

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 389

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO TAXATION; AMENDING SECTION 63-602G, IDAHO CODE, TO REVISE PRO-
2 VISIONS REGARDING THE HOMEOWNER EXEMPTION; AMENDING SECTION 63-301A,
3 IDAHO CODE, TO REVISE PROVISIONS REGARDING THE NEW CONSTRUCTION ROLL;
4 AMENDING SECTION 63-602W, IDAHO CODE, TO REVISE PROVISIONS REGARDING
5 CERTAIN BUSINESS PROPERTY TAX EXEMPTIONS; AMENDING SECTION 63-705,
6 IDAHO CODE, TO REVISE PROVISIONS REGARDING PROPERTY TAX REDUCTION IN-
7 COME LIMITATIONS AND BENEFIT AMOUNTS AND TO ESTABLISH PROVISIONS FOR
8 REFERRAL OF CERTAIN APPLICANTS TO THE PROPERTY TAX DEFERRAL PROGRAM;
9 AMENDING SECTION 63-705A, IDAHO CODE, TO REVISE PROVISIONS REGARDING
10 TAX REDUCTIONS FOR CERTAIN DISABLED VETERANS; AMENDING SECTION 63-715,
11 IDAHO CODE, TO REVISE PROVISIONS REGARDING THE PROPERTY TAX DEFERRAL
12 PROGRAM; AMENDING SECTION 63-802, IDAHO CODE, TO REVISE PROVISIONS
13 REGARDING THE LIMITATION ON TAXING DISTRICT BUDGET REQUESTS; AMENDING
14 SECTION 63-313, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE TAXA-
15 TION OF TRANSIENT PERSONAL PROPERTY; AMENDING SECTION 63-602KK, IDAHO
16 CODE, TO REVISE PROVISIONS REGARDING THE TAXATION OF PERSONAL PROPERTY;
17 AMENDING SECTION 63-803, IDAHO CODE, TO REVISE A DEFINITION AND TO MAKE
18 TECHNICAL CORRECTIONS; AMENDING SECTION 63-3638, IDAHO CODE, TO REVISE
19 PROVISIONS REGARDING PERSONAL PROPERTY TAX REPLACEMENT MONEYS; PROVID-
20 ING SEVERABILITY; AND DECLARING AN EMERGENCY, PROVIDING RETROACTIVE
21 APPLICATION, AND PROVIDING EFFECTIVE DATES.
22

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

24 SECTION 1. That Section 63-602G, Idaho Code, be, and the same is hereby
25 amended to read as follows:

26 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax
27 year, the first one hundred twenty-five thousand dollars (~~\$100~~25,000) of the
28 market value for assessment purposes of the homestead as that term is defined
29 in section 63-701, Idaho Code, or fifty percent (50%) of the market value
30 for assessment purposes of the homestead as that term is defined in section
31 63-701, Idaho Code, whichever is the lesser, shall be exempt from property
32 taxation.

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

34 (a) The homestead is owner-occupied and used as the primary dwelling
35 place of the owner. The homestead may consist of part of a multidwelling
36 or multipurpose building and shall include all of such dwelling or
37 building except any portion used exclusively for anything other than
38 the primary dwelling of the owner. The presence of an office in a home-
39 stead, which office is used for multiple purposes, including business
40 and personal use, shall not prevent the owner from claiming the exemp-
41 tion provided in this section; and

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

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

6 (i) He is making application for the exemption allowed by this
7 section;

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

9 (iii) He has not made application in any other county for the ex-
10 emption, and has not made application for the exemption on any
11 other homestead in the county.

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

14 When an "owner," pursuant to the provisions of section 63-701(7),
15 Idaho Code, is any person who is the beneficiary of a revocable or irrev-
16 ocable trust, or who is a partner of a limited partnership, a member of
17 a limited liability company, or shareholder of a corporation, he or she
18 may provide proof of the trust, limited partnership, limited liability
19 company, or corporation in the manner set forth in section 63-703(4),
20 Idaho Code.

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

26 (f) For the purpose of this section, the definition of "primary
27 dwelling place" shall be the same definition set forth in section
28 63-701(8), Idaho Code.

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

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

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

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

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

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

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

49 (a) Upon discovery of evidence, facts or circumstances indicating any
50 exemption allowed by this section was improperly claimed or approved,

1 the county assessor shall decide whether the exemption claimed should
2 have been allowed and, if not, notify the taxpayer in writing, assess
3 a recovery of property tax and notify the county treasurer of this as-
4 sessment. If the county assessor determined that an exemption was im-
5 properly approved as a result of county error, the county assessor shall
6 present the discovered evidence, facts or circumstances from the im-
7 properly approved exemption to the board of county commissioners, at
8 which time the board may waive a recovery of the property tax and notify
9 such taxpayer in writing.

10 (b) When information indicating that an improper claim for the exemp-
11 tion allowed by this section is discovered by the state tax commission,
12 the state tax commission may disclose this information to the ap-
13 propriate county assessor, board of county commissioners and county
14 treasurer. Information disclosed to county officials by the state tax
15 commission under this subsection may be used to decide the validity of
16 any entitlement to the exemption provided in this section and is not
17 otherwise subject to public disclosure pursuant to chapter 1, title 74,
18 Idaho Code.

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

23 (d) The taxpayer may appeal to the county board of equalization the
24 decision by the county assessor to assess the recovery of property tax
25 within thirty (30) days of the date the county assessor sent the notice
26 to the taxpayer pursuant to this section. The board may waive the col-
27 lection of all or part of any costs, late charges, and interest in order
28 to facilitate the collection of the recovery of the property tax.

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

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

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

47 (h) Thirty (30) days after the taxpayer is notified, as provided in
48 paragraph (a) of this subsection, the assessor shall record a notice
49 of intent to attach a lien. Upon the payment in full of such recover-
50 ed property taxes prior to the attachment of the lien as provided in

1 paragraph (i) of this subsection, or upon the successful appeal by the
 2 taxpayer, the county assessor shall record a rescission of the intent to
 3 attach a lien within seven (7) business days of receiving such payment
 4 or within seven (7) business days of the county board of equalization
 5 decision granting the appeal. If the real property is sold to a bona
 6 fide purchaser for value prior to the recording of the notice of the in-
 7 tent to attach a lien, the county assessor and treasurer shall cease the
 8 recovery of such unpaid recovered property tax.

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

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

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

18 (7) A homestead, having previously qualified for exemption under this
 19 section in the preceding year, shall not lose such qualification due to: the
 20 owner's, beneficiary's, partner's, member's or shareholder's absence in the
 21 current year by reason of active military service, or because the homestead
 22 has been leased because the owner, beneficiary, partner, member or share-
 23 holder is absent in the current year by reason of active military service.
 24 An owner subject to the provisions of this subsection must apply for the ex-
 25 emption with the county assessor every year on or before a deadline date as
 26 specified by the county assessor for the county in which the homestead is
 27 claimed. If an owner fails to apply on or before the established deadline,
 28 the county may, at its discretion, discontinue the exemption for that year.

29 (8) A homestead, having previously qualified for exemption under this
 30 section in the preceding year, shall not lose such qualification due to
 31 the owner's, beneficiary's, partner's, member's or shareholder's death
 32 during the year of the owner's, beneficiary's, partner's, member's or share-
 33 holder's death and the tax year immediately following such death provided
 34 that the homestead continues to be a part of the owner's, beneficiary's,
 35 partner's, member's or shareholder's estate. After such time, the new owner
 36 shall reapply to receive the exemption pursuant to this section and shall
 37 meet the qualification criteria contained in this section.

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

44 SECTION 2. That Section 63-301A, Idaho Code, be, and the same is hereby
 45 amended to read as follows:

46 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare
 47 a new construction roll, which shall be in addition to the property roll,
 48 which new construction roll shall show:

49 (a) The name of the taxpayer;

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

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

5 (d) The amount of taxable market value added to the property on the cur-
6 rent year's property roll that is directly the result of new construc-
7 tion ~~or~~, including a change in use of the land or both associated with
8 the new construction;

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

12 (f) The amount of taxable market value to be deducted to reflect the
13 adjustments required in this paragraphs ~~(f) (i), (f) (ii), (f) (iii) and~~
14 ~~(f) (iv) of this subsection~~:

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

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

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

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

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

31 (2) As soon as possible, but in any event by no later than the first Mon-
32 day in June, the new construction roll shall be certified to the county audi-
33 tor and a listing showing the amount of value on the new construction roll in
34 each taxing district or unit be forwarded to the state tax commission on or
35 before the fourth Monday in July. Provided however, the value shown in sub-
36 section (3) (f) of this section shall be reported to the appropriate county
37 auditor by the state tax commission by the third Monday in July and the value
38 sent by the county auditor to each taxing district. The value established
39 pursuant to subsection (3) (f) of this section is subject to correction by the
40 state tax commission until the first Monday in September and any such correc-
41 tions shall be sent to the appropriate county auditor, who shall notify any
42 affected taxing districts.

43 (3) Except as otherwise provided in this subsection, tThe value shown
44 on the new construction roll shall include ninety percent (90%) of the tax-
45 able market value increase from:

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

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

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

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

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

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

14 (g) Provided such increases do not include increases already reported
15 on the new construction roll as permitted in paragraphs (j) and (k) of
16 this subsection, increases in value over the base value of property on
17 the base assessment roll within an urban renewal revenue allocation
18 area that has been terminated pursuant to section 50-2909(4), Idaho
19 Code, to the extent that this increment exceeds the incremental value as
20 of December 31, 2006, or, for revenue allocation areas formed after De-
21 cember 31, 2006, ~~the entire~~ eighty percent (80%) of the increment value.
22 Notwithstanding other provisions of this section, the new construction
23 roll shall not include new construction located within an urban renewal
24 district's revenue allocation area, except as provided in this para-
25 graph; or

26 (h) New construction, in any one (1) of the immediate five (5) tax years
27 preceding the current tax year, allowable but never included on a new
28 construction roll, provided however, that, for such property, the value
29 on the new construction roll shall reflect the taxable value that would
30 have been included on the new construction roll for the first year in
31 which the property should have been included.

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

38 (j) Increases in base value when due to previously determined incre-
39 ment value added to the base value as required in sections 50-2903 and
40 50-2903A, Idaho Code, due to a modification of the urban renewal plan.
41 In this case, the amount added to the new construction roll will equal
42 eighty percent (80%) of the amount by which the increment value in the
43 year immediately preceding the year in which the base value adjustment
44 described in this subsection occurs exceeds the incremental value as of
45 December 31, 2006, or, for revenue allocation areas formed after Decem-
46 ber 31, 2006, the entire increment value.

47 (k) Increases in base value when due to previously determined incre-
48 ment value added to the base value as a result of a de-annexation within
49 a revenue allocation area as defined in section 50-2903, Idaho Code.
50 In this case, the amount added to the new construction roll will equal

1 eighty percent (80%) of the amount by which the increment value in the
 2 year immediately preceding the year in which the de-annexation de-
 3 scribed in this subsection occurs exceeds the incremental value as of
 4 December 31, 2006, or, for revenue allocation areas formed after Decem-
 5 ber 31, 2006, the entire increment value within the area subject to the
 6 de-annexation.

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

14 (5) The amount of taxable market value of new construction shall not in-
 15 clude any new construction of property that has been granted a provisional
 16 property tax exemption, pursuant to section 63-1305C, Idaho Code. A prop-
 17 erty owner may apply to the board of county commissioners, if an application
 18 is required pursuant to section 63-602, Idaho Code, for an exemption from
 19 property tax at the time the initial building permits are applied for or at
 20 the time construction of the property has begun, whichever is earlier, or at
 21 any time thereafter.

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

25 SECTION 3. That Section 63-602W, Idaho Code, be, and the same is hereby
 26 amended to read as follows:

27 63-602W. BUSINESS INVENTORY EXEMPT FROM TAXATION -- BUSINESS IN-
 28 VENTORY THAT IS A COMPONENT OF REAL PROPERTY THAT IS A SINGLE FAMILY
 29 DWELLING. The following property is exempt from property taxation: business
 30 inventory. For the purpose of this section, "business inventory" means all
 31 items of tangible personal property or other property, including site im-
 32 provements, described as:

33 (1) All livestock, fur-bearing animals, fish, fowl and bees.

34 (2) All nursery stock, stock-in-trade, merchandise, products, fin-
 35 ished or partly finished goods, raw materials, and all forest products
 36 subject to the provisions of chapter 17, title 63, Idaho Code, supplies,
 37 containers and other personal property that is held for sale or consumption
 38 in the ordinary course of the taxpayer's manufacturing, farming, wholesale
 39 jobbing, or merchandising business.

40 (3) Residential improvements never occupied. Once residential im-
 41 provements are occupied as defined in section 63-317, Idaho Code, they shall
 42 be subject to the tax provided by section 63-317, Idaho Code. The provisions
 43 of section 63-602Y, Idaho Code, shall not apply to the exemption provided by
 44 this subsection. The exemption provided by this subsection applies only to
 45 improvements to real property, and only until first occupied. For purposes
 46 of this section, the term "residential improvements" means only:

47 (a) Single family residences; or

48 (b) Residential townhouses; or

49 (c) Residential condominium units.

1 The nonresidential portion of an improvement to real property that is used
 2 or is to be used for residential and nonresidential purposes does not qualify
 3 for the exemption provided by this section. If an improvement contains mul-
 4 tiple residential units, each such unit shall lose the exemption provided in
 5 this section when it becomes occupied.

6 (4) Site improvements that are associated with land, such as roads and
 7 utilities, on real property held by the land developer, either as owner or
 8 vendee in possession under a land sale contract, for sale or consumption in
 9 the ordinary course of the land developer's business until other improve-
 10 ments, such as buildings or structural components of buildings, are ~~begun~~
 11 completed or the real property is conveyed to a third party. For purposes of
 12 this subsection, a transfer of title to real property to a legal entity of
 13 which at least fifty percent (50%) is owned by the land developer, the land
 14 developer's original entity or the same principals who owned the land devel-
 15 oper's original entity shall not be considered a conveyance to a third party.
 16 For purposes of this subsection, the amount of the exemption shall be the
 17 difference between the market value of the land with site improvements and
 18 the market value of the land without site improvements as shall be determined
 19 by a comparative market analysis of a similarly situated parcel or parcels
 20 of real property that have not been improved with such site improvements con-
 21 templated by this subsection. In the case the market value of land without
 22 site improvements cannot be reasonably assessed because of the absence of
 23 comparable sales, an exemption value of seventy-five percent (75%) of the
 24 market value of land with site improvements shall be granted to that parcel.
 25 An application is required for the exemption provided in this subsection in
 26 the first year the exemption is claimed; in subsequent consecutive years no
 27 new application is required. The application must be made to the board of
 28 county commissioners by April 15 and the taxpayer and county assessor must be
 29 notified of any decision and assessment of property by May 15. The decision
 30 or assessment of property, or both, of the board of county commissioners may
 31 be appealed to the county board of equalization no later than the fourth Mon-
 32 day in June. The applicant shall notify the board of county commissioners in
 33 writing of any change in eligibility for the parcel by April 15.

34 SECTION 4. That Section 63-705, Idaho Code, be, and the same is hereby
 35 amended to read as follows:

36 63-705. PUBLICATION OF CHANGES IN INCOME LIMITATIONS AND PROPERTY TAX
 37 OR OCCUPANCY TAX REDUCTION AMOUNTS.

38 (1) (a) The state tax commission shall publish adjustments to the income
 39 limitations, which shall be the greater of:

40 ~~(a) an~~ (i) An individual's income as defined in section 63-701,
 41 Idaho Code, of not more than ~~twenty-eight~~ thirty-one thousand nine
 42 hundred dollars (\$~~28,031,900~~ 28,031,900) per household for tax year ~~2006~~ 2021
 43 and each tax year thereafter; or

44 ~~(b) one~~ (ii) One hundred eighty-five percent (185%) of the federal
 45 poverty guidelines for a household of two (2) for tax year ~~2006~~
 46 2021 and each tax year thereafter.

47 (b) On and after January 1, 2022, if the current year's assessed value
 48 of the home owned by the individual, according to the current year's
 49 assessment notice, exceeds one hundred twenty-five percent (125%) of

1 the median assessed valuation for all homes in the county receiving
 2 the homestead exemption pursuant to section 63-602G, Idaho Code, then
 3 the individual will instead be referred to the property tax deferral
 4 program set forth in sections 63-712 through 63-721, Idaho Code. Using
 5 the current year's assessed values, each county shall report the median
 6 assessed value of all properties receiving the homestead exemption in
 7 such county as of that date to the state tax commission no later than
 8 the first Monday in June. Provided, however, the provisions of this
 9 paragraph do not apply to a veteran with either a service-connected
 10 disability of one hundred percent (100%) or a disability rating based on
 11 individual unemployability rating that is compensated at the one hun-
 12 dred percent (100%) disability rate, as certified by the United States
 13 department of veterans affairs.

14 (c) The lowest income limitation shall allow a maximum reduction of one
 15 thousand ~~three hundred twenty five~~ hundred dollars (\$1,320~~500~~) in tax
 16 year ~~2006~~ 2021 and thereafter, or actual property taxes or occupancy
 17 taxes, as applicable, whichever is less. Each income limitation and re-
 18 duction amount shall be prorated based on the basic maximum reduction,
 19 in practicable increments so that the highest income limitation will
 20 provide for a reduction of ~~one two~~ hundred fifty dollars (\$~~1~~250), or
 21 actual property taxes, whichever is less.

22 (2) The tax commission shall publish the adjustments required by this
 23 section each and every year the secretary of health and human services an-
 24 nounces cost-of-living modifications, pursuant to 42 U.S.C. 415(i). The ad-
 25 justments shall be published no later than October 1 of each such year and
 26 shall be effective for claims filed in and for the following property tax
 27 year.

28 (3) The publication of adjustments under this section shall be exempt
 29 from the provisions of chapter 52, title 67, Idaho Code, but shall be pro-
 30 vided to each county and to members of the public upon request and without
 31 charge.

32 SECTION 5. That Section 63-705A, Idaho Code, be, and the same is hereby
 33 amended to read as follows:

34 63-705A. SPECIAL PROPERTY TAX OR OCCUPANCY TAX REDUCTION FOR DISABLED
 35 VETERANS. (1) For tax year 2020~~1~~ and thereafter, regardless of any reduc-
 36 tion received under section 63-705, Idaho Code, a veteran with a service-
 37 connected disability of one hundred percent (100%) or a disability rating
 38 based on individual unemployability rating that is compensated at the one
 39 hundred percent (100%) disability rate, as certified by the United States
 40 department of veterans affairs, shall receive a special reduction in prop-
 41 erty taxes or occupancy taxes levied on his homestead, as defined in sec-
 42 tion 63-701, Idaho Code. The special tax reduction shall be in the amount of
 43 one thousand ~~three~~ five hundred ~~twenty~~ dollars (\$1,320~~500~~) or for the amount
 44 of the veteran's actual property taxes or occupancy taxes, as applicable,
 45 whichever is less. If a veteran qualifies for tax reduction under both this
 46 section and section 63-705, Idaho Code, the combined tax reduction amount
 47 may not exceed the actual amount of the veteran's property taxes or occupancy
 48 taxes on his homestead.

1 (2) An applicant for a special property tax or occupancy tax reduction
2 under this section shall comply with all procedural requirements set forth
3 in sections 63-701 through 63-710, Idaho Code, with the exception of any in-
4 come documentation.

5 (3) In the event that a qualified veteran applies for the special tax
6 reduction in this section but then dies, the veteran's surviving spouse is
7 entitled to receive the special tax reduction in that year and subsequent
8 years, until such time as the surviving spouse remarries, dies, or no longer
9 has property tax levied on the homestead.

10 SECTION 6. That Section 63-715, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 63-715. PROCEDURES -- APPEALS. Elections for deferral of payment of
13 property tax shall be subject to the provisions of section 63-706, Idaho
14 Code, and shall be included on the property tax reduction roll and processed
15 and reviewed as provided in section 63-707, Idaho Code, for claims for prop-
16 erty tax relief, except that an application for deferral must be submitted to
17 the state tax commission by no later than the first Monday in September.

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

20 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
21 EXCEPTIONS. (1) Except as otherwise provided in ~~subsections (3) and (4) of~~
22 this section, no taxing district shall certify a budget request for an amount
23 of property tax revenues to finance an annual budget that exceeds the ~~greater~~
24 ~~of paragraphs (a) through (k) of this subsection, inclusive~~ maximum sum per-
25 mitted under this section:

26 (a) ~~(i)~~ The highest dollar amount of property taxes certified for
27 its annual budget for any one (1) of the three (3) tax years pre-
28 ceding the current tax year, ~~whichever is greater, for the past~~
29 ~~tax year,~~ which amount may be increased by a growth factor of not
30 to exceed three percent (3%) plus the amount of revenue calculated
31 as described in this subsection. ~~Multiply the levy of the previ-~~
32 ~~ous year, not including any levy described in subsection (4) of~~
33 ~~this section, or any school district levy reduction resulting from~~
34 ~~a distribution of state funds pursuant to section 63-3638(11) or~~
35 ~~(13), Idaho Code, The taxing district shall determine what por-~~
36 ~~tion of the three percent (3%) increase permitted under this sub-~~
37 ~~paragraph that it requires and then calculate a preliminary levy~~
38 ~~rate based on the percent chosen. In calculating the preliminary~~
39 ~~levy rate, the most current taxable market value shall be used, ex-~~
40 ~~cept that for taxable market values of centrally assessed operat-~~
41 ~~ing property, the prior year's valuation may be used instead of the~~
42 ~~current year's taxable market values. The preliminary levy rate~~
43 ~~shall be multiplied by the value shown on the new construction roll~~
44 ~~compiled pursuant to section 63-301A, Idaho Code,~~ and by ninety
45 percent (90%) of the value of annexation during the previous cal-
46 endar year, as certified by the state tax commission for taxable
47 market values of operating property of public utilities and by the

1 county assessor; except for a fire protection district annexing
 2 property prior to July 1, 2021, pursuant to section 31-1429, Idaho
 3 Code, the new levy rate shall be multiplied by one hundred percent
 4 (100%) of the value of any such property annexed prior to July 1,
 5 2021.

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

12 (iii) Following the first year in which a fire protection district
 13 has annexed city property pursuant to section 31-1429, Idaho Code,
 14 the city shall subtract an amount equal to the moneys spent on fire
 15 protection services during the last full year the city provided
 16 fire protection services to its residents from its budget limita-
 17 tion under this section.

18 (b) If the taxing district has not imposed a levy for three (3) or more
 19 years, the highest dollar amount of property taxes certified for its an-
 20 ual budget for the purpose of paragraph (a) (i) of this subsection shall
 21 be tThe dollar amount of property taxes certified for its annual budget
 22 during the last year in which a levy was made.

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

27 (d) ~~In the case of school districts, the restriction~~ This section does
 28 not apply to school district levies imposed in section 33-802, Idaho
 29 Code.

30 (e) (i) In the case of a nonschool district for which less than the
 31 maximum allowable increase in the dollar amount of property taxes
 32 is certified for annual budget purposes in any one (1) year, such a
 33 district may, in any following year, recover the forgone increase
 34 by certifying, in addition to any increase otherwise allowed, an
 35 amount not to exceed one hundred percent (100%) any or all of the
 36 increase originally forgone. Provided however, that prior to bud-
 37 geting any forgone increase, the district must provide notice of
 38 its intent to do so, hold a public hearing, which may be in con-
 39 junction with its annual budget hearing, and certify by resolution
 40 the amount of forgone increase to be budgeted and the specific pur-
 41 pose for which the forgone increase is being budgeted. Upon adop-
 42 tion of the resolution, the clerk of the district shall file a copy
 43 of the resolution with the county clerk and the state tax commis-
 44 sion. Said additional amount shall be included in future calcula-
 45 tions for increases as allowed, except as provided in subpara-
 46 graph (iii) of this paragraph.

47 (ii) If the forgone increase is budgeted for the purpose of main-
 48 tenance and operations, the rate of recovering the reserved for-
 49 gone moneys may increase the taxing district's budget by no more
 50 than one percent (1%) per year. Provided, however, this cap shall

1 not apply to a taxing district that budgets its reserved forgone
2 moneys for the purpose of maintenance and operations as long as it
3 does not budget, or reserve as forgone, any portion of the three
4 percent (3%) increase otherwise allowed and does not budget any
5 new construction or annexation increases.

6 (iii) If the forgone increase is budgeted for a capital project or
7 projects, the rate of recovering the reserved forgone moneys may
8 not exceed three percent (3%) of the taxing district's budget for
9 the year in which the forgone increase is budgeted. Forgone moneys
10 budgeted for a capital project must be deducted from the taxing
11 district's forgone balance in the year in which it is budgeted.
12 Upon completion of such a capital project, the taxing district
13 shall certify such completion to the state tax commission and
14 county clerk. If, upon certification, the state tax commission
15 finds that the taxing district included forgone moneys for a capi-
16 tal project in calculating the increase permitted under paragraph
17 (a) of this subsection, the state tax commission shall direct the
18 taxing district to reduce its property tax budget for any year
19 in which the forgone moneys were used to calculate a budget in-
20 crease, in an amount equal to the forgone moneys budgeted plus any
21 increases attributed to the forgone moneys improperly included in
22 the taxing district's property tax budget. For the purpose of this
23 paragraph, a capital project includes:

24 1. The construction, expansion, renovation, or replacement
25 of public facilities, including the acquisition of land and
26 other site improvements;

27 2. The construction, expansion, or reconstruction of public
28 works improvements, including roads, bridges, water sys-
29 tems, sewer systems, and broadband systems; and

30 3. The purchase of equipment with a useful life of ten (10)
31 years or more.

32 (f) If a taxing district elects to budget less than the maximum allow-
33 able increase in the dollar amount of property taxes, the taxing dis-
34 trict may reserve the right to recover all or any portion of that year's
35 forgone increase in a subsequent year by adoption of a resolution spec-
36 ifying the dollar amount of property taxes being reserved. Otherwise,
37 that year's forgone increase may not be recovered under paragraph (e) of
38 this subsection. The district must provide notice of its intent to do
39 so and hold a public hearing, which may be in conjunction with its an-
40 nual budget hearing if applicable. The resolution to reserve the right
41 to recover the forgone increase for that year shall be adopted at the an-
42 nual budget hearing of the taxing district if the district has a budget
43 hearing requirement.

44 (g) In the case of cities, if the immediately preceding year's levy
45 subject to the limitation provided by this section is less than 0.004,
46 the city may increase its budget by an amount not to exceed the differ-
47 ence between 0.004 and actual prior year's levy multiplied by the prior
48 year's market value for assessment purposes. The additional amount
49 must be approved by sixty percent (60%) of the voters voting on the ques-
50 tion at an election called for that purpose and held on the date in May or

1 November provided by law and may be included in the annual budget of the
2 city for purposes of this section.

3 (h) A taxing district may submit to the electors within the district
4 the question of whether the budget from property tax revenues may be
5 increased beyond the amount authorized in this section, but not beyond
6 the levy authorized by statute. The additional amount must be approved
7 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
8 voting on the question at an election called for that purpose and held
9 on the May or November dates provided by section 34-106, Idaho Code.
10 If approved by the required minimum sixty-six and two-thirds percent
11 (66 2/3%) of the voters voting at the election, the new budget amount
12 shall be the base budget for the purposes of this section.

13 (i) When a nonschool district consolidates with another nonschool
14 district or dissolves and a new district performing similar governmen-
15 tal functions as the dissolved district forms with the same boundaries
16 within three (3) years, the maximum amount of a budget of the district
17 from property tax revenues shall not be greater than the sum of the
18 amounts that would have been authorized by this section for the district
19 itself or for the districts that were consolidated or dissolved and in-
20 corporated into a new district.

21 ~~(j) In the instance or case of cooperative service agencies, the re-~~
22 ~~strictions imposed in sections 33-315 through 33-318, Idaho Code. This~~
23 ~~section does not apply to cooperative service agency levies imposed in~~
24 ~~sections 33-317 and 33-317A, Idaho Code.~~

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

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

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

43 (4) The amount of property tax revenues to finance an annual budget does
44 not include revenues from nonproperty tax sources and does not include rev-
45 enue from levies for the payment of judicially confirmed obligations pur-
46 suant to sections 63-1315 and 63-1316, Idaho Code, and revenue from levies
47 that are voter-approved for bonds, override levies or supplemental levies,
48 plant facilities reserve fund levies, school emergency fund levies or for
49 levies applicable to newly annexed property or for levies applicable to new
50 construction as evidenced by the value of property subject to the occupancy

1 tax pursuant to section 63-317, Idaho Code, for the preceding tax year. The
 2 amount of property tax revenues to finance an annual budget does not include
 3 any property taxes that were collected and refunded on property that is ex-
 4 empt from taxation, pursuant to section 63-1305C, Idaho Code.

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

8 SECTION 8. That Section 63-313, Idaho Code, be, and the same is hereby
 9 amended to read as follows:

10 63-313. SPECIAL PROVISIONS FOR TRANSIENT PERSONAL PROPERTY. (1) All
 11 transient personal property shall be listed by the owner and shall show the
 12 quantity, name, model, serial number, if any, year of manufacture, date of
 13 purchase, cost, whether new or used and other identifying information re-
 14 quired by the county assessor. The list of transient personal property shall
 15 identify the owner of the property and shall be filed with the home county
 16 assessor on or before the first day of November of each year. The owner of
 17 transient personal property may elect to treat as his home county that county
 18 in which he maintains his residence or usual place of business or in which
 19 the transient personal property is usually kept. The report shall be made on
 20 forms prescribed by the state tax commission and shall identify periods of
 21 thirty (30) days or more during which the personal property is located in a
 22 county, specifying the location of the transient personal property for each
 23 month of the current calendar year with a projection of the location for the
 24 remaining months of November and December.

25 (2) The county assessor of the home county or the receiving county of
 26 the listing shall file within ten (10) days with the county assessor of all
 27 counties identified on the report a copy of the report. Each county so iden-
 28 tified shall then place a prorated assessment on such personal property on
 29 the subsequent or missed property roll only for the length of time that the
 30 personal property was located in their county.

31 (3) In the event that any transient personal property has been or will
 32 be taxed for the current year in another state, the property shall be taxed
 33 for only that portion of the year that the transient personal property is
 34 kept and does remain in the state of Idaho.

35 (4) The provisions of this section shall not apply to transient per-
 36 sonal property in transit through this state, or to transient personal prop-
 37 erty sold by the owner thereof in the home county upon which the taxes for
 38 the full year have been paid or secured, which said transient personal prop-
 39 erty is kept, moved, transported, shipped or hauled into and remaining in
 40 another county, and there kept or remaining either for the purpose of use or
 41 sale within the current year.

42 (5) For transient personal property valued at ~~over~~ more than one hun-
 43 dred thousand dollars (\$100,000), any exemption in section 63-602KK, Idaho
 44 Code, available to the taxpayer shall be allocated among counties based on
 45 the prorated value provided in subsection (2) of this section.

46 (6) Beginning January 1, 2022, all transient personal property is ex-
 47 empt from taxation. No replacement moneys shall be provided as a result of
 48 this subsection.

1 SECTION 9. That Section 63-602KK, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 63-602KK. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY.

4 (1) (a) An item of taxable personal property purchased on or after Jan-
5 uary 1, 2013, shall be exempt from property taxation if the item of tax-
6 able personal property has an acquisition price of three thousand dol-
7 lars (\$3,000) or less.

8 (b) For purposes of this section, the term "acquisition cost" means all
9 costs required to put an item of taxable personal property into service
10 and includes:

11 (i) The purchase price of a new or used item;

12 (ii) The cost of freight and shipping;

13 (iii) The cost of installation, engineering, erection or assem-
14 bly; and

15 (iv) Sales and use taxes.

16 (c) For purposes of this subsection, an "item of taxable personal prop-
17 erty" means equipment, machinery, furniture or other personal property
18 that is functioning at its highest and best use for the purpose it was
19 designed and constructed and is generally capable of performing that
20 function without being combined with other items of personal property.
21 An item of taxable personal property is not an individual component part
22 of a piece of equipment, machinery, furniture or other personal prop-
23 erty as a whole. An item of taxable personal property does not include
24 an improvement to real property, a part that will become an improvement,
25 or anything defined as a fixture.

26 (2) (a) On and after January 1, 2015, except as provided in subsection
27 (8) of this section, each person's personal property, located in the
28 county, which is not otherwise exempt, shall be exempt to the extent of
29 one hundred thousand dollars (\$100,000).

30 (b) On and after January 1, 2022, except as provided in subsection
31 (8) of this section, each person's personal property, located in the
32 county, which is not otherwise exempt, shall be exempt to the extent of
33 an additional amount of one hundred fifty thousand dollars (\$150,000).
34 The combined exemption under this paragraph and paragraph (a) of this
35 subsection shall not exceed a total amount of two hundred fifty thousand
36 dollars (\$250,000).

37 (c) For the purposes of this section, a person includes two (2) or more
38 people using the property in a common enterprise who are within a rela-
39 tionship described in section 267 of the Internal Revenue Code, as de-
40 fined in section 63-3004, Idaho Code.

41 (3) (a) No later than the third Monday of November 2013, the county
42 clerk of each county shall certify to the state tax commission the
43 amount of exemption from property taxes under subsection (2) (a) of this
44 section, in that county for that year. No later than the third Monday
45 of November 2022, the county clerk of each county shall certify to the
46 state tax commission the amount of exemption from property taxes under
47 subsection (2) (b) of this section in that county for that year. The cer-
48 tification shall identify the property receiving tax reductions, the
49 value of the property, the property's location, the amount of the tax

1 levy applicable to personal property in the location, and the tax before
2 and after the exemption allowed in subsection (2) of this section. The
3 certification shall be in the form prescribed by the state tax commis-
4 sion and shall include such additional information as the commission
5 may require by rule as needed to implement the purpose of this section.
6 The certification shall be reviewed and, if necessary, corrected by the
7 state tax commission.

8 (b) Except as provided in subsection (7) of this section, ~~the year be-~~
9 ~~ginning January 1, 2014, and every year thereafter, a taxing district~~
10 ~~created prior to January 1, 2013, shall be eligible for reimbursement~~
11 ~~for the exemptions granted under subsection (2) (a) and (b) of this sec-~~
12 ~~tion. A taxing district created on and after January 1, 2013, and prior~~
13 ~~to January 1, 2022, shall be eligible for reimbursement of property~~
14 ~~taxes exempted only under subsection (2) (b) of this section. A taxing~~
15 ~~district created on or after January 1, 2022, shall not be eligible for~~
16 ~~reimbursement of any property taxes exempted under this section. The~~
17 amount of annual replacement of property tax on personal property ex-
18 empted pursuant to subsection (2) of this section shall be the amount
19 approved by the state tax commission pursuant to paragraph (a) of this
20 subsection.

21 (4) (a) Subject to the limitations of this section, the state tax
22 commission shall reimburse from the amount appropriated for personal
23 property tax replacement in section 63-3638, Idaho Code, the county
24 treasurer of each county for the reduction on the certifications pro-
25 vided in subsection (3) of this section. The county treasurer shall
26 reimburse from the amount received to each taxing district within the
27 county an amount in proportion to the amount of reduction shown on the
28 certifications in subsection (3) of this section as corrected. The
29 amount that would otherwise be attributable to tax revenues derived
30 from tax levies on personal property exempted by this section within
31 an existing revenue allocation area as defined in section 50-2903(15),
32 Idaho Code, shall be paid directly by the county treasurer to such pub-
33 lic body or agency entitled thereto, equal to the amounts that would
34 have been distributed in accordance with the formula for such distribu-
35 tion set forth in section 50-2908, Idaho Code. ~~Taxing districts created~~
36 ~~on or after January 1, 2013, shall not be eligible for the reimbursement~~
37 ~~provided for in this paragraph.~~

38 (b) The state tax commission shall pay one-half (1/2) of the reimburse-
39 ment provided in this section no later than December 20 of each year, and
40 the second one-half (1/2) shall be paid by no later than June 20 of the
41 following year. The money received by the county tax collector under
42 the provisions of this section may be considered by counties and other
43 taxing districts and budgeted against at the same time, and in the same
44 manner, and in the same year as revenues from taxation. The total amount
45 paid to the county treasurers shall not exceed the amount certified to
46 the state tax commission under subsection (3) of this section.

47 (c) For purposes of the limitation provided by section 63-802, Idaho
48 Code, moneys received from distributions pursuant to section 63-3638,
49 Idaho Code, as property tax replacement for the taxable value of prop-

1 erty exempt from taxation pursuant to this section shall be treated as
2 property tax revenues.

3 (5) (a) Nothing contained in this section shall affect the taxation of
4 forest lands or forest products pursuant to chapter 17, title 63, Idaho
5 Code, or the taxation of the net profits of mines pursuant to chapter 28,
6 title 63, Idaho Code.

7 (b) The exemption from personal property tax provided for in subsec-
8 tion (2) of this section shall not apply to motor vehicles, recreational
9 vehicles, aircraft and boats that are not registered with the state of
10 Idaho and for which required registration fees have not been paid.

11 (6) (a) The application for the exemption provided for in subsection
12 (2) of this section shall be in the form prescribed by the state tax com-
13 mission and shall include such information as the state tax commission
14 may require by rule as needed to implement the purpose of this section
15 including, but not limited to, a list of each item of personal property,
16 the purchase date of each item of personal property, the unit cost of
17 each item of personal property, if more than the exemption allowed in
18 subsection (1) of this section, and the total cost of the items of per-
19 sonal property.

20 (b) The application for this exemption, if the county is capable of so
21 providing, may be transmitted by the county assessor electronically,
22 as that term is defined in section 63-115, Idaho Code, when requested
23 by the taxpayer, or mailed by the county assessor to the taxpayer, or
24 his agent or representative at the taxpayer's last known post office
25 address, no later than March 1 of each year. The transmission or mail-
26 ing of the application shall also include the taxpayer's application
27 for the exemption allowed by this section for the last year in which the
28 taxpayer filed an application.

29 (c) A taxpayer need only make application for the exemption in this sec-
30 tion once as long as all of the following conditions are met:

31 (i) The taxpayer has received the exemption during the previous
32 year as a result of him making a valid application as defined in
33 this section.

34 (ii) The amount of the exemption allowed by this section is more
35 than the taxable value of personal property owned by the taxpayer.

36 (iii) The taxpayer has not made purchases of personal property,
37 excluding items of taxable personal property exempted pursuant to
38 subsection (1) of this section, that would cause the taxable value
39 of the personal property owned by the taxpayer to exceed the maxi-
40 mum amount allowed as an exemption by this section.

41 (d) Knowingly failing to report changes in the taxable value of per-
42 sonal property that exceed the amount of the exemption allowed pursuant
43 to this section shall subject the taxpayer to a fine not in excess of ten
44 thousand dollars (\$10,000) in addition to other penalties set forth in
45 this chapter.

46 (7) Recovery of property tax exemptions allowed by this section but im-
47 properly claimed:

48 (a) Upon discovery of evidence, facts or circumstances indicating any
49 exemption allowed by this section was improperly claimed, the county
50 assessor shall decide whether the exemption claimed should have been

1 allowed, and if not, notify the board of county commissioners, at which
2 time the board may waive a recovery of the property tax and notify such
3 taxpayer in writing.

4 (b) The assessment and collection of the recovery of property tax must
5 begin within the seven (7) year period beginning on the date the assess-
6 ment notice reflecting the improperly claimed exemption was required to
7 be mailed to the taxpayer.

8 (c) The taxpayer may appeal to the board of tax appeals the decision by
9 the board of county commissioners to assess the recovery of property tax
10 within thirty (30) days of the date the county assessor sent the notice
11 to the taxpayer pursuant to this section.

12 (d) For purposes of calculating the tax, the amount of the recovered
13 property tax shall be for each year the exemption allowed by this sec-
14 tion was improperly claimed or approved, up to a maximum of seven (7)
15 years. The amount of the recovery of property tax shall be calculated
16 using the product of the amount of exempted value for each year multi-
17 plied by the levy for that year plus costs, late charges and interest for
18 each year at the rates equal to those provided for delinquent property
19 taxes during that year. In cases of fraud, the fine set forth in subsec-
20 tion (6) (d) of this section shall be assessed for each tax year.

21 (e) Any recovery of property tax shall be due and payable no later than
22 the date provided for property taxes in section 63-903, Idaho Code, and
23 if not timely paid, late charges and interest, beginning the first day
24 of January in the year following the year the county assessor sent the
25 notice to the taxpayer pursuant to this section, shall be calculated at
26 the current rate provided for property taxes.

27 (f) Recovered property taxes shall be billed, collected and dis-
28 tributed in the same manner as property taxes. If the recovery is
29 for property tax for which the state provided replacement money, the
30 amounts recovered shall be reported and remitted to the state tax
31 commission, which shall reimburse the general fund. The state tax com-
32 mission will then notify each affected taxing district or unit of its
33 proportionate share of the recovered property tax, which amount shall
34 be deducted from future payments to be made pursuant to subsection (3)
35 of this section.

36 (g) Thirty (30) days after the taxpayer is notified, as provided in
37 paragraph (a) of this subsection, the assessor shall record a notice
38 of intent to attach a lien. Upon the payment in full of such recov-
39 ered property taxes prior to the attachment of the lien as provided in
40 paragraph (h) of this subsection, or upon the successful appeal by the
41 taxpayer, the county assessor shall record a rescission of the intent to
42 attach a lien within seven (7) business days of receiving such payment
43 or within seven (7) business days of the county commissioners' decision
44 granting the appeal.

45 (h) Any unpaid recovered property taxes shall become a lien upon the
46 taxpayer's personal property in the same manner as provided for prop-
47 erty taxes in section 63-206, Idaho Code, except such lien shall attach
48 as of the first day of January in the year following the year the county
49 treasurer sent the notice to the taxpayer pursuant to this section.

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

4 (8) For operating property with values apportioned to more than one (1)
 5 county, the personal property exemption shall be subtracted from the Idaho
 6 allocated value prior to apportionment and, for private railcar companies,
 7 prior to determining whether their values are to be apportioned. Notwith-
 8 standing amounts calculated as provided in subsection (1) of this section,
 9 the amount of the exemption otherwise provided in subsection (2) of this sec-
 10 tion shall be calculated as follows:

11 (a) Take the lesser amount of:

12 (i) The number of counties in which a company has operating
 13 property multiplied by ~~one~~ two hundred fifty thousand dollars
 14 (~~\$10~~250,000); or

15 (ii) The total statewide value of eligible personal property re-
 16 ported by the company.

17 (b) Reduce the amount calculated in paragraph (a) of this subsection by
 18 the value of any nonoperating personal property granted the exemption
 19 otherwise found in subsection (2) of this section, as reported by county
 20 assessors.

21 SECTION 10. That Section 63-803, Idaho Code, be, and the same is hereby
 22 amended to read as follows:

23 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
 24 district is required by law to certify to any county treasurer, county audi-
 25 tor, county assessor, county commissioners, or ~~to any other county officer,~~
 26 any property tax levy, ~~upon~~ on property located within said district, such
 27 certification shall, notwithstanding any other provision of the law appli-
 28 cable to any such district, be made at the time and in the manner hereinafter
 29 provided.

30 (2) The county auditor shall inform each of the taxing districts within
 31 his county of the taxable value of that district as soon as such value is
 32 known to the auditor, whether the value comes from the appraisal and assess-
 33 ment of real and personal property, ~~or~~ from allocation of the taxable value
 34 of operating property, or from other sources.

35 (3) Using the taxable value of the district, the council, trustees,
 36 board or other governing body of any taxing district shall certify the total
 37 amount required from a property tax upon property within the district to
 38 raise the amount of money fixed by ~~their~~ its budget as previously prepared or
 39 approved. The amount of money so determined shall be certified in dollars
 40 to the appropriate county commissioners. Any taxing unit, except regional
 41 airport authorities, located in more than one (1) county shall divide its
 42 dollar budget for certification to the separate counties by multiplying the
 43 amount of such budget by a fraction, the numerator of which shall be the total
 44 taxable value of all property in such taxing unit within the county to which
 45 such certification is to be made, and the denominator of which shall be the
 46 total taxable value of property in such taxing unit in all such counties.
 47 Budget certification to the participating counties of regional airport
 48 authorities shall be made in the manner prescribed in section 21-807(10),
 49 Idaho Code. Taxable value shall be certified by the county auditor of each

1 affected county to such taxing unit and such certification shall be used in
2 this formula. Except as provided in section 33-805, Idaho Code, relating to
3 school emergency fund levies, the certification to the county commissioners
4 required in this section shall be made not later than the Thursday prior
5 to the second Monday in September, unless, upon application therefor, the
6 county commissioners grant an extension of not more than seven (7) working
7 days. After receipt of this certification, the county commissioners shall
8 make a tax levy as a percent of taxable value of all property in the taxing
9 district which, when applied to the tax rolls, will meet the budget require-
10 ments certified by such taxing districts.

11 (4) Except as provided in section 50-2908(1), Idaho Code, for the pur-
12 pose of this section, "taxable value" shall mean the portion of the equalized
13 assessed value, less any exemptions, not including the additional exemption
14 provided for tax year 2022 in section 63-602KK(2) (b), Idaho Code, and the
15 value that exceeds the value of the base assessment roll for the portion of
16 any taxing district within a revenue allocation area of an urban renewal
17 district, located within each taxing district ~~which~~ that certifies a budget
18 to be raised from a property tax levy. When the county auditor is notified
19 of revenues sufficient to cover expenses as provided in section 50-2903(5),
20 Idaho Code, taxable value shall also include the value that exceeds the value
21 of the base assessment roll for the portion of any taxing district within
22 a revenue allocation area. For each taxing district, taxable value shall
23 include the value from the property and operating property rolls for the
24 current year and subsequent and missed property rolls for the prior year or
25 the best estimate of the subsequent and missed property rolls for the current
26 year.

27 SECTION 11. 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 this
30 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,
31 and 63-3709, Idaho Code, and except as provided in subsection (16) of this
32 section, shall be distributed by the state tax commission as follows:

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

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

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

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

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

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

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

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

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

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

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

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

49 (i) The revenue-sharing amount calculated by the state tax com-
50 mission for the various cities for each quarter of fiscal year 2020

1 shall be the base amount for current quarterly revenue distribu-
2 tion amounts. The state tax commission shall calculate the per
3 capita distribution for each city resulting from the previous fis-
4 cal year's distributions.

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

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

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

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

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

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

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

45 1. One million three hundred twenty thousand dollars
46 (\$1,320,000) annually shall be distributed one forty-fourth
47 (1/44) to each of the various counties; and

48 2. The balance of such amount shall be paid to the various
49 counties, and each county shall be entitled to an amount in

1 the proportion that the population of that county bears to
2 the population of the state; and

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

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

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

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

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

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

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

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

41 (iii) If the dollar amount of money available under this subsec-
42 tion (10) (c) in any quarter exceeds the amount distributed under
43 paragraph (c) (i) of this subsection, each special purpose tax-
44 ing district shall be entitled to a share of the excess based on
45 the proportion each such district's current property tax budget
46 bears to the sum of the current property tax budgets of all such
47 districts in the state. The state tax commission shall calculate
48 district current property tax budgets to include any unrecovered
49 forgone amounts as determined under section 63-802(1) (e), Idaho
50 Code. When a special purpose taxing district is situated in more

1 than one (1) county, the state tax commission shall determine the
2 portion attributable to the special purpose taxing district from
3 each county in which it is situated.

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

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

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

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

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

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

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

10 (13) Amounts calculated in accordance with ~~subsection (4)~~ of section
11 63-602KK(4), Idaho Code, for annual distribution to counties and other
12 taxing districts for replacement of property tax on personal property tax
13 exemptions pursuant to ~~subsection (2)~~ of section 63-602KK(2), Idaho Code,
14 which amounts are continuously appropriated unless the legislature enacts a
15 different appropriation for a particular fiscal year. For purposes of the
16 limitation provided by section 63-802, Idaho Code, moneys received pursuant
17 to this section as property tax replacement for property exempt from taxa-
18 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
19 tax revenues. If taxing districts are consolidated, the resulting district
20 is entitled to an amount equal to the sum of the amounts that were received in
21 the last calendar year by each district pursuant to this subsection prior to
22 the consolidation. If a taxing district or revenue allocation area annexes
23 territory, the distribution of moneys received pursuant to this subsection
24 shall be unaffected. Taxing districts and revenue allocation areas formed
25 after January 1, ~~2013~~ 2022, are not entitled to a payment under the provi-
26 sions of this subsection.

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

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

37 (16) One percent (1%), but not less than fifteen million dollars
38 (\$15,000,000), is continuously appropriated and shall be distributed to the
39 transportation expansion and congestion mitigation fund established in sec-
40 tion 40-720, Idaho Code. The distribution provided for in this subsection
41 must immediately follow the distribution provided for in subsection (10) of
42 this section.

43 SECTION 12. SEVERABILITY. The provisions of this act are hereby de-
44 clared to be severable and if any provision of this act or the application
45 of such provision to any person or circumstance is declared invalid for any
46 reason, such declaration shall not affect the validity of the remaining por-
47 tions of this act.

48 SECTION 13. An emergency existing therefor, which emergency is hereby
49 declared to exist, Sections 1, 2, 3, 4, 5, 6, 7, and 12 of this act shall be in

1 full force and effect on and after passage and approval, and retroactively to
2 January 1, 2021. Sections 8, 9, 10, and 11 of this act shall be in full force
3 and effect on and after January 1, 2022.