

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 604

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PERSONAL PROPERTY TAXATION; AMENDING SECTION 33-1103, IDAHO
2 CODE, TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORRECTIONS; AMEND-
3 ING SECTION 63-201, IDAHO CODE, TO REVISE DEFINITIONS; AMENDING CHAPTER
4 4, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-412, IDAHO
5 CODE, TO PROVIDE FOR PERSONAL PROPERTY OF OPERATING PROPERTY AS CERTAIN
6 PERCENTAGES, TO ESTABLISH PROVISIONS RELATING TO AN EXEMPTION FOR 2014
7 AND TO ESTABLISH PROVISIONS RELATING TO AN EXEMPTION FOR 2015; AMEND-
8 ING SECTION 63-602KK, IDAHO CODE, TO REVISE PROVISIONS RELATING TO AN
9 EXEMPTION, TO PROVIDE FOR AN EXEMPTION ON AND AFTER JANUARY 1, 2015,
10 TO PROVIDE FOR THE DEFINITION OF A PERSON, TO ESTABLISH PROVISIONS RE-
11 LATING TO EXEMPTIONS FOR OPERATING PROPERTY, TO ESTABLISH PROVISIONS
12 RELATING TO CERTAIN LANDS, PRODUCTS, NET PROFITS, IMPROVEMENTS AND VE-
13 HICLES, AIRCRAFT AND BOATS, TO REVISE PROVISIONS RELATING TO CERTAIN
14 REIMBURSEMENTS, TO REMOVE LANGUAGE RELATING TO CERTAIN LANDS, PROD-
15 UCTS, NET PROFITS, VEHICLES, AIRCRAFT AND BOATS, TO REVISE PROVISIONS
16 RELATING TO CERTAIN APPLICATIONS, TO ESTABLISH PROVISIONS RELATING TO
17 CERTAIN DECLARATIONS, TO REVISE PROVISIONS RELATING TO THE RECOVERY
18 OF CERTAIN TAX EXEMPTIONS IMPROPERLY CLAIMED OR FOR WHICH AN EXCESSIVE
19 AMOUNT WAS GRANTED, TO PROVIDE FOR NOTICE, TO REVISE PROVISIONS RELAT-
20 ING TO AN APPEAL, TO REVISE PROVISIONS RELATING TO FRAUD AND TO REVISE
21 PROVISIONS RELATING TO LATE CHARGES AND INTEREST; AMENDING SECTION
22 63-802, IDAHO CODE, TO REVISE LIMITATIONS ON CERTAIN BUDGET REQUESTS
23 AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-802, IDAHO CODE,
24 AS ADDED BY SECTION 12, CHAPTER 339, LAWS OF 2012, TO REVISE LIMITATIONS
25 ON CERTAIN BUDGET REQUESTS AND TO MAKE TECHNICAL CORRECTIONS; AMEND-
26 ING CHAPTER 8, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION
27 63-802B, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO THE COMPUTA-
28 TION OF PERSONAL PROPERTY TAX REIMBURSEMENT, TO ESTABLISH PROVISIONS
29 RELATING TO TAX YEAR 2014 AND TO ESTABLISH PROVISIONS BEGINNING IN TAX
30 YEAR 2015; AMENDING SECTION 63-803, IDAHO CODE, TO REMOVE AN EXCEPTION;
31 AMENDING SECTION 63-803, IDAHO CODE, AS AMENDED BY SECTION 3, CHAPTER
32 243, LAWS OF 2013, TO REMOVE AN EXCEPTION; AMENDING SECTION 63-3638,
33 IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO THE DISTRIBUTION TO
34 COUNTIES, APPROPRIATE TAXING DISTRICTS AND APPROPRIATE URBAN RENEWAL
35 AGENCIES; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICA-
36 TION.
37

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

39 SECTION 1. That Section 33-1103, Idaho Code, be, and the same is hereby
40 amended to read as follows:

41 33-1103. DEFINITIONS -- BONDS -- LIMITATION ON AMOUNT -- ELECTIONS TO
42 AUTHORIZE ISSUANCE. (1) For the purposes of this chapter the following def-

1 initions shall have the meanings specified: "Market value for assessment
 2 purposes" means the amount of the last preceding equalized assessment of all
 3 taxable property and all property exempt from taxation pursuant to section
 4 63-602G, Idaho Code, and ~~property exempt from taxation pursuant to section~~
 5 ~~63-602KK, Idaho Code,~~ within the school district on the tax rolls completed
 6 and available as of the date of approval by the electorate in the school bond
 7 election. "Aggregate outstanding indebtedness" means the total sum of unre-
 8 deemed outstanding bonds, minus all moneys in the bond interest and redemp-
 9 tion fund or funds accumulated for the redemption of such outstanding bonds,
 10 and minus the sum of all taxes levied for the redemption of such bonds, with
 11 the exception of that portion of such tax levies required for the payment of
 12 interest on bonds, which taxes remain uncollected. "Issue," "issued," or
 13 "issuance" means a formal delivery of bonds to any purchaser thereof and pay-
 14 ment therefor to the school district.

15 (2) The board of trustees of any school district, upon approval of a ma-
 16 jority thereof, may submit to the qualified school district electors of the
 17 district the question as to whether the board shall be empowered to issue ne-
 18 gotiable coupon bonds of the district in an amount and for a period of time to
 19 be named in the notice of election.

20 (3) An elementary school district which employs not less than six (6)
 21 teachers, or a school district operating an elementary school or schools,
 22 and a secondary school or schools, or issuing bonds for the acquisition of
 23 a secondary school or schools, may issue bonds in an amount not to exceed
 24 five percent (5%) of the market value for assessment purposes thereof, less
 25 the aggregate outstanding indebtedness; and no other school district shall
 26 issue bonds in an amount to exceed at any time two percent (2%) of the mar-
 27 ket value for assessment purposes thereof less the aggregate outstanding in-
 28 debtedness. The market value for assessment purposes, the aggregate out-
 29 standing indebtedness and the unexhausted debt-incurring power of the dis-
 30 trict shall each be determined as of the date of approval by the electors in
 31 the school bond election.

32 (4) Notice of the bond election shall be given, the election shall be
 33 conducted and the returns thereof canvassed, and the qualifications of elec-
 34 tors voting or offering to vote shall be, as provided in title 34, Idaho Code.

35 (5) The question shall be approved only if the percentage of votes cast
 36 at such election were cast in favor thereof is that which now, or may here-
 37 after be, set by the constitution of the state of Idaho. Upon such approval
 38 of the issuance of bonds, the same may be issued at any time after the date of
 39 such election.

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

42 63-201. DEFINITIONS. As used for property tax purposes in chapters 1
 43 through 23, title 63, Idaho Code, the terms defined in this section shall
 44 have the following meanings, unless the context clearly indicates another
 45 meaning:

46 (1) "Appraisal" means an estimate of property value for property tax
 47 purposes.

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

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

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

12 (3) "Cogenerators" means facilities which produce electric energy, and
13 steam or forms of useful energy which are used for industrial, commercial,
14 heating or cooling purposes.

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

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

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

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

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

31 (9) "Fixtures" means those articles that, although once movable chat-
32 tels, have become accessory to and a part of improvements to real property by
33 having been physically incorporated therein or annexed or affixed thereto
34 in such a manner that removing them would cause material injury or damage
35 to the real property, the use or purpose of such articles is integral to the
36 use of the real property to which it is affixed, and a person would reason-
37 ably be considered to intend to make the articles permanent additions to
38 the real property. "Fixtures" includes systems for the heating, air condi-
39 tioning, ventilation, sanitation, lighting and plumbing of such building.
40 ~~"Fixtures" does not include machinery, equipment or other articles that are~~
41 ~~affixed to real property to enable the proper utilization of such articles.~~

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

45 (11) "Improvements" means all buildings, structures, manufactured
46 homes, as defined in section 39-4105(8), Idaho Code, mobile homes as de-
47 fined in section 39-4105(9), Idaho Code, and modular buildings, as defined
48 in section 39-4301(7), Idaho Code, erected upon or affixed to land, fences,
49 water ditches constructed for mining, manufacturing or irrigation purposes,
50 fixtures, and floating homes, whether or not such improvements are owned

1 separately from the ownership of the land upon or to which the same may be
2 erected, affixed or attached. The term "improvements" also includes all
3 fruit, nut-bearing and ornamental trees or vines not of natural growth,
4 growing upon the land, except nursery stock. Other examples of "improve-
5 ments" include cell towers and similar structures, underground storage
6 tanks, poles and towers, signposts, pipelines and conduit, and railroad
7 tracks.

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

10 (13) "Lawful money of the United States" means currency and coin of the
11 United States at par value and checks and drafts which are payable in dollars
12 of the United States at par value, payable upon demand or presentment.

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

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

20 (16) "Operating property" means real and personal property operated
21 in connection with any public utility, railroad or private railcar fleet,
22 wholly or partly within this state, and which property is necessary to the
23 maintenance and operation of the public utility, railroad or private railcar
24 fleet, and the roads or lines thereof, and includes all rights-of-way ac-
25 companied by title; roadbeds; tracks; pipelines; bargelines; equipment and
26 docks; terminals; rolling stock; equipment; power stations; power sites;
27 lands; reservoirs, generating plants, transmission lines, distribution
28 lines and substations; and all title and interest in such property, as owner,
29 lessee or otherwise. The term includes electrical generation plants under
30 construction, whether or not owned by or operated in connection with any
31 public utility. For the purpose of the appraisal, assessment and taxation of
32 operating property, pursuant to chapter 4, title 63, Idaho Code, the value of
33 intangible personal property shall be excluded from the taxable value of op-
34 erating property in accordance with the provisions of section 63-602L, Idaho
35 Code, and the value of personal property, other than intangible personal
36 property, shall be excluded from the taxable value of operating property in
37 accordance with the provisions of section 63-602KK, Idaho Code.

38 (17) "Party in interest" means a person who holds a properly recorded
39 mortgage, deed of trust or security interest.

40 (18) "Person" means any entity, individual, corporation, partnership,
41 firm, association, limited liability company, limited liability partner-
42 ship or other such entities as recognized by the state of Idaho.

43 (19) "Personal property" means everything that is the subject of owner-
44 ship and that is not included within the term "real property."

45 (20) "Private railcar fleet" means railroad cars or locomotives owned
46 by, leased to, occupied by or franchised to any person other than a railroad
47 company operating a line of railroad in Idaho or any company classified as a
48 railroad by the interstate commerce commission and entitled to possess such
49 railroad cars and locomotives except those possessed solely for the purpose

1 of repair, rehabilitation or remanufacturing of such locomotives or rail-
2 road cars.

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

11 This term does not include cogenerators, mobile telephone service or
12 companies, nor does it include pager service or companies, except when such
13 services are an integral part of services provided by a certificated utility
14 company, nor does the term "public utility" include companies or persons en-
15 gaged in the business of providing solely on a resale basis, any telephone or
16 telecommunication service which is purchased from a telephone corporation
17 or company.

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

24 (23) "Real property" means land and all rights and privileges thereto
25 belonging or any way appertaining, all quarries and fossils in and under the
26 land, and all other property which the law defines, or the courts may inter-
27 pret, declare and hold to be real property under the letter, spirit, intent
28 and meaning of the law, improvements and all standing timber thereon, in-
29 cluding standing timber owned separately from the ownership of the land upon
30 which the same may stand, except as modified in chapter 17, title 63, Idaho
31 Code. Timber, forest, forest land, and forest products shall be defined as
32 provided in chapter 17, title 63, Idaho Code.

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

38 (25) "Special assessment" means a charge imposed upon property for a
39 specific purpose, collected and enforced in the same manner as property
40 taxes.

41 (26) "System value" means the market value for assessment purposes of
42 the operating property when considered as a unit.

43 (27) "Tax code area" means a geographical area made up of one (1) or more
44 taxing districts with one (1) total levy within the geographic area, except
45 as otherwise provided by law.

46 (28) "Taxing district" means any entity or unit with the statutory au-
47 thority to levy a property tax.

48 (29) "Taxable value" means market value for assessment purposes, less
49 applicable exemptions or other statutory provisions.

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

6 (31) "Warrant of distraint" means a warrant ordering the seizure of per-
 7 sonal property to enforce payment of property tax, special assessment, ex-
 8 pense, fee, collection cost or charge collected in the same manner as per-
 9 sonal property tax.

10 SECTION 3. That Chapter 4, Title 63, Idaho Code, be, and the same is
 11 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 12 ignated as Section 63-412, Idaho Code, and to read as follows:

13 63-412. PERSONAL PROPERTY OF OPERATING PROPERTY. (1) Beginning in tax
 14 year 2015, the personal property of operating property entities is defined
 15 as the following percentages of their Idaho allocated value prior to the ap-
 16 portionment as defined in chapter 4, title 63, Idaho Code.

Industry	Percentage
Gas Distribution	50%
Gas Transmission	50%
Petroleum Pipelines	70%
Railcars	100%
Water Distribution	50%
Railroads	80%
Water Transportation	50%
Electric	40%
Regulated Telecommunications	50%
Non-Regulated Telecommunica- tions	50%
Non-Utility Generators	40%

30 (2) In tax year 2014, the amount of the exemption shall equal the lesser
 31 of one hundred thousand dollars (\$100,000) times the number of Idaho coun-
 32 ties in which the company is located or the amount of personal property re-
 33 ported by the company in its annual operator's statement. Such amount shall
 34 be subtracted from the Idaho allocated value prior to the apportionment as
 35 defined in chapter 4, title 63, Idaho Code.

36 (3) In tax year 2015 and each year thereafter, the state tax commission
 37 will compute an amount of personal property value based on the percent-
 38 ages found in subsection (1) of this section. The lesser of that amount
 39 or an amount computed by multiplying two hundred fifty thousand dollars
 40 (\$250,000) times the number of Idaho counties in which the company is located
 41 shall be the amount of the personal property exemption for that company.
 42 Such amount shall be subtracted from the Idaho allocated value prior to the
 43 apportionment as defined in chapter 4, title 63, Idaho Code.

1 SECTION 4. 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 Beginning January 1, 2013, through December
27 31, 2014, each taxpayer's person's personal property, located in the
28 county, which is not otherwise exempt, shall be exempt to the extent
29 of one hundred thousand dollars (\$100,000), except as provided for in
30 paragraph (b) of this subsection. On and after January 1, 2015, each
31 person's personal property, located in the county, which is not other-
32 wise exempt, shall be exempt to the extent of two hundred fifty thousand
33 dollars (\$250,000), except as provided for in paragraph (b) of this
34 subsection. For the purposes of this section, a taxpayer includes two
35 (2) or more individuals using the property in a common enterprise or a
36 related group of two (2) or more organizations when the individuals or
37 organizations are within a relationship described in section 267 of
38 the Internal Revenue Code, as defined in section 63-3004, Idaho Code.
39 person includes two (2) or more people using the property in a common
40 enterprise and who are within one (1) or more of the following relation-
41 ships:

42 (i) Siblings, spouses, ancestors and lineal descendants;

43 (ii) Corporations and partnerships sharing common ownership of
44 more than fifty percent (50%);

45 (iii) Any other relationships deemed by the county assessor or,
46 with respect to operating property, the state tax commission, to
47 be exclusively designed to increase the amount or number of exemp-
48 tions including, but not limited to, relationships between trusts

1 and their fiduciaries, beneficiaries, grantors and any other per-
 2 son.

3 (b) For operating property, the amount of the exemption shall be the
 4 amount computed pursuant to section 63-412, Idaho Code.

5 (3) (a) No later than the third Monday of November 2013, the county
 6 clerk of each county shall certify to the state tax commission the
 7 amount of exemption from property taxes under subsection (2) of this
 8 section, in that county for that year. The certification shall identify
 9 the property receiving tax reductions, the value of the property, the
 10 property's location, the amount of the tax levy applicable to personal
 11 property in the location, and the tax before and after the exemption al-
 12 lowed in subsection (2) of this section. The certification shall be in
 13 the form prescribed by the state tax commission and shall include such
 14 additional information as the commission may require by rule as needed
 15 to implement the purpose of this section. The certification shall be
 16 reviewed and, if necessary, corrected by the state tax commission.

17 (b) For the year beginning January 1, 2014, and every year thereafter,
 18 the amount of annual replacement of property tax on personal property
 19 exempted pursuant to subsection (2) of this section shall be the amount
 20 approved by the state tax commission pursuant to ~~paragraph (a) of this~~
 21 ~~subsection~~ the provisions of section 63-802B, Idaho Code.

22 (4) (a) Nothing contained in this section shall affect the taxation of
 23 forest lands or forest products pursuant to chapter 17, title 63, Idaho
 24 Code, or the taxation of the net profits of mines pursuant to chapter
 25 28, title 63, Idaho Code. Any improvements assessed pursuant to section
 26 63-309, Idaho Code, shall not be eligible for the exemption provided for
 27 in this section.

28 (b) The exemption from personal property tax provided for in this sec-
 29 tion shall not apply to motor vehicles, recreational vehicles, aircraft
 30 and boats.

31 (5) (a) Subject to the limitations of this section, the state tax
 32 commission shall reimburse from the amount appropriated for personal
 33 property tax replacement in section 63-3638, Idaho Code, the county
 34 treasurer of each county for the ~~reduction amount~~ on the certifica-
 35 tion provided in ~~subsection (3) of this section~~ pursuant to section
 36 63-802B, Idaho Code. The county treasurer shall reimburse from the
 37 amount received to each taxing district within the county ~~an~~ the amount
 38 ~~in proportion to the amount of reduction~~ shown on the certification in
 39 ~~subsection (3) of this section as corrected~~ 63-802B, Idaho Code. The
 40 amount that would otherwise be attributable to tax revenues derived
 41 from tax levies on personal property exempted by this section within
 42 an existing revenue allocation area as defined in section 50-2903(15),
 43 Idaho Code, shall be paid directly by the county treasurer to such pub-
 44 lic body or agency entitled thereto, equal to the amounts that would
 45 have been distributed in accordance with the formula for such distri-
 46 bution set forth in section 50-2908, Idaho Code. Taxing districts and
 47 urban renewal agency revenue allocation areas created on or after Jan-
 48 uary 1, 2013, shall not be eligible for ~~the reimbursement provided for~~
 49 ~~in this paragraph.~~

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

10 (c) For purposes of the limitation provided by section 63-802, Idaho
11 Code, moneys received from distributions pursuant to section 63-3638,
12 Idaho Code, as property tax replacement for the taxable value of prop-
13 erty exempt from taxation pursuant to this section shall be treated as
14 property tax revenues.

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

19 ~~(b) The exemption from personal property tax provided for in subsection~~
20 ~~(2) of this section shall not apply to motor vehicles, recreational ve-~~
21 ~~hicles, aircraft and boats, which are not registered with the state of~~
22 ~~Idaho and for which required registration fees have not been paid.~~

23 (6) (a) The application for the exemption provided for in subsection
24 (2) of this section shall be in the form prescribed by the state tax com-
25 mission and shall include such information as the state tax commission
26 may require by rule as needed to implement the purpose of this section
27 including, but not limited to, a list of each item of personal property,
28 the purchase date of each item of personal property, the unit cost of
29 each item of personal property, if more than the exemption allowed in
30 subsection (1) of this section, and the total cost of the items of per-
31 sonal property.

32 (b) ~~The~~ If application for this exemption, ~~if the county is capable~~
33 ~~of so providing is required,~~ may be transmitted by the county assessor
34 electronically, as that term is defined in section 63-115, Idaho Code,
35 when requested by the taxpayer, or mailed by the county assessor to the
36 taxpayer, or his agent or representative at the taxpayer's last known
37 post office address, no later than March 1 of each year. The transmis-
38 sion or mailing of the application shall also include the taxpayer's
39 application for the exemption allowed by this section for the last year
40 in which the taxpayer filed an application.

41 (c) A taxpayer need only make application for the exemption in
42 subsection (2) of this section once every five (5) years, as long as all
43 both of the following conditions are met:

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

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

49 ~~(iii) The taxpayer has not made purchases of personal property,~~
50 ~~excluding items of taxable personal property exempted pursuant to~~

1 ~~subsection (1) of this section, that would cause the taxable value~~
2 ~~of the personal property owned by the taxpayer to exceed the maxi-~~
3 ~~imum amount allowed as an exemption by this section.~~

4 (d) The application for the exemption provided for in subsection (2)
5 of this section shall be the declarations required pursuant to sections
6 63-302, 63-602Y and 63-313, Idaho Code. For tax year 2014, such decla-
7 rations shall be filed provided that without this exemption, the tax-
8 able value of personal property would exceed one hundred thousand dol-
9 lars (\$100,000). For tax years 2015 and each year thereafter, such decla-
10 rarations shall be filed provided that without this exemption, the tax-
11 able value of personal property would exceed two hundred fifty thousand
12 dollars (\$250,000).

13 ~~(ive) Knowingly failing to report changes in the taxable value of~~
14 ~~taxable personal property that exceeds the amount of the exemption~~
15 ~~allowed pursuant to subsection (2) of this section shall subject the~~
16 ~~taxpayer to a fine not in excess of ten thousand dollars (\$10,000) in~~
17 ~~addition to other penalties set forth in this chapter.~~

18 (7) Recovery of property tax exemptions allowed by this section but im-
19 properly claimed ~~per affidavit~~ or for which an excessive amount was granted:

20 (a) Upon discovery of evidence, facts or circumstances indicating any
21 exemption allowed by this section was improperly claimed or for which an
22 excessive amount was granted, the county assessor shall decide whether
23 the exemption claimed or amount granted should have been allowed, and
24 if not, notify the board of county commissioners, at which time the
25 board may waive a recovery of the property tax and notify such taxpayer
26 in writing. Such notice shall indicate that any exemption improperly
27 claimed or excessive amount granted could be subject to assessment in
28 the future.

29 (b) If the board does not waive the property tax recovery, the board
30 must notify the taxpayer and the county assessor within thirty (30) days
31 of the decision not to waive, and tThe assessment and collection of the
32 recovery of property tax must begin within the seven (7) year period
33 beginning on the date the assessment notice reflecting the improperly
34 claimed exemption was required to be mailed to the taxpayer January 1
35 of the year in which an exemption was improperly claimed or in which an
36 excess amount was granted.

37 (c) The taxpayer may appeal to the board of tax appeals the decision by
38 the board of county commissioners to assess the recovery of property tax
39 within thirty (30) days of the date the county assessor sent the notice
40 to the taxpayer pursuant to this section of the decision of the county
41 commissioners.

42 (d) For purposes of calculating the tax, the amount of the recovered
43 property tax shall be for each year the exemption allowed by this sec-
44 tion was improperly claimed or approved, up to a maximum of seven (7)
45 years. The amount of the recovery of property tax shall be calculated
46 using the product of the amount of exempted value for each year multi-
47 plied by the levy for that year plus costs, late charges and interest for
48 each year at the rates equal to those provided for delinquent property
49 taxes during that year. In cases of fraud, the fine set forth in subsec-

1 tion (6) ~~(ee) (iv)~~ of this section shall be assessed for each ~~annual affi-~~
 2 ~~davit filed tax year.~~

3 (e) Any recovery of property tax shall be due and payable no later than
 4 the date provided for property taxes in section 63-903, Idaho Code,
 5 and if not timely paid, late charges, as defined in section 63-201,
 6 Idaho Code, and interest as calculated in section 63-1001, Idaho Code,
 7 beginning the first day of January in the year following the tax year
 8 the county assessor sent the notice to the taxpayer pursuant to this
 9 section, shall be calculated at the current rate provided for property
 10 taxes in which an exemption was improperly claimed or in which an excess
 11 amount was granted.

12 (f) Recovered property taxes shall be billed, collected and dis-
 13 tributed in the same manner as property taxes, except each taxing dis-
 14 trict or unit shall be notified of the amount of any recovered property
 15 taxes included in any distribution.

16 (g) Thirty (30) days after the taxpayer is notified, as provided in
 17 subsection (7) (a) of this section, the assessor shall record a notice
 18 of intent to attach a lien. Upon the payment in full of such recovered
 19 property taxes prior to the attachment of the lien as provided in sub-
 20 section (7) (h) of this section, or upon the successful appeal by the
 21 taxpayer, the county assessor shall record a rescission of the intent to
 22 attach a lien within seven (7) business days of receiving such payment
 23 or within seven (7) business days of the county commissioners' decision
 24 granting the appeal.

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

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

33 SECTION 5. That Section 63-802, Idaho Code, be, and the same is hereby
 34 amended to read as follows:

35 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES
 36 -- EXCEPTIONS. (1) Except as provided in subsections (3) and (4) of this
 37 section, no taxing district shall certify a budget request for an amount of
 38 property tax revenues to finance an annual budget that exceeds the greater of
 39 paragraphs (a) through (i) of this subsection inclusive:

40 (a) The dollar amount of property taxes certified for its annual bud-
 41 get for any one (1) of the three (3) tax years preceding the current tax
 42 year, whichever is greater, ~~for the past tax year,~~ which amount may be
 43 increased by a growth factor of not to exceed three percent (3%) plus the
 44 amount of revenue calculated as described in this subsection. The dol-
 45 lar amount of property taxes certified shall include the amount for re-
 46 imbursement computed pursuant to the provisions of section 63-802B(1)
 47 and (4), Idaho Code, for personal property taxes. Multiply the levy of
 48 the previous year, not including any levy described in subsection (4)
 49 of this section, or any school district levy reduction resulting from

1 a distribution of state funds pursuant to section 63-3638(11), Idaho
2 Code, by the value shown on the new construction roll compiled pursuant
3 to section 63-301A, Idaho Code; and by the value of annexation during
4 the previous calendar year, as certified by the state tax commission
5 for market values of operating property of public utilities and by the
6 county assessor;

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

9 (c) The dollar amount of the actual budget request, if the taxing dis-
10 trict is newly created except as may be provided in subsection (1) (h) of
11 this section;

12 (d) In the case of school districts, the restriction imposed in section
13 33-802, Idaho Code;

14 (e) In the case of a nonschool district for which less than the maximum
15 allowable increase in the dollar amount of property taxes is certified
16 for annual budget purposes in any one (1) year, such a district may, in
17 any following year, recover the foregone increase by certifying, in ad-
18 dition to any increase otherwise allowed, an amount not to exceed one
19 hundred percent (100%) of the increase originally foregone. Said addi-
20 tional amount shall be included in future calculations for increases as
21 allowed;

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

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

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

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

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

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

16 (4) The amount of property tax revenues to finance an annual budget does
 17 not include revenues from nonproperty tax sources, and does not include rev-
 18 enue from levies to satisfy judgments pursuant to section 63-1305A, Idaho
 19 Code, and revenue from levies that are voter approved for bonds, override
 20 levies or supplemental levies, plant facilities reserve fund levies, school
 21 emergency fund levies or for levies applicable to newly annexed property or
 22 for levies applicable to new construction as evidenced by the value of prop-
 23 erty subject to the occupancy tax pursuant to section 63-317, Idaho Code, for
 24 the preceding tax year.

25 SECTION 6. That Section 63-802, Idaho Code, as added by Section 12,
 26 Chapter 339, Laws of 2012, be, and the same is hereby amended to read as fol-
 27 lows:

28 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
 29 EXCEPTIONS. (1) Except as provided in subsection (3) of this section, no tax-
 30 ing district shall certify a budget request for an amount of property tax
 31 revenues to finance an annual budget that exceeds the greater of paragraphs
 32 (a) through (i) of this subsection inclusive:

33 (a) The dollar amount of property taxes certified for its annual bud-
 34 get for any one (1) of the three (3) tax years preceding the current tax
 35 year, whichever is greater, ~~for the past tax year,~~ which amount may be
 36 increased by a growth factor of not to exceed three percent (3%) plus the
 37 amount of revenue calculated as described in this subsection. The dol-
 38 lar amount of property taxes certified shall include the amount for re-
 39 imbursement computed pursuant to the provisions of section 63-802B(1)
 40 and (4), Idaho Code, for personal property taxes. Multiply the levy of
 41 the previous year, not including any levy described in subsection (4)
 42 of this section, or any school district levy reduction resulting from
 43 a distribution of state funds pursuant to section 63-3638(11), Idaho
 44 Code, by the value shown on the new construction roll compiled pursuant
 45 to section 63-301A, Idaho Code; and by the value of annexation during
 46 the previous calendar year, as certified by the state tax commission
 47 for market values of operating property of public utilities and by the
 48 county assessor;

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

3 (c) The dollar amount of the actual budget request, if the taxing dis-
4 trict is newly created except as may be provided in subsection (1) (h) of
5 this section;

6 (d) In the case of school districts, the restriction imposed in section
7 33-802, Idaho Code;

8 (e) In the case of a nonschool district for which less than the maximum
9 allowable increase in the dollar amount of property taxes is certified
10 for annual budget purposes in any one (1) year, such a district may, in
11 any following year, recover the foregone increase by certifying, in ad-
12 dition to any increase otherwise allowed, an amount not to exceed one
13 hundred percent (100%) of the increase originally foregone. Said addi-
14 tional amount shall be included in future calculations for increases as
15 allowed;

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

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

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

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

45 (2) In the case of fire districts, during the year immediately follow-
46 ing the election of a public utility or public utilities to consent to be pro-
47 vided fire protection pursuant to section 31-1425, Idaho Code, the maximum
48 amount of property tax revenues permitted in subsection (1) of this section
49 may be increased by an amount equal to the current year's taxable value of the
50 consenting public utility or public utilities multiplied by that portion of

1 the prior year's levy subject to the limitation provided by subsection (1) of
2 this section.

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

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

18 SECTION 7. That Chapter 8, Title 63, Idaho Code, be, and the same is
19 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
20 ignated as Section 63-802B, Idaho Code, and to read as follows:

21 63-802B. COMPUTATION OF PERSONAL PROPERTY TAX REIMBURSEMENT. (1) Ex-
22 cept as provided for in subsection (4) of this section, the state tax commis-
23 sion shall determine the amount of tax on personal property exempt pursuant
24 to section 63-602KK(2), Idaho Code, for the 2014 tax year, based on amounts
25 certified in November 2013, as corrected, and shall certify such amount
26 to each county by July 1, 2014. For purposes of the limitation provided in
27 section 63-802, Idaho Code, moneys received from distributions pursuant to
28 this section, as property tax replacement for the taxable value of property
29 exempt from taxation pursuant to section 63-602KK, Idaho Code, shall be
30 treated as property tax revenues. However, before calculating the levy, any
31 amount received must be subtracted in the tax year for which the amount was
32 received.

33 (2) (a) If taxing districts are consolidated, or if revenue allocation
34 areas within an urban renewal district are consolidated, the resulting
35 district or revenue allocation area is entitled to be reimbursed for the
36 amounts that would have been reimbursed to the taxing districts or urban
37 renewal revenue allocation areas as they existed prior to the consoli-
38 dation.

39 (b) If a taxing district or revenue allocation area within an urban re-
40 newal district is dissolved, any reimbursement amount that would have
41 been distributed to such district or revenue allocation area shall not
42 be distributed.

43 (3) The reimbursements by the state tax commission provided for in this
44 section and elsewhere in this act shall be made in the following manner: by
45 no later than December 20 of each year, the state tax commission shall pay to
46 the county tax collector of each county one-half (1/2) of the amount due each
47 county as reimbursement for reduction in property taxes, and shall pay the
48 second one-half (1/2) of such amount by no later than June 20 of the following
49 year.

1 (4) Beginning in tax year 2015, the following provisions apply:

2 (a) For tax year 2015, the state tax commission shall calculate an addi-
3 tional reimbursement for each taxing district and urban renewal revenue
4 allocation area that received reimbursement based upon the exempt per-
5 sonal property reported in 2013. The total amount of the reimbursement
6 shall be adjusted as if the exemption had been two hundred fifty thou-
7 sand dollars (\$250,000) for locally assessed property plus, where ap-
8 propriate, for operating property, the amount computed pursuant to sec-
9 tion 63-412, Idaho Code. The adjusted amount shall be certified by the
10 state tax commission to each county no later than December 31, 2014.

11 (b) For purposes of the limitation provided in section 63-802, Idaho
12 Code, moneys received from distributions pursuant to this subsection,
13 as property tax replacement for the taxable value of property exempt
14 from taxation pursuant to this subsection, shall be treated as prop-
15 erty tax revenues. However, before calculating the levy, any amount
16 received must be subtracted in the tax year for which the amount was
17 received.

18 (c) Any amount certified and approved pursuant to this subsection shall
19 be in lieu of amounts that were reimbursed pursuant to subsection (1) of
20 this section.

21 (d) Except as provided in subsection (2) of this section, the amount
22 certified pursuant to subsection (4) (a) of this section shall be the
23 amount reimbursed in tax year 2015 and each tax year thereafter.

24 (5) Subject to the limitations of this section, the state tax commis-
25 sion shall reimburse from the amount appropriated for personal property tax
26 replacement in section 63-3638, Idaho Code, the county treasurer of each
27 county for the amount on the certifications provided in subsection (1) or
28 (4) (a) of this section. The county treasurer shall reimburse from the amount
29 received to each taxing district and urban renewal agency within the county
30 the amount shown on the certifications in subsection (1) or (4) (a) of this
31 section. The amount that would otherwise be attributable to tax revenues
32 derived from tax levies on personal property exempted by this section within
33 an existing revenue allocation area as defined in section 50-2903(15), Idaho
34 Code, shall be paid directly by the county treasurer to such public body
35 or agency entitled thereto, equal to the amounts that would have been dis-
36 tributed in accordance with the formula for such distribution set forth in
37 section 50-2908, Idaho Code.

38 SECTION 8. That Section 63-803, Idaho Code, be, and the same is hereby
39 amended to read as follows:

40 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
41 district is required by law to certify to any county treasurer, county audi-
42 tor, county assessor, county commissioners or to any other county officer,
43 any property tax levy, upon property located within said district, such cer-
44 tification shall, notwithstanding any other provision of the law applicable
45 to any such district, be made at the time and in the manner hereinafter pro-
46 vided.

47 (2) The county auditor shall inform each of the taxing districts within
48 his county of the taxable value of that district as soon as such value is
49 known to the auditor, whether the value comes from the appraisal and assess-

1 ment of real and personal property, or from allocation of the taxable value
2 of operating property, or from other sources.

3 (3) Using the taxable value of the district, the council, trustees,
4 board or other governing body of any taxing district shall certify the total
5 amount required from a property tax upon property within the district to
6 raise the amount of money fixed by their budget as previously prepared or
7 approved. The amount of money so determined shall be certified in dollars
8 to the appropriate county commissioners. Any taxing unit, except regional
9 airport authorities, located in more than one (1) county shall divide its
10 dollar budget for certification to the separate counties by multiplying the
11 amount of such budget by a fraction, the numerator of which shall be the total
12 taxable value of all property in such taxing unit within the county to which
13 such certification is to be made, and the denominator of which shall be the
14 total taxable value of property in such taxing unit in all such counties.
15 Budget certification to the participating counties of regional airport
16 authorities shall be made in the manner prescribed in section 21-807(10),
17 Idaho Code. Taxable value shall be certified by the county auditor of each
18 affected county to such taxing unit and such certification shall be used in
19 this formula. Except as provided in section 33-805, Idaho Code, relating to
20 school emergency fund levies, the certification to the county commissioners
21 required in this section shall be made not later than the Thursday prior
22 to the second Monday in September, unless, upon application therefor, the
23 county commissioners grant an extension of not more than seven (7) working
24 days. After receipt of this certification, the county commissioners shall
25 make a tax levy as a percent of taxable value of all property in the taxing
26 district which, when applied to the tax rolls, will meet the budget require-
27 ments certified by such taxing districts.

28 (4) Except as provided in subsection (1)(a) through (f) of section
29 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
30 mean the portion of the equalized assessed value, less any exemptions,
31 ~~except the exemption for personal property in section 63-602KK(2), Idaho~~
32 ~~Code,~~ and the value that exceeds the value of the base assessment roll for
33 the portion of any taxing district within a revenue allocation area of an
34 urban renewal district, located within each taxing district which certifies
35 a budget to be raised from a property tax levy. When the county auditor is
36 notified of revenues sufficient to cover expenses as provided in section
37 50-2903(5), Idaho Code, taxable value shall also include the value that
38 exceeds the value of the base assessment roll for the portion of any taxing
39 district within a revenue allocation area. For each taxing district, tax-
40 able value shall include the value from the property and operating property
41 rolls for the current year and subsequent and missed property rolls for the
42 prior year or the best estimate of the subsequent and missed property rolls
43 for the current year.

44 SECTION 9. That Section 63-803, Idaho Code, as amended by Section 3,
45 Chapter 243, Laws of 2013, be, and the same is hereby amended to read as fol-
46 lows:

47 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
48 district is required by law to certify to any county treasurer, county audi-
49 tor, county assessor, county commissioners or to any other county officer,

1 any property tax levy, upon property located within said district, such cer-
2 tification shall, notwithstanding any other provision of the law applicable
3 to any such district, be made at the time and in the manner hereinafter pro-
4 vided.

5 (2) The county auditor shall inform each of the taxing districts within
6 his county of the taxable value of that district as soon as such value is
7 known to the auditor, whether the value comes from the appraisal and assess-
8 ment of real and personal property, or from allocation of the taxable value
9 of operating property, or from other sources.

10 (3) Using the taxable value of the district, the council, trustees,
11 board or other governing body of any taxing district shall certify the total
12 amount required from a property tax upon property within the district to
13 raise the amount of money fixed by their budget as previously prepared or
14 approved. The amount of money so determined shall be certified in dollars
15 to the appropriate county commissioners. Any taxing unit, except regional
16 airport authorities, located in more than one (1) county shall divide its
17 dollar budget for certification to the separate counties by multiplying the
18 amount of such budget by a fraction, the numerator of which shall be the total
19 taxable value of all property in such taxing unit within the county to which
20 such certification is to be made, and the denominator of which shall be the
21 total taxable value of property in such taxing unit in all such counties.
22 Budget certification to the participating counties of regional airport
23 authorities shall be made in the manner prescribed in section 21-807(10),
24 Idaho Code. Taxable value shall be certified by the county auditor of each
25 affected county to such taxing unit and such certification shall be used in
26 this formula. Except as provided in section 33-805, Idaho Code, relating to
27 school emergency fund levies, the certification to the county commissioners
28 required in this section shall be made not later than the Thursday prior
29 to the second Monday in September, unless, upon application therefor, the
30 county commissioners grant an extension of not more than seven (7) working
31 days. After receipt of this certification, the county commissioners shall
32 make a tax levy as a percent of taxable value of all property in the taxing
33 district which, when applied to the tax rolls, will meet the budget require-
34 ments certified by such taxing districts.

35 (4) Except as provided in subsection (1)(a) through (e) of section
36 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
37 mean the portion of the equalized assessed value, less any exemptions,
38 ~~except the exemption for personal property in section 63-602KK(2), Idaho~~
39 ~~Code,~~ and the value that exceeds the value of the base assessment roll for
40 the portion of any taxing district within a revenue allocation area of an
41 urban renewal district, located within each taxing district which certifies
42 a budget to be raised from a property tax levy. When the county auditor is
43 notified of revenues sufficient to cover expenses as provided in section
44 50-2903(5), Idaho Code, taxable value shall also include the value that
45 exceeds the value of the base assessment roll for the portion of any taxing
46 district within a revenue allocation area. For each taxing district, tax-
47 able value shall include the value from the property and operating property
48 rolls for the current year and subsequent and missed property rolls for the
49 prior year or the best estimate of the subsequent and missed property rolls
50 for the current year.

1 SECTION 10. That Section 63-3638, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
4 chapter, except as may otherwise be required in sections 63-3203 and
5 63-3709, Idaho Code, shall be distributed by the state tax commission as
6 follows:

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

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

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

17 (4) An amount equal to the sum required to be certified by the chair-
18 man of the Idaho housing and finance association to the state tax commis-
19 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
20 appropriated and shall be paid to any capital reserve fund, established by
21 the Idaho housing and finance association pursuant to section 67-6211, Idaho
22 Code. Such amounts, if any, as may be appropriated hereunder to the capital
23 reserve fund of the Idaho housing and finance association shall be repaid for
24 distribution under the provisions of this section, subject to the provisions
25 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
26 tion, as soon as possible, from any moneys available therefor and in excess
27 of the amounts which the association determines will keep it self-support-
28 ing.

29 (5) An amount equal to the sum required by the provisions of sections
30 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
31 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
32 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

37 (8) For fiscal year 2011, and each fiscal year thereafter, four million
38 one hundred thousand dollars (\$4,100,000), of which two million two hundred
39 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
40 (44) counties in equal amounts, and one million nine hundred thousand dol-
41 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-
42 ties in the proportion that the population of the county bears to the popula-
43 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,
44 the amount distributed pursuant to this subsection, shall be adjusted annu-
45 ally by the state tax commission in accordance with the consumer price index
46 for all urban consumers (CPI-U) as published by the U.S. department of la-
47 bor, bureau of labor statistics, but in no fiscal year shall the total amount
48 allocated for counties under this subsection, be less than four million one
49 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-

1 justment required in this section shall be distributed to each county in the
2 proportion that the population of the county bears to the population of the
3 state. Each county shall establish a special election fund to which shall be
4 deposited all revenues received from the distribution pursuant to this sub-
5 section. All such revenues shall be used exclusively to defray the costs as-
6 sociated with conducting elections as required of county clerks by the pro-
7 visions of section 34-1401, Idaho Code.

8 (9) One dollar (\$1.00) on each application for certificate of title
9 or initial application for registration of a motor vehicle, snowmobile,
10 all-terrain vehicle or other vehicle processed by the county assessor or the
11 Idaho transportation department excepting those applications in which any
12 sales or use taxes due have been previously collected by a retailer, shall be
13 a fee for the services of the assessor of the county or the Idaho transporta-
14 tion department in collecting such taxes, and shall be paid into the current
15 expense fund of the county or state highway account established in section
16 40-702, Idaho Code.

17 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-
18 ated and shall be distributed to the revenue sharing account which is created
19 in the state treasury, and the moneys in the revenue sharing account will be
20 paid in installments each calendar quarter by the state tax commission as
21 follows:

22 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
23 various cities as follows:

24 (i) Fifty percent (50%) of such amount shall be paid to the vari-
25 ous cities, and each city shall be entitled to an amount in the pro-
26 portion that the population of that city bears to the population of
27 all cities within the state; and

28 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
29 ous cities, and each city shall be entitled to an amount in the pro-
30 portion that the preceding year's market value for assessment pur-
31 poses for that city bears to the preceding year's market value for
32 assessment purposes for all cities within the state.

33 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
34 various counties as follows:

35 (i) One million three hundred twenty thousand dollars
36 (\$1,320,000) annually shall be distributed one forty-fourth
37 (1/44) to each of the various counties; and

38 (ii) The balance of such amount shall be paid to the various coun-
39 ties, and each county shall be entitled to an amount in the propor-
40 tion that the population of that county bears to the population of
41 the state;

42 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
43 priated in this subsection shall be paid to the several counties for
44 distribution to the cities and counties as follows:

45 (i) Each city and county which received a payment under the provi-
46 sions of section 63-3638(e), Idaho Code, during the fourth quarter
47 of calendar year 1999, shall be entitled to a like amount during
48 succeeding calendar quarters.

49 (ii) If the dollar amount of money available under this subsection
50 (10) (c) in any quarter does not equal the amount paid in the fourth

1 quarter of calendar year 1999, each city's and county's payment
2 shall be reduced proportionately.

3 (iii) If the dollar amount of money available under this subsec-
4 tion (10) (c) in any quarter exceeds the amount paid in the fourth
5 quarter of calendar year 1999, each city and county shall be en-
6 titled to a proportionately increased payment, but such increase
7 shall not exceed one hundred five percent (105%) of the total pay-
8 ment made in the fourth quarter of calendar year 1999.

9 (iv) If the dollar amount of money available under this subsection
10 (10) (c) in any quarter exceeds one hundred five percent (105%) of
11 the total payment made in the fourth quarter of calendar year 1999,
12 any amount over and above such one hundred five percent (105%)
13 shall be paid fifty percent (50%) to the various cities in the pro-
14 portion that the population of the city bears to the population of
15 all cities within the state, and fifty percent (50%) to the various
16 counties in the proportion that the population of a county bears to
17 the population of the state; and

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

21 (i) Each such district which received a payment under the provi-
22 sions of section 63-3638 (e), Idaho Code, during the fourth quarter
23 of calendar year 1999, shall be entitled to a like amount during
24 succeeding calendar quarters.

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

29 (iii) If the dollar amount of money available under this subsec-
30 tion (10) (d) in any quarter exceeds the amount distributed under
31 paragraph (i) of this subsection (10) (d), each special purpose
32 taxing district shall be entitled to a share of the excess based on
33 the proportion each such district's current property tax budget
34 bears to the sum of the current property tax budgets of all such
35 districts in the state. The state tax commission shall calculate
36 district current property tax budgets to include any unrecovered
37 foregone amounts as determined under section 63-802(1) (e), Idaho
38 Code. When a special purpose taxing district is situated in more
39 than one (1) county, the state tax commission shall determine the
40 portion attributable to the special purpose taxing district from
41 each county in which it is situated.

42 (iv) If special purpose taxing districts are consolidated, the
43 resulting district is entitled to a base amount equal to the sum of
44 the base amounts which were received in the last calendar quarter
45 by each district prior to the consolidation.

46 (v) If a special purpose taxing district is dissolved or disin-
47 corporated, the state tax commission shall continuously distrib-
48 ute to the board of county commissioners an amount equal to the
49 last quarter's distribution prior to dissolution or disincorpora-

1 tion. The board of county commissioners shall determine any re-
2 distribution of moneys so received.

3 (vi) Taxing districts formed after January 1, 2001, are not enti-
4 tled to a payment under the provisions of this subsection (10) (d).

5 (vii) For purposes of this subsection (10) (d), a special purpose
6 taxing district is any taxing district which is not a city, a
7 county or a school district.

8 (11) Amounts calculated in accordance with section 2, chapter 356, laws
9 of 2001, for annual distribution to counties and other taxing districts be-
10 ginning in October 2001 for replacement of property tax on farm machinery and
11 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
12 districts, the state tax commission shall distribute one-fourth (1/4) of
13 this amount certified quarterly to each county. For school districts, the
14 state tax commission shall distribute one-fourth (1/4) of the amount certi-
15 fied quarterly to each school district. For nonschool districts, the county
16 auditor shall distribute to each district within thirty (30) calendar days
17 from receipt of moneys from the state tax commission. Moneys received by
18 each taxing district for replacement shall be utilized in the same manner
19 and in the same proportions as revenues from property taxation. The moneys
20 remitted to the county treasurer for replacement of property exempt from
21 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
22 counties and other taxing districts and budgeted at the same time, in the
23 same manner and in the same year as revenues from taxation on personal prop-
24 erty which these moneys replace. If taxing districts are consolidated, the
25 resulting district is entitled to an amount equal to the sum of the amounts
26 which were received in the last calendar quarter by each district pursuant
27 to this subsection prior to the consolidation. If a taxing district is
28 dissolved or disincorporated, the state tax commission shall continuously
29 distribute to the board of county commissioners an amount equal to the
30 last quarter's distribution prior to dissolution or disincorporation. The
31 board of county commissioners shall determine any redistribution of moneys
32 so received. If a taxing district annexes territory, the distribution of
33 moneys received pursuant to this subsection shall be unaffected. Taxing
34 districts formed after January 1, 2001, are not entitled to a payment under
35 the provisions of this subsection. School districts shall receive an amount
36 determined by multiplying the sum of the year 2000 school district levy mi-
37 nus .004 times the market value on December 31, 2000, in the district of the
38 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-
39 vided that the result of these calculations shall not be less than zero (0).
40 The result of these school district calculations shall be further increased
41 by six percent (6%). For purposes of the limitation provided by section
42 63-802, Idaho Code, moneys received pursuant to this section as property tax
43 replacement for property exempt from taxation pursuant to section 63-602EE,
44 Idaho Code, shall be treated as property tax revenues.

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

48 (13) Amounts calculated in accordance with ~~subsection (4) of section~~
49 ~~63-602KK~~ 63-802B, Idaho Code, for annual distribution to counties and other
50 appropriate taxing districts and appropriate urban renewal agencies for

1 replacement of property tax on personal property tax exemptions pursuant to
2 subsection (2) of section 63-602KK, Idaho Code, which amounts are continu-
3 ously appropriated unless the legislature enacts a different appropriation
4 for a particular fiscal year. For purposes of the limitation provided by
5 section 63-802, Idaho Code, moneys received pursuant to this section as
6 property tax replacement for property exempt from taxation pursuant to sec-
7 tion 63-602KK, Idaho Code, shall be treated as property tax revenues.

8 (14) Any moneys remaining over and above those necessary to meet and
9 reserve for payments under other subsections of this section shall be dis-
10 tributed to the general fund.

11 SECTION 11. An emergency existing therefor, which emergency is hereby
12 declared to exist, this act shall be in full force and effect on and after its
13 passage and approval, and retroactively to January 1, 2014.