

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 103

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO LIMITATION ON BUDGET REQUESTS FROM PROPERTY TAXES; AMENDING SEC-
2 TION 63-802, IDAHO CODE, TO PROVIDE A PROCEDURE WHERE TAXING DISTRICTS
3 MAY DISCLAIM THE RIGHT TO RECOVER ALL OR ANY PORTION OF A FORGONE BALANCE
4 AND TO MAKE TECHNICAL CORRECTIONS.
5

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

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

9 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES
10 -- EXCEPTIONS. (1) Except as provided in subsections (3) and (4) of this
11 section, no taxing district shall certify a budget request for an amount of
12 property tax revenues to finance an annual budget that exceeds the greater of
13 paragraphs (a) through (j) of this subsection inclusive:

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

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

29 (c) The dollar amount of the actual budget request, if the taxing dis-
30 trict is newly created, except as may be provided in ~~subsection (1)-~~
31 paragraph (h) of this subsection;

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

34 (e) In the case of a nonschool district for which less than the maximum
35 allowable increase in the dollar amount of property taxes is certified
36 for annual budget purposes in any one (1) year, such a district may, in
37 any following year, ~~either~~:

38 (i) Rrecover the forgone increase by certifying, in addition to
39 any increase otherwise allowed, an amount not to exceed one hun-
40 dred percent (100%) of the increase originally forgone. Provided
41 however, that prior to budgeting any forgone increase, the dis-
42 trict must provide notice of its intent to do so, hold a public

1 hearing, which may be in conjunction with its annual budget hear-
2 ing, and certify by resolution the amount of forgone increase to be
3 budgeted and the specific purpose for which the forgone increase
4 is being budgeted. Upon adoption of the resolution, the clerk of
5 the district shall file a copy of the resolution with the county
6 clerk and the state tax commission. Said additional amount shall
7 be included in future calculations for increases as allowed; or
8 (ii) Disclaim the right to recover all or any portion of the for-
9 gone increase by adoption of a resolution declaring the same. Upon
10 adoption of the resolution, the clerk of the taxing district shall
11 file a copy of the resolution with the county clerk and the state
12 tax commission, and the state tax commission shall exclude the
13 amounts indicated in the resolution from the calculation of the
14 district's forgone balance;

15 (f) In the case of cities, if the immediately preceding year's levy
16 subject to the limitation provided by this section, is less than 0.004,
17 the city may increase its budget by an amount not to exceed the differ-
18 ence between 0.004 and actual prior year's levy multiplied by the prior
19 year's market value for assessment purposes. The additional amount
20 must be approved by sixty percent (60%) of the voters voting on the ques-
21 tion at an election called for that purpose and held on the date in May or
22 November provided by law, and may be included in the annual budget of the
23 city for purposes of this section;

24 (g) A taxing district may submit to the electors within the district
25 the question of whether the budget from property tax revenues may be
26 increased beyond the amount authorized in this section, but not beyond
27 the levy authorized by statute. The additional amount must be approved
28 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
29 voting on the question at an election called for that purpose and held
30 on the May or November dates provided by section 34-106, Idaho Code.
31 If approved by the required minimum sixty-six and two-thirds percent
32 (66 2/3%) of the voters voting at the election, the new budget amount
33 shall be the base budget for the purposes of this section;

34 (h) When a nonschool district consolidates with another nonschool
35 district or dissolves and a new district performing similar governmen-
36 tal functions as the dissolved district forms with the same boundaries
37 within three (3) years, the maximum amount of a budget of the district
38 from property tax revenues shall not be greater than the sum of the
39 amounts that would have been authorized by this section for the district
40 itself or for the districts that were consolidated or dissolved and in-
41 corporated into a new district;

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

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

47 (2) In the case of fire districts, during the year immediately follow-
48 ing the election of a public utility or public utilities to consent to be pro-
49 vided fire protection pursuant to section 31-1425, Idaho Code, the maximum
50 amount of property tax revenues permitted in subsection (1) of this section

1 may be increased by an amount equal to the current year's taxable value of the
2 consenting public utility or public utilities multiplied by that portion of
3 the prior year's levy subject to the limitation provided by subsection (1) of
4 this section.

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

12 (4) The amount of property tax revenues to finance an annual budget
13 does not include revenues from nonproperty tax sources, and does not include
14 revenue from levies that are voter-approved for bonds, override levies or
15 supplemental levies, plant facilities reserve fund levies, school emergency
16 fund levies or for levies applicable to newly annexed property or for levies
17 applicable to new construction as evidenced by the value of property subject
18 to the occupancy tax pursuant to section 63-317, Idaho Code, for the preced-
19 ing tax year.