

IN THE SENATE

SENATE BILL NO. 1303

BY LOCAL GOVERNMENT AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAX REVENUE ALLOCATION; AMENDING SECTION 50-2908,
2 IDAHO CODE, TO REVISE PROVISIONS REGARDING THE ALLOCATION OF PROPERTY
3 TAX REVENUE IN AN URBAN RENEWAL DISTRICT; AND DECLARING AN EMERGENCY AND
4 PROVIDING AN EFFECTIVE DATE.
5

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

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

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

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

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

22 (c) Levies for voter-approved general obligation bonds of any taxing
23 district and plant facility reserve fund levies passed after December
24 31, 2007;

25 (d) Levies for payment of obligations that have been judicially con-
26 firmed pursuant to chapter 13, title 7, Idaho Code, and that meet the
27 criteria of sections 63-1315 and 63-1316, Idaho Code;

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

33 (f) School levies for supplemental maintenance and operation pursuant
34 to section 33-802(3) and (4), Idaho Code, approved after December 31,
35 2007, and for emergency funds pursuant to section 33-805, Idaho Code,
36 approved after July 1, 2015.

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

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

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

6 (ii) Except as otherwise provided in subparagraphs (iv) and (v)
7 of this paragraph, a portion of the taxes levied by the taxing dis-
8 trict or on its behalf on the taxable property located within the
9 revenue allocation area, which portion is the amount produced by
10 applying the taxing district's tax rate determined under subsec-
11 tion (1) of this section to the equalized assessed valuation, as
12 shown on the base assessment roll, of the taxable property located
13 within the revenue allocation area;

14 (iii) All taxes levied by the taxing district to satisfy obliga-
15 tions specified in subsection (1) of this section; and

16 (iv) In the case of a revenue allocation area first formed or ex-
17 panded to include the property on or after July 1, 2020, all taxes
18 levied by any highway district, unless the local governing body
19 that created the revenue allocation area has responsibility for
20 the maintenance of roads or highways. In the case of property lo-
21 cated within a revenue allocation area prior to July 1, 2020, or
22 property located within a revenue allocation area created by a lo-
23 cal governing body that has responsibility for the maintenance of
24 roads or highways, the allocation of taxes shall be governed by
25 subparagraph (ii) of this paragraph. In any case, the highway dis-
26 trict and the urban renewal agency may enter into an agreement for
27 a different allocation. A copy of any such agreement shall be sub-
28 mitted to the state tax commission and to the county clerk by the
29 highway district as soon as practicable after the parties have en-
30 tered into the contract and by no later than September 1 of the year
31 in which the agreement takes effect; and

32 (v) In the case of a revenue allocation area first formed or ex-
33 expanded to include the property on or after July 1, 2022, a por-
34 tion of the taxes levied by the taxing district or on its behalf on
35 the taxable property located within the revenue allocation area,
36 which portion is the amount produced by applying the taxing dis-
37 trict's tax rate determined under subsection (1) of this section
38 to the equalized assessed valuation, as shown on the base assess-
39 ment roll, of the taxable property located within the revenue al-
40 location area, plus five percent (5%) of the balance otherwise due
41 to the urban renewal agency pursuant to paragraph (b) of this sub-
42 section.

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

46 (3) Upon enactment of an ordinance adopting a revenue allocation fi-
47 nancing provision as part of an urban renewal plan, the urban renewal agency
48 shall create a special fund or funds to be used for the purposes enumerated
49 in this chapter. The revenues allocated to the urban renewal agency pursuant
50 to this chapter shall be paid to the agency by the treasurer of the county in

1 which the revenue allocation district is located and shall be deposited by
2 the agency into one (1) or more of such special funds. The agency may, in ad-
3 dition, deposit into such special fund or funds such other income, proceeds,
4 revenues and funds it may receive from sources other than the revenues allo-
5 cated to it under subsection (2) (b) of this section.

6 (4) For the purposes of section 63-803, Idaho Code, during the period
7 when revenue allocation under this chapter is in effect, and solely with
8 respect to any taxing district in which a revenue allocation area is located,
9 the county commissioners shall, in fixing any tax levy other than a levy
10 specified in subsection (1) of this section, take into consideration the
11 equalized assessed valuation of the taxable property situated in the revenue
12 allocation area as shown in the base assessment roll plus any applicable
13 increase pursuant to subsection (2) (a) (v) of this section, rather than the
14 current equalized assessed value of such taxable property.

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

20 SECTION 2. An emergency existing therefor, which emergency is hereby
21 declared to exist, this act shall be in full force and effect on and after
22 July 1, 2022.