho Code. Except as provided in section
38 63-702(2), Idaho Code, on January 1 or before April 15 of the year in which
39 the claimant first filed a claim on the homestead in question, a claimant
40 must be an owner of the homestead, a claimant must have lawful presence in the
41 United States pursuant to section 67-7903, Idaho Code, and on January 1 of
42 said year a claimant must be:

43 (a) Not less than sixty-five (65) years old; or

44 (b) A child under the age of eighteen (18) years who is fatherless or
45 motherless or who has been abandoned by any surviving parent or parents;
46 or

47 (c) A widow or widower; or

48 (d) A disabled person who is recognized as disabled by the social se-
49 curity administration pursuant to title 42 of the United States Code,

1 or by the railroad retirement board pursuant to title 45 of the United
2 States Code, or by the office of management and budget pursuant to title
3 5 of the United States Code, or, if a person is not within the purview of,
4 and is therefore not recognized as disabled by, any other entity listed
5 in this paragraph, then by the public employee retirement system or pub-
6 lic employee disability plan in which the person participates that may
7 be of any state, local unit of government or other jurisdiction in the
8 United States of America; or

9 (e) A disabled veteran of any war engaged in by the United States, whose
10 disability is recognized as a service-connected disability of a degree
11 of ten percent (10%) or more, or who has a pension for nonservice-con-
12 nected disabilities, in accordance with laws and regulations adminis-
13 tered by the United States department of veterans affairs; or

14 (f) A person, as specified in 42 U.S.C. 1701, who was or is entitled
15 to receive benefits because he is known to have been taken by a hostile
16 force as a prisoner, hostage or otherwise; or

17 (g) Blind.

18 (2) "Homestead" means the dwelling, owner-occupied by the claimant
19 as described in this chapter and used as the primary dwelling place of the
20 claimant and may be occupied by any members of the household as their home,
21 and so much of the land surrounding it, not exceeding ~~one (1) acre~~ five (5)
22 acres, as is reasonably necessary for the use of the dwelling as a home. It
23 may consist of a part of a multidwelling or multipurpose building and part
24 of the land upon which it is built. "Homestead" does not include personal
25 property such as furniture, furnishings or appliances, but a manufactured
26 home may be a homestead.

27 (3) "Household" means the claimant and the claimant's spouse. The term
28 does not include bona fide lessees, tenants, or roomers and boarders on con-
29 tract. "Household" includes persons described in subsection (8) (b) of this
30 section.

31 (4) "Household income" means all income received by the claimant and,
32 if married, all income received by the claimant's spouse, in a calendar year.

33 (5) "Income" means the sum of federal adjusted gross income as defined
34 in the Internal Revenue Code, as defined in section 63-3004, Idaho Code, and
35 to the extent not already included in federal adjusted gross income:

36 (a) Alimony;

37 (b) Support money;

38 (c) Nontaxable strike benefits;

39 (d) The nontaxable amount of any individual retirement account, pen-
40 sion or annuity, including railroad retirement benefits, all payments
41 received under the federal social security act except the social secu-
42 rity death benefit as specified in this subsection, state unemployment
43 insurance laws, and veterans disability pensions and compensation, ex-
44 cluding any return of principal paid by the recipient of an annuity and
45 excluding rollovers as provided in 26 U.S.C. 402 or 403, and excluding
46 the nontaxable portion of a Roth individual retirement account distri-
47 bution, as provided in 26 U.S.C. 408A;

48 (e) Nontaxable interest received from the federal government or any of
49 its instrumentalities or a state government or any of its instrumentali-
50 ties;

1 (f) Worker's compensation; and

2 (g) The gross amount of loss of earnings insurance.

3 It does not include gifts from nongovernmental sources or inheritances. To
4 the extent not reimbursed, the cost of medical care as defined in section
5 213(d) of the Internal Revenue Code, incurred and paid by the claimant and,
6 if married, the claimant's spouse, may be deducted from income. To the ex-
7 tent not reimbursed, personal funeral expenses, including prepaid funeral
8 expenses and premiums on funeral insurance, of the claimant and claimant's
9 spouse only, may be deducted from income up to an annual maximum of five thou-
10 sand dollars (\$5,000) per claim. "Income" does not include veterans dis-
11 ability pensions received by a person described in subsection (1)(e) of this
12 section who is a claimant or a claimant's spouse if the disability pension
13 is received pursuant to a service-connected disability of a degree of forty
14 percent (40%) or more. "Income" does not include dependency and indemnity
15 compensation or death benefits paid to a person described in subsection (1)
16 of this section by the United States department of veterans affairs and aris-
17 ing from a service-connected death or disability. "Income" does not include
18 lump sum death benefits made by the social security administration pursuant
19 to 42 U.S.C. 402(i). Documentation of medical expenses may be required by
20 the county assessor and state tax commission in such form as the county as-
21 sessor or state tax commission shall determine. "Income" shall be that re-
22 ceived in the calendar year immediately preceding the year in which a claim
23 is filed. Where a claimant and/or the claimant's spouse does not file a fed-
24 eral tax return, the claimant's and/or the claimant's spouse's federal ad-
25 justed gross income, for purposes of this section, shall be an income equiva-
26 lent to federal adjusted gross income had the claimant and/or the claimant's
27 spouse filed a federal tax return, as determined by the county assessor. The
28 county assessor or state tax commission may require documentation of income
29 in such form as each shall determine, including, but not limited to: copies
30 of federal or state tax returns and any attachments thereto; and income re-
31 porting forms such as the W-2 and 1099.

32 For determining income for certain married individuals living apart,
33 the provisions of sections 2(c) and 7703(b) of the Internal Revenue Code
34 shall apply.

35 (6) "Occupied" means actual use and possession.

36 (7) "Owner" means a person holding title in fee simple or holding a cer-
37 tificate of motor vehicle title (either of which may be subject to mortgage,
38 deed of trust or other lien) or who has retained or been granted a life estate
39 or who is a person entitled to file a claim under section 63-702, Idaho Code.
40 "Owner" shall also include any person who:

41 (a) Is the beneficiary of a revocable or irrevocable trust which is the
42 owner of such homestead and under which the claimant or the claimant's
43 spouse has the primary right of occupancy of the homestead; or

44 (b) Is a partner of a limited partnership, member of a limited liabil-
45 ity company or shareholder of a corporation if such entity holds title
46 in fee simple or holds a certificate of motor vehicle title and if the
47 person holds at least a five percent (5%) ownership in such entity, as
48 determined by the county assessor; or

49 (c) Has retained or been granted a life estate.

1 "Owner" includes a vendee in possession under a land sale contract. Any
2 partial ownership shall be considered as ownership for determining initial
3 qualification for property tax reduction benefits; however, the amount of
4 property tax reduction under section 63-704, Idaho Code, and rules promul-
5 gated pursuant to section 63-705, Idaho Code, shall be computed on the value
6 of the claimant's partial ownership. "Partial ownership," for the purposes
7 of this section, means any one (1) person's ownership when property is owned
8 by more than one (1) person or where the homestead is held by an entity, as
9 set forth in this subsection, but more than one (1) person has the right of
10 occupancy of such homestead. A person holding either partial title in fee
11 simple or holding a certificate of motor vehicle title together with another
12 person, but who does not occupy the dwelling as his primary dwelling place,
13 shall not be considered an owner for purposes of this section, if such person
14 is a cosignatory of a note secured by the dwelling in question and at least
15 one (1) of the other cosignatories of the note occupies the dwelling as his
16 primary dwelling place. The combined community property interests of both
17 spouses shall not be considered partial ownership as long as the combined
18 community property interests constitute the entire ownership of the home-
19 stead, including where the spouses are occupying a homestead owned by an en-
20 tity, as set forth in this subsection, and the spouses have the primary right
21 of occupancy of the homestead. The proportional reduction required under
22 this subsection shall not apply to community property interests. Where
23 title to property was held by a person who has died without timely filing a
24 claim for property tax reduction, the estate of the deceased person shall be
25 the "owner," provided that the time periods during which the deceased person
26 held such title shall be attributed to the estate for the computation of any
27 time periods under subsection (8) (a) or (b) of this section.

28 (8) (a) "Primary dwelling place" means the claimant's dwelling place
29 on January 1 or before April 15 of the year for which the claim is made.
30 The primary dwelling place is the single place where a claimant has
31 his true, fixed and permanent home and principal establishment, and to
32 which whenever the individual is absent he has the intention of return-
33 ing. A claimant must establish the dwelling to which the claim relates
34 to be his primary dwelling place by clear and convincing evidence or by
35 establishing that the dwelling is where the claimant resided on January
36 1 or before April 15 and:

37 (i) At least six (6) months during the prior year; or

38 (ii) The majority of the time the claimant owned the dwelling if
39 owned by the claimant less than one (1) year; or

40 (iii) The majority of the time after the claimant first occupied
41 the dwelling if occupied by the claimant for less than one (1)
42 year. The county assessor may require written or other proof of
43 the foregoing in such form as the county assessor may determine.

44 (b) Notwithstanding the provisions of paragraph (a) of this subsec-
45 tion, the property upon which the claimant makes application shall be
46 deemed to be the claimant's primary dwelling place if the claimant is
47 otherwise qualified and resides in a care facility and does not allow
48 the property upon which the claimant has made application to be occu-
49 pied by persons paying a consideration to occupy the dwelling. Payment
50 of utilities shall not be payment of a consideration to occupy the

1 dwelling. A claimant's spouse who resides in a care facility shall be
2 deemed to reside at the claimant's primary dwelling place and to be a
3 part of the claimant's household. A care facility is a hospital, nurs-
4 ing facility or intermediate care facility for people with intellectual
5 disabilities as defined in section 39-1301, Idaho Code, or a facility
6 as defined in section 39-3302(16), Idaho Code, or a dwelling other than
7 the one upon which the applicant makes application where a claimant who
8 is unable to reside in the dwelling upon which the application is made
9 lives and receives help in daily living, protection and security.

10 SECTION 7. That Section 63-802, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
13 EXCEPTIONS. (1) Except as otherwise provided in this section, no taxing dis-
14 trict shall certify a budget request for an amount of property tax revenues
15 to finance an annual budget that exceeds the maximum sum permitted under this
16 section:

17 (a) (i) The highest dollar amount of property taxes certified for
18 its annual budget for any one (1) of the three (3) tax years preced-
19 ing the current tax year, which amount may be increased by a growth
20 factor of not to exceed three percent (3%) plus the amount of rev-
21 enue calculated as described in this subsection. The taxing dis-
22 trict shall determine what portion of the three percent (3%) in-
23 crease permitted under this subparagraph that it requires and then
24 calculate a preliminary levy rate based on the percent chosen. In
25 calculating the preliminary levy rate, the most current taxable
26 market value shall be used, except that for taxable market values
27 of centrally assessed operating property, the prior year's valua-
28 tion may be used instead of the current year's taxable market val-
29 ues. The preliminary levy rate shall be multiplied by the value
30 shown on the new construction roll compiled pursuant to section
31 63-301A, Idaho Code, and by ninety percent (90%) of the value of
32 annexation during the previous calendar year, as certified by the
33 state tax commission for taxable market values of operating prop-
34 erty of public utilities and by the county assessor; except for a
35 fire protection district annexing property prior to July 1, 2021,
36 pursuant to section 31-1429, Idaho Code, the new levy rate shall be
37 multiplied by one hundred percent (100%) of the value of any such
38 property annexed prior to July 1, 2021.

39 (ii) The total budget increase calculated under this paragraph
40 must not exceed eight percent (8%), except that any distribution
41 of funds to a taxing district as a result of the termination of a
42 revenue allocation area of an urban renewal district pursuant to
43 section 50-2909(4), Idaho Code, shall not be subject to such limi-
44 tation.

45 (iii) Following the first year in which a fire protection district
46 has annexed city property pursuant to section 31-1429, Idaho Code,
47 the city shall subtract an amount equal to the moneys spent on fire
48 protection services during the last full year the city provided

1 fire protection services to its residents from its budget limita-
2 tion under this section.

3 (b) If the taxing district has not imposed a levy for three (3) or more
4 years, the highest dollar amount of property taxes certified for its an-
5 nual budget for the purpose of paragraph (a) (i) of this subsection shall
6 be the dollar amount of property taxes certified for its annual budget
7 during the last year in which a levy was made.

8 (c) The dollar amount of the actual budget request may be substituted
9 for the amount in paragraph (a) of this subsection if the taxing dis-
10 trict is newly created, except as may be provided in paragraph (i) of
11 this subsection.

12 (d) This section does not apply to school district levies imposed in
13 section 33-802, Idaho Code.

14 (e) (i) In the case of a nonschool district for which less than the
15 maximum allowable increase in the dollar amount of property taxes
16 is certified for annual budget purposes in any one (1) year, such a
17 district may, in any following year, recover the forgone increase
18 by certifying, in addition to any increase otherwise allowed, any
19 or all of the increase originally forgone. Provided however, that
20 prior to budgeting any forgone increase, the district must provide
21 notice of its intent to do so, hold a public hearing, which may be
22 in conjunction with its annual budget hearing, and certify by res-
23 olution the amount of forgone increase to be budgeted and the spe-
24 cific purpose for which the forgone increase is being budgeted.
25 Upon adoption of the resolution, the clerk of the district shall
26 file a copy of the resolution with the county clerk and the state
27 tax commission. Said additional amount shall be included in fu-
28 ture calculations for increases as allowed, except as provided in
29 subparagraph (iii) of this paragraph.

30 (ii) If the forgone increase is budgeted for the purpose of main-
31 tenance and operations, the rate of recovering the reserved for-
32 gone moneys may increase the taxing district's budget by no more
33 than one percent (1%) per year. Provided, however, this cap shall
34 not apply to a taxing district that budgets its reserved forgone
35 moneys for the purpose of maintenance and operations as long as it
36 does not budget, or reserve as forgone, any portion of the three
37 percent (3%) increase otherwise allowed and does not budget any
38 new construction or annexation increases.

39 (iii) If the forgone increase is budgeted for a capital project or
40 projects, the rate of recovering the reserved forgone moneys may
41 not exceed three percent (3%) of the taxing district's budget for
42 the year in which the forgone increase is budgeted. Forgone moneys
43 budgeted for a capital project must be deducted from the taxing
44 district's forgone balance in the year in which it is budgeted.
45 Upon completion of such a capital project, the taxing district
46 shall certify such completion to the state tax commission and
47 county clerk. If, upon certification, the state tax commission
48 finds that the taxing district included forgone moneys for a capi-
49 tal project in calculating the increase permitted under paragraph
50 (a) of this subsection, the state tax commission shall direct the

1 taxing district to reduce its property tax budget for any year
2 in which the forgone moneys were used to calculate a budget in-
3 crease, in an amount equal to the forgone moneys budgeted plus any
4 increases attributed to the forgone moneys improperly included in
5 the taxing district's property tax budget. For the purpose of this
6 paragraph, a capital project includes:

- 7 1. The construction, expansion, renovation, or replacement
8 of public facilities, including the acquisition of land and
9 other site improvements;
- 10 2. The construction, expansion, or reconstruction of public
11 works improvements, including roads, bridges, water sys-
12 tems, sewer systems, and broadband systems; and
- 13 3. The purchase of equipment with a useful life of ten (10)
14 years or more.

15 (f) If a taxing district elects to budget less than the maximum allow-
16 able increase in the dollar amount of property taxes, the taxing dis-
17 trict may reserve the right to recover all or any portion of that year's
18 forgone increase in a subsequent year by adoption of a resolution spec-
19 ifying the dollar amount of property taxes being reserved. Otherwise,
20 that year's forgone increase may not be recovered under paragraph (e) of
21 this subsection. The district must provide notice of its intent to do
22 so and hold a public hearing, which may be in conjunction with its an-
23 nual budget hearing if applicable. The resolution to reserve the right
24 to recover the forgone increase for that year shall be adopted at the an-
25 nual budget hearing of the taxing district if the district has a budget
26 hearing requirement.

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

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

46 ~~(i) When a nonschool district consolidates with another nonschool~~
47 ~~district or dissolves and a new district performing similar governmen-~~
48 ~~tal functions as the dissolved district forms with the same boundaries~~
49 ~~within three (3) years, the maximum amount of a budget of the district~~
50 ~~from property tax revenues shall not be greater than the sum of the~~

1 amounts that would have been authorized by this section for the district
2 itself or for the districts that were consolidated or dissolved and in-
3 corporated into a new district.

4 (~~j~~h) This section does not apply to cooperative service agency levies
5 imposed in sections 33-317 and 33-317A, Idaho Code.

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

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

17 (3) ~~No board of county commissioners shall set a levy, nor shall the~~
18 ~~state tax commission approve a levy for annual budget purposes, which~~
19 ~~exceeds the limitation imposed in subsection (1) of this section unless~~
20 ~~authority to exceed such limitation has been approved by a majority of the~~
21 ~~taxing district's electors voting on the question at an election called for~~
22 ~~that purpose and held pursuant to section 34-106, Idaho Code, provided how-~~
23 ~~ever, that such voter approval shall be for a period of not to exceed two (2)~~
24 ~~years.~~ Each taxing district eligible to receive moneys pursuant to section
25 63-3638B, Idaho Code, must deduct the amount of property tax revenues from
26 properties receiving the homestead exemption in tax year 2021, excluding any
27 bonds, community infrastructure district levies, or school levies, from the
28 amount of property taxes approved for its annual budget for tax years 2019,
29 2020, and 2021 for purposes of determining its property tax budget limita-
30 tion provided in this section going forward. Such deduction shall be made
31 and reported to the state tax commission by July 25, 2022.

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

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

47 SECTION 8. That Section 63-3024A, Idaho Code, be, and the same is hereby
48 amended to read as follows:

1 63-3024A. FOOD TAX CREDITS AND REFUNDS. (1) Any resident individual
2 who is required to file and who has filed an Idaho income tax return shall
3 be allowed a credit against taxes due under the Idaho income tax act for the
4 taxpayer, the taxpayer's spouse, and each dependent, as defined in section
5 152 of the Internal Revenue Code, claimed on the taxpayer's Idaho income tax
6 return, and awarded by the court under section 32-706, Idaho Code, if appli-
7 cable. For tax years ~~2015~~ 2022 and after, the credit is one hundred seventy-
8 five dollars (~~\$100~~75). If taxes due are less than the total credit allowed,
9 the taxpayer shall be paid a refund equal to the balance of the unused credit.

10 (2) A resident individual who is not required to file an Idaho income
11 tax return and for whom no credit or refund is allowed under any other subsec-
12 tion of this section shall, subject to the limitations of subsections (3),
13 (4), (5), (6), (7) and (8) of this section, be entitled to a refund in the
14 amount provided in subsection (1) of this section.

15 ~~(3) A resident individual who has reached his sixty-fifth birthday be-~~
16 ~~fore the end of his taxable year and who has claimed the credit available un-~~
17 ~~der subsection (1) of this section, in addition to the amount of credit or~~
18 ~~refund due under subsection (1) of this section, shall be entitled to twenty~~
19 ~~dollars (\$20.00), which shall be claimed as a credit against any taxes due~~
20 ~~under the Idaho income tax act. If taxes due are less than the total credit~~
21 ~~allowed, the individual shall be paid a refund equal to the balance of the un-~~
22 ~~used credit.~~

23 ~~(4)~~ Except as provided in subsection (98) of this section, a credit or
24 refund under this section is only available if the individual for whom a per-
25 sonal exemption is claimed is a resident of the state of Idaho.

26 (54) In no event shall more than one (1) taxpayer be allowed a credit or
27 refund for the same personal exemption, or under more than one (1) subsection
28 of this section.

29 (65) In the event that a credit or refund is attributable to any indi-
30 vidual for whom assistance under the federal food stamp program was received
31 for any month or part of a month during the taxable year for which the credit
32 or refund is claimed, the credit or refund allowed under this section shall
33 be in proportion to the number of months of the year in which no assistance
34 was received.

35 (76) In the event that a credit or refund is attributable to any indi-
36 vidual who has been incarcerated for any month or part of a month during the
37 taxable year for which the credit or refund is claimed, the credit or refund
38 allowed under this section shall be in proportion to the number of months of
39 the year in which the individual was not incarcerated.

40 (87) No credit or refund shall be paid that is attributable to an indi-
41 vidual residing illegally in the United States.

42 (98) Any part-year resident entitled to a credit under this section
43 shall receive a proportionate credit reflecting the part of the year in which
44 he was domiciled in this state.

45 ~~(109)~~ Any refund shall be paid to such individual only upon his making
46 application therefor, at such time and in such manner as may be prescribed
47 by the state tax commission. The state tax commission shall prescribe the
48 method by which the refund is to be made to the taxpayer. The refunds autho-
49 rized by this section shall be paid from the state refund fund in the same
50 manner as the refunds authorized by section 63-3067, Idaho Code.

1 (110) An application for any refund that is due and payable under the
 2 provisions of this section must be filed with the state tax commission within
 3 three (3) years of:

4 (a) The due date, including extensions, of the return required under
 5 section 63-3030, Idaho Code, if the applicant is required to file a re-
 6 turn; or

7 (b) The fifteenth day of April of the year following the year to which
 8 the application relates if the applicant is not required to file a re-
 9 turn.

10 (121) The state tax commission shall provide income tax payers with the
 11 irrevocable option of donating credited funds accruing pursuant to this sec-
 12 tion. Any funds so donated shall be remitted from the refund fund to the co-
 13 operative welfare fund, created pursuant to section 56-401, Idaho Code, and
 14 shall be used solely for the purpose of providing low-income Idahoans with
 15 assistance in paying home energy costs.

16 SECTION 9. That Section 63-3619, Idaho Code, be, and the same is hereby
 17 amended to read as follows:

18 63-3619. IMPOSITION AND RATE OF THE SALES TAX. (1) On and after July 1,
 19 2022, aAn excise tax at the rate of seven and eighty-five-hundredths percent
 20 (7.85%), divided for distribution as follows, is hereby imposed upon each
 21 sale at retail at the rate of six percent (6%) of the sales price of all retail
 22 sales subject to taxation under this chapter and such amount shall be com-
 23 puted monthly on all sales at retail within the preceding month-:

24 (a) Six and two-tenths percentage points (6.2%) excise tax to be dis-
 25 tributed pursuant to section 63-3638, Idaho Code; and

26 (b) One and sixty-five-hundredths percentage points (1.65%) excise tax
 27 to be distributed pursuant to section 63-3638B, Idaho Code.

28 ~~(a2)~~ The tax shall apply to, be computed on, and collected for all
 29 credit, installment, conditional or similar sales at the time of the sale or,
 30 in the case of rentals, at the time the rental is charged.

31 ~~(b3)~~ The tax hereby imposed shall be collected by the retailer from the
 32 consumer.

33 ~~(e4)~~ The state tax commission shall provide schedules for collection of
 34 the tax on sales which involve a fraction of a dollar. The retailer shall
 35 calculate the tax upon the entire amount of the purchases of the consumer
 36 made at a particular time and not separately upon each item purchased. The
 37 retailer may retain any amount collected under the bracket system prescribed
 38 which is in excess of the amount of tax for which he is liable to the state
 39 during the period as compensation for the work of collecting the tax.

40 ~~(d5)~~ It is unlawful for any retailer to advertise or hold out or state
 41 to the public or to any customer, directly or indirectly, that the tax or any
 42 part thereof will be assumed or absorbed by the retailer or that it will not
 43 be added to the selling price of the property sold or that if added it or any
 44 part thereof will be refunded. Any person violating any provision of this
 45 section is guilty of a misdemeanor.

46 ~~(e6)~~ The tax commission may by rule provide that the amount collected by
 47 the retailer from the customer in reimbursement of the tax be displayed sepa-
 48 rately from the list price, the price advertised on the premises, the marked
 49 price, or other price on the sales slip or other proof of sale.

1 (¶7) The taxes imposed by this chapter shall apply to the sales to con-
2 tractors purchasing for use in the performance of contracts with the United
3 States.

4 SECTION 10. That Section 63-3620F, Idaho Code, be, and the same is
5 hereby amended to read as follows:

6 63-3620F. DISTRIBUTION OF TAX COLLECTED BY MARKETPLACE FACILITA-
7 TORS AND OUT-OF-STATE RETAILERS. (1) State sales and use taxes collected
8 by retailers without a physical presence in Idaho, as described in section
9 63-3611(3)(h), Idaho Code, and state sales and use taxes collected on trans-
10 actions facilitated for third-party sellers by marketplace facilitators, as
11 described in section 63-3605E, Idaho Code, shall be distributed as provided
12 in this section.

13 (2) From June 1, 2019, through June 30, 2024, all state sales and use
14 taxes described in subsection (1) of this section shall be distributed by the
15 state tax commission as follows:

16 (a) An amount of money shall be distributed to the state refund account
17 sufficient to pay current refund claims under this section. All refunds
18 authorized for payment by the state tax commission shall be paid through
19 the state refund account and those moneys are continuously appropri-
20 ated; and

21 (b) All remaining funds received pursuant to this section shall be
22 distributed ~~to the tax relief fund established in section 57-811, Idaho~~
23 ~~Code.~~ as follows:

24 (i) Moneys that are collected pursuant to sections 63-3619(1)(a)
25 and 63-3621(1)(a), Idaho Code, in accordance with this section,
26 shall be distributed as follows:

27 1. Ninety-six and seventy-eight hundredths percent
28 (96.78%) to the tax relief fund established in section
29 57-811, Idaho Code; and

30 2. Three and twenty-two hundredths percent (3.22%) to the
31 general fund; and

32 (ii) Moneys that are collected pursuant to sections 63-3619(1)(b)
33 and 63-3621(1)(b), Idaho Code, in accordance with this section,
34 shall be distributed through the distribution formula set forth in
35 section 63-3638B, Idaho Code.

36 (3) On and after July 1, 2024, all state sales and use taxes described in
37 subsection (1) of this section shall be distributed by the state tax commis-
38 sion as follows:

39 (a) An amount of money shall be distributed to the state refund account
40 sufficient to pay current refund claims under this section. All refunds
41 authorized for payment by the state tax commission shall be paid through
42 the state refund account, and those moneys are continuously appropri-
43 ated; and

44 (b) The remaining funds shall be distributed as follows:

45 (i) Moneys that are collected pursuant to sections 63-3619(1)(a)
46 and 63-3621(1)(a), Idaho Code, in accordance with this section,
47 shall be distributed through the distribution formula set forth
48 for other sales and use tax revenue in section 63-3638, Idaho Code,
49 except that the remainder after distribution shall not be paid to

1 the general fund pursuant to section 63-3638(15), Idaho Code, but
 2 shall instead be paid to the tax relief fund established in section
 3 57-811, Idaho Code; and

4 (ii) Moneys that are collected pursuant to sections 63-3619(1)(b)
 5 and 63-3621(1)(b), Idaho Code, in accordance with this section,
 6 shall be distributed through the distribution formula set forth in
 7 section 63-3638B, Idaho Code.

8 (4) Marketplace facilitators must obtain a separate seller's permit
 9 and collect and remit under that separate permit for state sales and use
 10 taxes collected on transactions facilitated for third-party sellers.

11 SECTION 11. That Section 63-3621, Idaho Code, be, and the same is hereby
 12 amended to read as follows:

13 63-3621. IMPOSITION AND RATE OF THE USE TAX -- EXEMPTIONS. (1) An ex-
 14 cise tax is hereby imposed on the storage, use, or other consumption in this
 15 state of tangible personal property acquired on or after ~~October 1, 2006~~ July
 16 1, 2022, for storage, use, or other consumption in this state at the total
 17 rate of ~~six percent (6%)~~ seven and eighty-five-hundredths percent (7.85%) of
 18 the value of the property, and a to be divided for distribution as follows:

19 (a) Six and two-tenths percentage points (6.2%) to be distributed pur-
 20 suant to section 63-3638, Idaho Code; and

21 (b) One and sixty-five-hundredths percentage points (1.65%) to be dis-
 22 tributed pursuant to section 63-3638B, Idaho Code.

23 (2) A recent sales price shall be presumptive evidence of the value of
 24 the property unless the property is wireless telecommunications equipment,
 25 in which case a recent sales price shall be conclusive evidence of the value
 26 of the property.

27 (23) Every person storing, using, or otherwise consuming, in this
 28 state, tangible personal property is liable for the tax. His liability is
 29 not extinguished until the tax has been paid to this state except that a
 30 receipt from a retailer maintaining a place of business in this state or
 31 engaged in business in this state given to the purchaser is sufficient to
 32 relieve the purchaser from further liability for the tax to which the receipt
 33 refers. A retailer shall not be considered to have stored, used, or con-
 34 sumed wireless telecommunications equipment by virtue of giving, selling,
 35 or otherwise transferring such equipment at a discount as an inducement to a
 36 consumer to commence or continue a contract for telecommunications service.

37 (34) Every retailer engaged in business in this state and making sales
 38 of tangible personal property for the storage, use, or other consumption in
 39 this state, not exempted under section 63-3622, Idaho Code, shall, at the
 40 time of making the sales or, if storage, use, or other consumption of the tan-
 41 gible personal property is not then taxable hereunder, at the time the stor-
 42 age, use, or other consumption becomes taxable, collect the tax from the pur-
 43 chaser and give to the purchaser a receipt therefor in the manner and form
 44 prescribed by the state tax commission.

45 (45) The provisions of this section shall not apply when the retailer
 46 pays sales tax on the transaction and collects reimbursement for such sales
 47 tax from the customer.

48 (56) Every retailer engaged in business in this state or maintaining a
 49 place of business in this state shall register with the state tax commission

1 and give the name and address of all agents operating in this state the loca-
2 tion of all distributions or sales houses or offices or other places of busi-
3 ness in this state and such other information as the state tax commission may
4 require.

5 (67) For the purpose of the proper administration of this act and to
6 prevent evasion of the use tax and the duty to collect the use tax, it shall
7 be presumed that tangible personal property sold by any person for delivery
8 in this state is sold for storage, use, or other consumption in this state.
9 The burden of proving the sale is tax-exempt is upon the person who makes the
10 sale unless he obtains from the purchaser a resale certificate to the effect
11 that the property is purchased for resale or rental. It shall be presumed
12 that sales made to a person who has completed a resale certificate for the
13 seller's records are not taxable and the seller need not collect sales or use
14 taxes unless the tangible personal property purchased is taxable to the pur-
15 chaser as a matter of law in the particular instance claimed on the resale
16 certificate.

17 (a) A seller may accept a resale certificate from a purchaser prior to
18 the time of sale, at the time of sale, or at any reasonable time after the
19 sale when necessary to establish the privilege of the exemption. The
20 resale certificate relieves the person selling the property from the
21 burden of proof only if taken from a person who is engaged in the busi-
22 ness of selling or renting tangible personal property and who holds the
23 permit provided for by section 63-3620, Idaho Code, or who is a retailer
24 not engaged in business in this state and who, at the time of purchasing
25 the tangible personal property, intends to sell or rent it in the regu-
26 lar course of business or is unable to ascertain at the time of purchase
27 whether the property will be sold or will be used for some other pur-
28 pose. Other than as provided elsewhere in this section, when a resale
29 certificate, properly executed, is presented to the seller, the seller
30 has no duty or obligation to collect sales or use taxes in regard to any
31 sales transaction so documented, regardless of whether the purchaser
32 properly or improperly claimed an exemption. A seller so relieved of
33 the obligation to collect tax is also relieved of any liability to the
34 purchaser for failure to collect tax or for making any report or disclo-
35 sure of information required or permitted under this chapter.

36 (b) The resale certificate shall bear the name and address of the pur-
37 chaser, shall be signed by the purchaser or his agent, shall indicate
38 the number of the permit issued to the purchaser or that the purchaser
39 is an out-of-state retailer, and shall indicate the general character
40 of the tangible personal property sold by the purchaser in the regular
41 course of business. The certificate shall be substantially in such form
42 as the state tax commission may prescribe.

43 (c) If a purchaser who gives a resale certificate makes any storage or
44 use of the property other than retention, demonstration, or display
45 while holding it for sale in the regular course of business, the storage
46 or use is taxable as of the time the property is first so stored or used.

47 (78) Any person violating any provision of this section is guilty of
48 a misdemeanor and punishable by a fine not in excess of one hundred dollars
49 (\$100), and each violation shall constitute a separate offense.

1 (~~89~~) It shall be presumed that tangible personal property shipped or
2 brought to this state by the purchaser was purchased from a retailer for
3 storage, use, or other consumption in this state.

4 (~~910~~) It shall be presumed that tangible personal property delivered
5 outside this state to a purchaser known by the retailer to be a resident of
6 this state was purchased from a retailer for storage, use, or other con-
7 sumption in this state. This presumption may be controverted by evidence
8 satisfactory to the state tax commission that the property was not purchased
9 for storage, use, or other consumption in this state.

10 (~~1011~~) When the tangible personal property subject to use tax has been
11 subjected to a general retail sales or use tax by another state of the United
12 States in an amount equal to or greater than the amount of the Idaho tax, and
13 evidence can be given of such payment, the property will not be subject to
14 Idaho use tax. If the amount paid the other state was less, the property will
15 be subject to use tax to the extent that the Idaho tax exceeds the tax paid
16 to the other state. For the purposes of this subsection, a registration cer-
17 tificate or title issued by another state or subdivision thereof for a vehi-
18 cle or trailer or a vessel as defined in section 67-7003, Idaho Code, shall be
19 sufficient evidence of payment of a general retail sales or use tax.

20 (~~112~~) The use tax imposed by this section shall not apply to the use by a
21 nonresident of this state of a motor vehicle registered or licensed under the
22 laws of the state of his residence and not used in this state more than a cu-
23 mulative period of time totaling ninety (90) days in any consecutive twelve
24 (12) months and if none of the buyers listed on the purchase, registration,
25 or title documents are Idaho residents. A nonresident business entity will
26 be held to the same requirements as a nonresident individual to qualify for
27 the exemption provided in this subsection, except that the nonresident busi-
28 ness entity also must not be formed under the laws of the state of Idaho. The
29 use tax herein shall also not apply to any use of a motor vehicle registered
30 or licensed under the laws of the state of residence of a nonresident stu-
31 dent while such nonresident student is enrolled as a full-time student in an
32 institution of postsecondary education that is both physically located in
33 Idaho and recognized as accredited by the state board of education.

34 (~~123~~) The use tax imposed by this section shall not apply to the use of
35 household goods, personal effects and personally owned vehicles or person-
36 ally owned aircraft by a resident of this state if such articles were ac-
37 quired by such person in another state while a resident of that state and pri-
38 marily for use outside this state and if such use was actual and substantial,
39 but if an article was acquired less than three (3) months prior to the time
40 he entered this state, it will be presumed that the article was acquired for
41 use in this state and that its use outside this state was not actual and sub-
42 stantial. The use tax imposed by this section shall not apply to the use of
43 household goods, personal effects, and personally owned vehicles or person-
44 ally owned aircraft by active duty military personnel temporarily assigned
45 in this state and spouses who accompany them if such articles were acquired
46 prior to receipt of orders to transfer to Idaho or three (3) months prior
47 to moving to Idaho, whichever time period is shorter. For purposes of this
48 subsection, "resident" shall be as defined in section 63-3013 or 63-3013A,
49 Idaho Code.

1 (134) (a) The use tax imposed by this section shall not apply to the
 2 storage, use, or other consumption of tangible personal property that
 3 is or will be incorporated into real property and has been donated to and
 4 has become the property of:

5 (i) A nonprofit organization as defined in section 63-36220,
 6 Idaho Code;

7 (ii) The state of Idaho; or

8 (iii) Any political subdivision of the state.

9 (b) This exemption applies whether the tangible personal property is
 10 incorporated in real property by the donee, a contractor, or subcon-
 11 tractor of the donee, or any other person.

12 (145) The use tax imposed by this section shall not apply to tastings of
 13 food and beverages, including but not limited to wine and beer. For the pur-
 14 poses of this subsection, a tasting of wine and beer shall be defined as the
 15 maximum serving allowed by state or federal laws for such occasions provided
 16 to a potential customer, at no charge, at a location where like or similar
 17 beverages are sold. For nonalcoholic beverages and food, a tasting shall be
 18 defined as a sample from a unit available for sale at the tasting location.

19 (156) The use tax imposed by this section shall not apply to donations
 20 of food or beverages, or both, to individuals or nonprofit organizations.
 21 For the purposes of this section, "nonprofit organization" means those non-
 22 profit entities currently registered with the secretary of state pursuant to
 23 section 30-30-102, Idaho Code.

24 (167) The use tax imposed by this section shall not apply to a retailer
 25 supplying prepared food or beverages free of charge to its employee when that
 26 retailer sells prepared food or beverages in its normal course of business.

27 SECTION 12. That Section 63-3638, Idaho Code, be, and the same is hereby
 28 amended to read as follows:

29 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under
 30 this chapter, except as may otherwise be required in sections 63-3203,
 31 63-3619(1)(b), 63-3621(1)(b), 63-3620F, and 63-3709, Idaho Code, and except
 32 as provided in subsection (16) of this section, shall be distributed by the
 33 state tax commission as follows:

34 (1) An amount of money shall be distributed to the state refund account
 35 sufficient to pay current refund claims. All refunds authorized under this
 36 chapter by the state tax commission shall be paid through the state refund
 37 account, and those moneys are continuously appropriated.

38 (2) Five million dollars (\$5,000,000) per year is continuously appro-
 39 priated and shall be distributed to the permanent building fund, provided by
 40 section 57-1108, Idaho Code.

41 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
 42 is continuously appropriated and shall be distributed to the water pollution
 43 control fund established by section 39-3628, Idaho Code.

44 (4) An amount equal to the sum required to be certified by the chair-
 45 man of the Idaho housing and finance association to the state tax commis-
 46 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
 47 appropriated and shall be paid to any capital reserve fund established by
 48 the Idaho housing and finance association pursuant to section 67-6211, Idaho
 49 Code. Such amounts, if any, as may be appropriated hereunder to the capital

1 reserve fund of the Idaho housing and finance association shall be repaid for
2 distribution under the provisions of this section, subject to the provisions
3 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
4 tion, as soon as possible, from any moneys available therefor and in excess
5 of the amounts the association determines will keep it self-supporting.

6 (5) An amount equal to the sum required by the provisions of sections
7 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
8 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
9 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

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

34 (9) One dollar (\$1.00) on each application for certificate of title
35 or initial application for registration of a motor vehicle, snowmobile,
36 all-terrain vehicle or other vehicle processed by the county assessor or the
37 Idaho transportation department, excepting those applications in which any
38 sales or use taxes due have been previously collected by a retailer, shall be
39 a fee for the services of the assessor of the county or the Idaho transporta-
40 tion department in collecting such taxes and shall be paid into the current
41 expense fund of the county or state highway account established in section
42 40-702, Idaho Code.

43 (10) Eleven and five-tenths percent (11.5%) is continuously appro-
44 priated and shall be distributed to the revenue-sharing account, which is
45 hereby created in the state treasury, and the moneys in the revenue-sharing
46 account will be paid in installments each calendar quarter by the state tax
47 commission on and after July 1, 2020, as follows:

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

1 (i) The revenue-sharing amount calculated by the state tax com-
2 mission for the various cities for each quarter of fiscal year 2020
3 shall be the base amount for current quarterly revenue distribu-
4 tion amounts. The state tax commission shall calculate the per
5 capita distribution for each city resulting from the previous fis-
6 cal year's distributions.

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

11 (iii) If the balance of the revenue-sharing account for the cur-
12 rent quarter is greater than the balance of the revenue-sharing
13 account for the same quarter of the previous fiscal year, then:

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

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

34 (iv) If the balance of the revenue-sharing account for the cur-
35 rent quarter is less than the balance of the revenue-sharing ac-
36 count for the same quarter of the previous fiscal year, then the
37 cities shall first receive a proportional reduction down to the
38 base amount established in fiscal year 2020. If further reduc-
39 tions are necessary, the cities shall receive reductions based on
40 the proportion that each city's population bears to the population
41 of all cities within the state.

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

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

47 1. One million three hundred twenty thousand dollars
48 (\$1,320,000) annually shall be distributed one forty-fourth
49 (1/44) to each of the various counties; and

1 2. The balance of such amount shall be paid to the various
2 counties, and each county shall be entitled to an amount in
3 the proportion that the population of that county bears to
4 the population of the state; and

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

8 1. Each county that received a payment under the provisions
9 of section 63-3638(e), Idaho Code, as that subsection ex-
10 isted immediately prior to July 1, 2000, during the fourth
11 quarter of calendar year 1999, shall be entitled to a like
12 amount during succeeding calendar quarters.

13 2. If the dollar amount of money available under this sub-
14 section (10) (b) (ii) in any quarter does not equal the amount
15 paid in the fourth quarter of calendar year 1999, each
16 county's payment shall be reduced proportionately.

17 3. If the dollar amount of money available under this sub-
18 section (10) (b) (ii) in any quarter exceeds the amount paid
19 in the fourth quarter of calendar year 1999, each county
20 shall be entitled to a proportionately increased payment,
21 but such increase shall not exceed one hundred five percent
22 (105%) of the total payment made in the fourth quarter of
23 calendar year 1999.

24 4. If the dollar amount of money available under this sub-
25 section (10) (b) (ii) in any quarter exceeds one hundred five
26 percent (105%) of the total payment made in the fourth quar-
27 ter of calendar year 1999, any amount over and above such
28 one hundred five percent (105%) shall be paid to the various
29 counties in the proportion that the population of the county
30 bears to the population of the state; and

31 (c) Seven and seven-tenths percent (7.7%) of the amount appropriated in
32 this subsection shall be paid to the several counties for distribution
33 to special purpose taxing districts as follows:

34 (i) Each such district that received a payment under the provi-
35 sions of section 63-3638(e), Idaho Code, as such subsection ex-
36 isted immediately prior to July 1, 2000, during the fourth quarter
37 of calendar year 1999, shall be entitled to a like amount during
38 succeeding calendar quarters.

39 (ii) If the dollar amount of money available under this subsec-
40 tion (10) (c) in any quarter does not equal the amount paid in the
41 fourth quarter of calendar year 1999, each special purpose taxing
42 district's payment shall be reduced proportionately.

43 (iii) If the dollar amount of money available under this subsec-
44 tion (10) (c) in any quarter exceeds the amount distributed under
45 paragraph (c) (i) of this subsection, each special purpose tax-
46 ing district shall be entitled to a share of the excess based on
47 the proportion each such district's current property tax budget
48 bears to the sum of the current property tax budgets of all such
49 districts in the state. The state tax commission shall calculate
50 district current property tax budgets to include any unrecovered

1 forgone amounts as determined under section 63-802(1) (e), Idaho
2 Code. When a special purpose taxing district is situated in more
3 than one (1) county, the state tax commission shall determine the
4 portion attributable to the special purpose taxing district from
5 each county in which it is situated.

6 (iv) If special purpose taxing districts are consolidated, the
7 resulting district is entitled to a base amount equal to the sum of
8 the base amounts received in the last calendar quarter by each dis-
9 trict prior to the consolidation.

10 (v) If a special purpose taxing district is dissolved or disin-
11 corporated, the state tax commission shall continuously distrib-
12 ute to the board of county commissioners an amount equal to the
13 last quarter's distribution prior to dissolution or disincorpora-
14 tion. The board of county commissioners shall determine any re-
15 distribution of moneys so received.

16 (vi) Taxing districts formed after January 1, 2001, are not en-
17 titled to a payment under the provisions of this paragraph (c) of
18 this subsection.

19 (vii) For purposes of this paragraph (c) of this subsection, a spe-
20 cial purpose taxing district is any taxing district that is not a
21 city, a county, or a school district.

22 (11) Amounts calculated in accordance with section 2, chapter 356, laws
23 of 2001, for annual distribution to counties and other taxing districts be-
24 ginning in October 2001 for replacement of property tax on farm machinery and
25 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
26 districts, the state tax commission shall distribute one-fourth (1/4) of
27 this amount certified quarterly to each county. For school districts, the
28 state tax commission shall distribute one-fourth (1/4) of the amount certi-
29 fied quarterly to each school district. For nonschool districts, the county
30 auditor shall distribute to each district within thirty (30) calendar days
31 from receipt of moneys from the state tax commission. Moneys received by
32 each taxing district for replacement shall be utilized in the same manner
33 and in the same proportions as revenues from property taxation. The moneys
34 remitted to the county treasurer for replacement of property exempt from
35 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
36 counties and other taxing districts and budgeted at the same time, in the
37 same manner and in the same year as revenues from taxation on personal prop-
38 erty which these moneys replace. If taxing districts are consolidated, the
39 resulting district is entitled to an amount equal to the sum of the amounts
40 received in the last calendar quarter by each district pursuant to this
41 subsection prior to the consolidation. If a taxing district is dissolved
42 or disincorporated, the state tax commission shall continuously distribute
43 to the board of county commissioners an amount equal to the last quarter's
44 distribution prior to dissolution or disincorporation. The board of county
45 commissioners shall determine any redistribution of moneys so received. If
46 a taxing district annexes territory, the distribution of moneys received
47 pursuant to this subsection shall be unaffected. Taxing districts formed
48 after January 1, 2001, are not entitled to a payment under the provisions
49 of this subsection. School districts shall receive an amount determined by
50 multiplying the sum of the year 2000 school district levy minus .004 times

1 the market value on December 31, 2000, in the district of the property exempt
2 from taxation pursuant to section 63-602EE, Idaho Code, provided that the
3 result of these calculations shall not be less than zero (0). The result of
4 these school district calculations shall be further increased by six per-
5 cent (6%). For purposes of the limitation provided by section 63-802, Idaho
6 Code, moneys received pursuant to this section as property tax replacement
7 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,
8 shall be treated as property tax revenues.

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

12 (13) Amounts calculated in accordance with section 63-602KK(4), Idaho
13 Code, for annual distribution to counties and other taxing districts for
14 replacement of property tax on personal property tax exemptions pursuant
15 to section 63-602KK(2), Idaho Code, which amounts are continuously ap-
16 propriated unless the legislature enacts a different appropriation for a
17 particular fiscal year. For purposes of the limitation provided by section
18 63-802, Idaho Code, moneys received pursuant to this section as property tax
19 replacement for property exempt from taxation pursuant to section 63-602KK,
20 Idaho Code, shall be treated as property tax revenues. If taxing districts
21 are consolidated, the resulting district is entitled to an amount equal to
22 the sum of the amounts that were received in the last calendar year by each
23 district pursuant to this subsection prior to the consolidation. If a taxing
24 district or revenue allocation area annexes territory, the distribution of
25 moneys received pursuant to this subsection shall be unaffected. Taxing
26 districts and revenue allocation areas formed after January 1, 2022, are not
27 entitled to a payment under the provisions of this subsection.

28 (14) Amounts collected from purchasers and paid to the state of Idaho by
29 retailers that are not engaged in business in this state and which retailer
30 would not have been required to collect the sales tax, less amounts other-
31 wise distributed in subsections (1) and (10) of this section, shall be dis-
32 tributed to the tax relief fund created in section 57-811, Idaho Code. The
33 state tax commission will determine the amounts to be distributed under this
34 subsection.

35 (15) Any moneys remaining over and above those necessary to meet and
36 reserve for payments under other subsections of this section shall be dis-
37 tributed to the general fund.

38 (16) (a) Four and five-tenths percent (4.5%), but not less than eighty
39 million dollars (\$80,000,000), is continuously appropriated and shall
40 be distributed to the transportation expansion and congestion mitiga-
41 tion fund established in section 40-720, Idaho Code.

42 (b) Any portion of the four and five-tenths percent (4.5%) provided for
43 in paragraph (a) of this subsection that exceeds eighty million dollars
44 (\$80,000,000) is continuously appropriated and shall be apportioned
45 to local units of government for local highway projects in the same
46 percentages provided for in section 40-709(1) through (3), Idaho Code.
47 Local units of government may pool funds allocated to them pursuant to
48 this paragraph for local highway projects.

1 (c) The distribution provided for in this subsection must immediately
 2 follow the distribution provided for in subsection (10) of this sec-
 3 tion.

4 (17) Following distributions authorized in subsection (1) of this sec-
 5 tion and before any other distributions are made pursuant to this section,
 6 three and twenty-two-hundredths percent (3.22%) shall be distributed to the
 7 general fund to offset the credit for grocery tax authorized pursuant to sec-
 8 tion 63-3024A, Idaho Code.

9 SECTION 13. That Chapter 36, Title 63, Idaho Code, be, and the same is
 10 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 11 ignated as Section 63-3638B, Idaho Code, and to read as follows:

12 63-3638B. SALES TAX DISTRIBUTION FOR PROPERTY TAX RELIEF. All moneys
 13 collected pursuant to sections 63-3619(1) (b) and 63-3621(1) (b), Idaho Code,
 14 shall be distributed by the state tax commission on a monthly basis as fol-
 15 lows:

16 (1) An amount of money shall be distributed to the state refund account
 17 sufficient to pay current refund claims. All refunds authorized under this
 18 chapter by the state tax commission shall be paid through the state refund
 19 account, and those moneys are continuously appropriated.

20 (2) For moneys collected during the period of July 1 through August
 21 31, 2022, one hundred percent (100%) of such remaining moneys shall be dis-
 22 tributed to the property tax relief stabilization fund created pursuant to
 23 section 57-810, Idaho Code.

24 (3) (a) For moneys collected during the period October 1, 2022, through
 25 September 30, 2023, all moneys remaining after deductions for refunds
 26 pursuant to subsection (1) of this section shall be distributed monthly
 27 to the various local tax areas as defined in section 63-201, Idaho Code,
 28 in the proportion that the amount levied by each local tax area for the
 29 2021 tax year for moneys to be exempted by the provisions of section
 30 63-602G(11), Idaho Code, bears to the sum of the amount of all such mon-
 31 eys for all local tax areas in the state in 2021.

32 (b) Of the total distribution made pursuant to paragraph (a) of this
 33 subsection, the state tax commission shall determine the percentage of
 34 the whole to be distributed to counties as a group, to cities as a group,
 35 and to nonschool special purpose taxing districts as a group. For each
 36 year thereafter, such percentage shall be the share used in determining
 37 the moneys payable to the groups of counties, cities, and nonschool spe-
 38 cial purpose taxing districts pursuant to subsection (4) (b) (ii) of this
 39 section.

40 (4) On and after October 1, 2023, and for each year thereafter, all mon-
 41 eys remaining after distributions for refunds pursuant to subsection (1) of
 42 this section shall be distributed as provided in this subsection.

43 (a) Each local tax area that received a payment in the prior year pur-
 44 suant to this section shall receive the same proportion of collections
 45 up to one hundred three percent (103%) of the amount it received in the
 46 same quarter of the prior year.

47 (b) If the dollar amount of money available under this subsection in any
 48 quarter exceeds one hundred three percent (103%) of the amount paid in
 49 the same quarter of the previous year, the additional moneys up to a ten

1 percent (10%) increase shall be distributed as follows, using the share
2 of total distributions for each of the groups of counties, cities, and
3 nonschool special purpose taxing districts, as determined in subsec-
4 tion (3) (b) of this section:

5 (i) The first fifteen percent (15%) of such excess collections to
6 the property tax relief stabilization fund established in section
7 57-810, Idaho Code, up to the limits allowed in that fund; and

8 (ii) For any remaining moneys:

9 1. The share payable to the counties shall be distributed to
10 the various counties in the proportion that the population
11 of the county bears to the population of the state;

12 2. The share payable to the cities shall be distributed to
13 the various cities in the proportion that the population of
14 the city bears to the population of the state; and

15 3. The share payable to the nonschool special purpose tax-
16 ing districts shall be distributed to each nonschool special
17 purpose taxing district based on the proportion each such
18 district's current property tax budget bears to the sum of
19 the current property tax budgets of all such districts in the
20 state. The state tax commission shall calculate district
21 current property tax budgets to include any unrecovered
22 forgone amounts as determined under section 63-802(1) (e),
23 Idaho Code. When a nonschool special purpose taxing dis-
24 trict is situated in more than one (1) county, the state tax
25 commission shall determine the portion attributable to the
26 nonschool special purpose taxing district from each county
27 in which it is situated.

28 (c) Any moneys in excess of the ten percent (10%) increase described
29 in paragraph (b) of this subsection shall be distributed to the local
30 tax areas proportionately. The moneys received pursuant to this para-
31 graph shall be considered by the local tax areas as property tax rev-
32 enues and shall be budgeted at the same time, in the same manner, and in
33 the same year as other property tax revenues. As part of the budget cer-
34 tification process, a local tax area receiving moneys pursuant to this
35 paragraph shall certify to the state tax commission the amount of mon-
36 eys budgeted. The state tax commission shall ensure that the budget and
37 levy effects of the property tax replacement are neutral and shall not
38 consider any subtraction from a participating local tax area when de-
39 termining future budget limitations pursuant to section 63-802, Idaho
40 Code.

41 (d) If the dollar amount of money available under this subsection in any
42 quarter is less than the amount paid for the same quarter of the previ-
43 ous year, each local tax area's share shall be reduced proportionately.
44 However, in the event of a negative change in revenues greater than or
45 equal to three percent (3%), the state tax commission shall distribute
46 funds from the property tax relief stabilization fund to the local tax
47 areas pursuant to section 57-810, Idaho Code.

48 (5) In the year immediately following the year that a new local tax area
49 is formed, the newly formed local tax area shall be eligible to receive any
50 payments made pursuant to subsection (4) (b) (ii) of this section. The sum of

1 the payment received in the first year for which the local tax area is eli-
 2 gible shall be considered the local tax area's base payment for calculating
 3 future distributions pursuant to subsection (4) of this section.

4 (6) If two (2) or more local tax areas consolidate, the distributions
 5 payable to the local tax areas shall be combined and distributed to the re-
 6 sulting consolidated local tax area.

7 (7) If a local tax area eligible for funds under this section dissolves,
 8 the moneys that would have been paid to such local tax area shall be paid to
 9 the local tax area or local tax areas that assume the responsibility of pro-
 10 viding services to the dissolved local tax area's residents in proportion to
 11 the cost of providing such services.

12 SECTION 14. That Section 34-914, Idaho Code, be, and the same is hereby
 13 amended to read as follows:

14 34-914. DISCLOSURES IN ELECTIONS TO AUTHORIZE A LEVY. (1) Notwith-
 15 standing any other provision of law, on and after July 1, 2021, any taxing
 16 district that proposes to submit any question to the electors of the district
 17 that would authorize any levy, except for ~~the levies~~ a levy authorized for
 18 the purposes provided in sections ~~63-802(1)(h) and~~ 33-802(4), Idaho Code,
 19 and except for levies relating to bonded indebtedness where section 34-913,
 20 Idaho Code, applies, must include in the ballot question, or in a brief
 21 official statement on the ballot but separate from the ballot question, a
 22 disclosure setting forth in simple, understandable language information on
 23 the proposal substantially as follows:

24 (a) The purpose for which the levy shall be used; the date of the elec-
 25 tion; and the dollar amount estimated to be collected each year from the
 26 levy;

27 (b) The estimated average annual cost to the taxpayer of the proposed
 28 levy, in the form of "A tax of \$_____ per \$100,000 of taxable assessed
 29 value, per year, based on current conditions." If the taxing district
 30 proposing the levy has an existing levy of the same type that is set
 31 to expire at the time that the proposed levy will begin, an additional
 32 statement may be provided along the following lines: "The proposed levy
 33 replaces an existing levy that will expire on _____ and that currently
 34 costs \$_____ per \$100,000 of taxable assessed value." The statement
 35 shall also disclose that, if the proposed levy is approved, the tax
 36 per \$100,000 of taxable assessed value is either: (i) not expected to
 37 change or (ii) is expected to increase or decrease the tax by \$_____ per
 38 \$100,000 of taxable assessed value. The dollar amounts referenced in
 39 this paragraph shall be calculated by multiplying the expected levy
 40 rate by one hundred thousand dollars (\$100,000);

41 (c) The length of time, reflected in months or years, in which the pro-
 42 posed levy will be assessed; and

43 (d) If an existing levy is referenced, the expiration date of the levy
 44 must also be provided.

45 (2) The information called for in subsection (1) of this section must
 46 be placed immediately above the location on the ballot where a person casts
 47 a vote and must also be included in like manner in the official notice of the
 48 election.

1 (3) In order to be binding, a ballot question to authorize a levy must
 2 include the information and language required by this section in its offi-
 3 cial statement. The ballot question may not include other information or
 4 language regarding any other bond, levy, or matter, whether previous, cur-
 5 rent, or proposed, except as authorized under this section.

6 (4) Upon a determination by a court, pursuant to section 34-2001A,
 7 Idaho Code, that the taxing district failed to comply with the provisions
 8 of this section, the court must declare the outcome of the ballot question
 9 invalid and award court costs and fees to the prevailing party.

10 SECTION 15. That Section 63-510, Idaho Code, be, and the same is hereby
 11 amended to read as follows:

12 63-510. NOTIFICATION OF VALUATION DUE TO STATE TAX COMMISSION. (1)
 13 Prior to the first Monday of August the auditor of each county in the state
 14 shall notify the state tax commission of the net taxable value of all prop-
 15 erty situated within each taxing unit or district in the county from the
 16 property roll for the current year and shall provide an estimate of the net
 17 taxable value for each taxing unit or district from the current year's es-
 18 timated subsequent and missed property rolls. Such notification shall also
 19 include an estimate of the net taxable value within any area annexed during
 20 the immediate prior year to any taxing unit or district.

21 (2) Prior to the first Monday of March the auditor of each county in the
 22 state shall notify the state tax commission of the net taxable value of all
 23 property situated within each taxing unit or district in the county from the
 24 subsequent and missed property rolls. Such notification shall also include
 25 an estimate of the net taxable value within any area annexed during the im-
 26 mediate prior year, and listed on the subsequent or missed property roll, to
 27 any taxing unit or district.

28 (3) The notification required in subsections (1) and (2) of this sec-
 29 tion shall be on forms prescribed and provided by the state tax commission
 30 and shall list separately the value exempt from property taxation in accor-
 31 dance with section 63-602G, Idaho Code, and the value in excess of the equal-
 32 ized assessment valuation as shown on the base assessment roll in any revenue
 33 allocation area, pursuant to chapters 20 and 29, title 50, Idaho Code.

34 (4) For the purposes of this section, "taxing district," as defined in
 35 section 63-201(28), Idaho Code, shall include each incorporated city in each
 36 county, regardless of whether said city certifies a property tax budget.

37 SECTION 16. That Section 63-1009, Idaho Code, be, and the same is hereby
 38 amended to read as follows:

39 63-1009. EFFECT OF TAX DEED AS CONVEYANCE. The deed conveys to the
 40 grantee the right, title, and interest held by the record owner or owners,
 41 provided that the title conveyed by the deed shall be free of any recorded
 42 purchase contract, mortgage, deed of trust, security interest, lien, or
 43 lease, as long as notice has been sent to the party in interest as provided
 44 in sections 63-201(178) and 63-1005, Idaho Code, and the lien for property
 45 taxes, assessments, amounts certified to the tax collector pursuant to sec-
 46 tion 50-1715, Idaho Code, charges, interest, and penalties for which the
 47 lien is foreclosed and in satisfaction of which the property is sold.

1 SECTION 17. That Section 63-3077G, Idaho Code, be, and the same is
2 hereby amended to read as follows:

3 63-3077G. AGREEMENT FOR EXCHANGE OF INFORMATION WITH THE IDAHO DE-
4 PARTMENT OF CORRECTION. The state tax commission and the Idaho department of
5 correction may enter into a written agreement for exchange of information
6 relating to an individual's incarceration status and whether that indi-
7 vidual has claimed the Idaho food tax credit pursuant to section 63-3024A,
8 Idaho Code. Such information shall be confidential to the recipient and may
9 be used by the Idaho department of correction and the state tax commission
10 only for purposes of determining whether an incarcerated person erroneously
11 claimed the food tax credit in violation of section 63-3024A(76), Idaho
12 Code. No such information shall be public unless it is used in the course of
13 a judicial proceeding arising under the laws of this state. The information
14 provided by the state tax commission shall be limited to name, date of birth,
15 social security number, an indication as to whether the food tax credit was
16 claimed under that person's name or social security number for a particular
17 taxable year and incarceration status during the year at issue.

18 SECTION 18. That Section 63-3077H, Idaho Code, be, and the same is
19 hereby amended to read as follows:

20 63-3077H. AGREEMENT FOR EXCHANGE OF INFORMATION WITH THE IDAHO DE-
21 PARTMENT OF HEALTH AND WELFARE. The state tax commission and the Idaho
22 department of health and welfare may enter into a written agreement for ex-
23 change of information relating to an individual's receipt of federal food
24 stamp benefits and whether that individual has claimed the Idaho food tax
25 credit pursuant to section 63-3024A, Idaho Code. Such information shall
26 be confidential to the recipient and may be used by the Idaho department of
27 health and welfare and the state tax commission only for purposes of deter-
28 mining whether a person who was receiving federal food stamp benefits erro-
29 neously claimed the food tax credit in violation of section 63-3024A(65),
30 Idaho Code. No such information shall be public unless it is used in the
31 course of a judicial proceeding arising under the laws of this state. Any
32 information disclosed by the Idaho department of health and welfare pursuant
33 to the provisions of this section must be disclosed in compliance with the
34 privacy act of 1974, 5 U.S.C. section 552a, applicable federal law or regula-
35 tions regarding public assistance programs and any applicable state law or
36 regulation.

37 SECTION 19. The Legislature finds and declares that the issue of taxa-
38 tion is of importance to the citizens of the State of Idaho. As a represen-
39 tative body, members of the Legislature desire to be responsive and respon-
40 sible to these citizens. For this reason, the Legislature herewith submits
41 an advisory ballot to the electors of the State of Idaho, and the results will
42 guide the Legislature as to whether the sales and use tax rate should con-
43 tinue at the rate of 7.85% and owner-occupied homesteads be exempted from lo-
44 cal property tax levies except for bonds, school levies, and community in-
45 frastructure district levies.

1 The Secretary of State shall have the question below placed on the 2022
2 general election ballot and shall take necessary steps to have the results on
3 the question tabulated. The question shall be as follows:

4 "Should the State of Idaho keep the property tax relief adopted by the
5 Legislature in 2022, exempting owner-occupied homesteads from most
6 property tax levies, increasing the food tax credit, and replacing the
7 moneys for local government with an increase in the sales and use tax?"

8 The advisory question provided for in this act is hereby declared to be
9 a "measure" for purposes of Chapter 66, Title 67, Idaho Code, and the provi-
10 sions of Chapter 66, Title 67, Idaho Code, shall apply thereto.

11 SECTION 20. An emergency existing therefor, which emergency is hereby
12 declared to exist, Sections 1, 4, 5, 6, 8, 16, 17, and 18 of this act shall be
13 in full force and effect on and after passage and approval, and retroactively
14 to January 1, 2022; Sections 7 and 19 of this act shall be in full force and
15 effect upon passage and approval; and Sections 2, 3, and 9 through 15 of this
16 act shall be in full force and effect on and after July 1, 2022.