

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 450

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO BUDGETS; AMENDING SECTION 63-802, IDAHO CODE, TO PROVIDE THAT
2 A TAXING DISTRICT WISHING TO DISCLAIM THE RIGHT TO RECOVER A FORGONE
3 BUDGET INCREASE SHALL PROVIDE NOTICE, HOLD A HEARING AND ADOPT A RES-
4 OLUTION, A COPY OF WHICH SHALL BE FILED WITH THE COUNTY CLERK AND THE
5 STATE TAX COMMISSION AND TO MAKE A TECHNICAL CORRECTION; AND DECLARING
6 AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.
7

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

9 SECTION 1. That Section 63-802, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES
12 -- EXCEPTIONS. (1) Except as provided in subsections (3) and (4) of this
13 section, no taxing district shall certify a budget request for an amount of
14 property tax revenues to finance an annual budget that exceeds the greater of
15 paragraphs (a) through (k) of this subsection inclusive:

16 (a) The dollar amount of property taxes certified for its annual bud-
17 get for any one (1) of the three (3) tax years preceding the current tax
18 year, whichever is greater, for the past tax year, which amount may be
19 increased by a growth factor of not to exceed three percent (3%) plus
20 the amount of revenue calculated as described in this subsection. Mul-
21 tiply the levy of the previous year, not including any levy described
22 in subsection (4) of this section, or any school district levy reduc-
23 tion resulting from a distribution of state funds pursuant to section
24 63-3638(11) or (13), Idaho Code, by the value shown on the new construc-
25 tion roll compiled pursuant to section 63-301A, Idaho Code; and by the
26 value of annexation during the previous calendar year, as certified by
27 the state tax commission for market values of operating property of pub-
28 lic utilities and by the county assessor;

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

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

34 (d) In the case of school districts, the restriction imposed in section
35 33-802, Idaho Code;

36 (e) In the case of a nonschool district for which less than the maximum
37 allowable increase in the dollar amount of property taxes is certified
38 for annual budget purposes in any one (1) year, such a district may,
39 in any following year, recover the forgone increase by certifying, in
40 addition to any increase otherwise allowed, an amount not to exceed one
41 hundred percent (100%) of the increase originally forgone. Provided
42 however, that prior to budgeting any forgone increase, the district

1 must provide notice of its intent to do so, hold a public hearing, which
2 may be in conjunction with its annual budget hearing, and certify by
3 resolution the amount of forgone increase to be budgeted and the spe-
4 cific purpose for which the forgone increase is being budgeted. Upon
5 adoption of the resolution, the clerk of the district shall file a copy
6 of the resolution with the county clerk and the state tax commission.
7 Said additional amount shall be included in future calculations for
8 increases as allowed;

9 (f) If a taxing district elects to budget less than the maximum allow-
10 able increase in the dollar amount of property taxes, the taxing dis-
11 trict may disclaim the right to recover all or any portion of that year's
12 forgone increase by adoption of a resolution declaring the same. The
13 district ~~must shall~~ provide notice of its intent to do so, shall hold a
14 public hearing, which may be in conjunction with its annual budget hear-
15 ing ~~if applicable. The,~~ and shall adopt a resolution to disclaim the
16 right to recover the forgone increase for that year ~~shall be adopted at~~
17 ~~the annual budget hearing of the taxing district if the district has a~~
18 ~~budget hearing requirement; provided however, that the.~~ The resolu-
19 tion shall not apply to forgone increases from prior budget years. The
20 clerk of the taxing district shall file a copy of the resolution with
21 the county clerk and the state tax commission no later than the deadline
22 for annual certification of budgets set forth in section 63-803, Idaho
23 Code.

24 (g) In the case of cities, if the immediately preceding year's levy
25 subject to the limitation provided by this section⁷ is less than 0.004,
26 the city may increase its budget by an amount not to exceed the differ-
27 ence between 0.004 and actual prior year's levy multiplied by the prior
28 year's market value for assessment purposes. The additional amount
29 must be approved by sixty percent (60%) of the voters voting on the ques-
30 tion at an election called for that purpose and held on the date in May or
31 November provided by law, and may be included in the annual budget of the
32 city for purposes of this section;

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

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

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

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

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

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

21 (4) The amount of property tax revenues to finance an annual budget
22 does not include revenues from nonproperty tax sources, and does not include
23 revenue from levies that are voter-approved for bonds, override levies or
24 supplemental levies, plant facilities reserve fund levies, school emergency
25 fund levies or for levies applicable to newly annexed property or for levies
26 applicable to new construction as evidenced by the value of property subject
27 to the occupancy tax pursuant to section 63-317, Idaho Code, for the preced-
28 ing tax year.

29 SECTION 2. An emergency existing therefor, which emergency is hereby
30 declared to exist, this act shall be in full force and effect on and after its
31 passage and approval, and retroactively to January 1, 2018.