

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 719

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO SALES TAX; AMENDING SECTION 63-3638, IDAHO CODE, TO CLARIFY THE  
2 DISTRIBUTION PROCESS OF SALES TAX REVENUE TO THE TRANSPORTATION EXPAN-  
3 SION AND CONGESTION MITIGATION PROGRAM, TO CLARIFY THE USES THAT MAY BE  
4 MADE OF CERTAIN FUNDS BY SPECIAL PURPOSE TAXING DISTRICTS, AND TO MAKE  
5 TECHNICAL CORRECTIONS.  
6

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

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

10 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
11 chapter, except as may otherwise be required in sections 63-3203 and  
12 63-3709, Idaho Code, and except as provided in subsection (16) of this sec-  
13 tion, shall be distributed by the state tax commission as follows:

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

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

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

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

36 (5) An amount equal to the sum required by the provisions of sections  
37 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
38 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
39 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

3 (8) For fiscal year 2011, and each fiscal year thereafter, four million  
4 one hundred thousand dollars (\$4,100,000), of which two million two hundred  
5 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four  
6 (44) counties in equal amounts, and one million nine hundred thousand dol-  
7 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-  
8 ties in the proportion that the population of the county bears to the popula-  
9 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,  
10 the amount distributed pursuant to this subsection, shall be adjusted annu-  
11 ally by the state tax commission in accordance with the consumer price index  
12 for all urban consumers (CPI-U) as published by the U.S. department of la-  
13 bor, bureau of labor statistics, but in no fiscal year shall the total amount  
14 allocated for counties under this subsection, be less than four million one  
15 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-  
16 justment required in this section shall be distributed to each county in the  
17 proportion that the population of the county bears to the population of the  
18 state. Each county shall establish a special election fund to which shall be  
19 deposited all revenues received from the distribution pursuant to this sub-  
20 section. All such revenues shall be used exclusively to defray the costs as-  
21 sociated with conducting elections as required of county clerks by the pro-  
22 visions of section 34-1401, Idaho Code.

23 (9) One dollar (\$1.00) on each application for certificate of title  
24 or initial application for registration of a motor vehicle, snowmobile,  
25 all-terrain vehicle or other vehicle processed by the county assessor or the  
26 Idaho transportation department excepting those applications in which any  
27 sales or use taxes due have been previously collected by a retailer, shall be  
28 a fee for the services of the assessor of the county or the Idaho transporta-  
29 tion department in collecting such taxes, and shall be paid into the current  
30 expense fund of the county or state highway account established in section  
31 40-702, Idaho Code.

32 (10) After reducing all moneys collected under this chapter as may be  
33 required by sections 63-3203 and 63-3709, Idaho Code, and by subsection (16)  
34 of this section, eEleven and five-tenths percent (11.5%) of the balance re-  
35 maining is continuously appropriated and shall be distributed to the revenue  
36 sharing account which is created in the state treasury, and the moneys in the  
37 revenue sharing account will be paid in installments each calendar quarter  
38 by the state tax commission as follows:

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

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

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

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

3 (i) One million three hundred twenty thousand dollars  
4 (\$1,320,000) annually shall be distributed one forty-fourth  
5 (1/44) to each of the various counties; and

6 (ii) The balance of such amount shall be paid to the various coun-  
7 ties, and each county shall be entitled to an amount in the propor-  
8 tion that the population of that county bears to the population of  
9 the state;

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

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

17 (ii) If the dollar amount of money available under this subsection  
18 (10) (c) in any quarter does not equal the amount paid in the fourth  
19 quarter of calendar year 1999, each city's and county's payment  
20 shall be reduced proportionately.

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

27 (iv) If the dollar amount of money available under this subsection  
28 (10) (c) in any quarter exceeds one hundred five percent (105%) of  
29 the total payment made in the fourth quarter of calendar year 1999,  
30 any amount over and above such one hundred five percent (105%)  
31 shall be paid fifty percent (50%) to the various cities in the pro-  
32 portion that the population of the city bears to the population of  
33 all cities within the state, and fifty percent (50%) to the various  
34 counties in the proportion that the population of a county bears to  
35 the population of the state; and

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

39 (i) Each such district which received a payment under the pro-  
40 visions of section 63-3638 (e), Idaho Code, as such subsection ex-  
41 isted immediately prior to July 1, 2000, during the fourth quarter  
42 of calendar year 1999, shall be entitled to a like amount during  
43 succeeding calendar quarters.

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

48 (iii) If the dollar amount of money available under this subsec-  
49 tion (10) (d) in any quarter exceeds the amount distributed under  
50 paragraph (i) of this subsection (10) (d), each special purpose

1 taxing district shall be entitled to a share of the excess based  
2 on the proportion each such district's current property tax bud-  
3 get bears to the sum of the current property tax budgets of all  
4 such districts in the state. The state tax commission shall  
5 calculate district current property tax budgets to include any  
6 unrecovered ~~foregone~~ forgone amounts as determined under section  
7 63-802(1) (e), Idaho Code. When a special purpose taxing district  
8 is situated in more than one (1) county, the state tax commission  
9 shall determine the portion attributable to the special purpose  
10 taxing district from each county in which it is situated.

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

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

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

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

26 (viii) Special purpose taxing districts shall use funds received  
27 under the provisions of this subsection only for the purposes for  
28 which the special purpose taxing districts were formed.

29 (11) Amounts calculated in accordance with section 2, chapter 356, laws  
30 of 2001, for annual distribution to counties and other taxing districts be-  
31 ginning in October 2001 for replacement of property tax on farm machinery and  
32 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool  
33 districts, the state tax commission shall distribute one-fourth (1/4) of  
34 this amount certified quarterly to each county. For school districts, the  
35 state tax commission shall distribute one-fourth (1/4) of the amount certi-  
36 fied quarterly to each school district. For nonschool districts, the county  
37 auditor shall distribute to each district within thirty (30) calendar days  
38 from receipt of moneys from the state tax commission. Moneys received by  
39 each taxing district for replacement shall be utilized in the same manner  
40 and in the same proportions as revenues from property taxation. The moneys  
41 remitted to the county treasurer for replacement of property exempt from  
42 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the  
43 counties and other taxing districts and budgeted at the same time, in the  
44 same manner and in the same year as revenues from taxation on personal prop-  
45 erty which these moneys replace. If taxing districts are consolidated, the  
46 resulting district is entitled to an amount equal to the sum of the amounts  
47 which were received in the last calendar quarter by each district pursuant  
48 to this subsection prior to the consolidation. If a taxing district is  
49 dissolved or disincorporated, the state tax commission shall continuously  
50 distribute to the board of county commissioners an amount equal to the

1 last quarter's distribution prior to dissolution or disincorporation. The  
2 board of county commissioners shall determine any redistribution of moneys  
3 so received. If a taxing district annexes territory, the distribution of  
4 moneys received pursuant to this subsection shall be unaffected. Taxing  
5 districts formed after January 1, 2001, are not entitled to a payment under  
6 the provisions of this subsection. School districts shall receive an amount  
7 determined by multiplying the sum of the year 2000 school district levy mi-  
8 nus .004 times the market value on December 31, 2000, in the district of the  
9 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-  
10 vided that the result of these calculations shall not be less than zero (0).  
11 The result of these school district calculations shall be further increased  
12 by six percent (6%). For purposes of the limitation provided by section  
13 63-802, Idaho Code, moneys received pursuant to this section as property tax  
14 replacement for property exempt from taxation pursuant to section 63-602EE,  
15 Idaho Code, shall be treated as property tax revenues.

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

19 (13) Amounts calculated in accordance with subsection (4) of section  
20 63-602KK, Idaho Code, for annual distribution to counties and other taxing  
21 districts for replacement of property tax on personal property tax exemp-  
22 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which  
23 amounts are continuously appropriated unless the legislature enacts a dif-  
24 ferent appropriation for a particular fiscal year. For purposes of the  
25 limitation provided by section 63-802, Idaho Code, moneys received pursuant  
26 to this section as property tax replacement for property exempt from taxa-  
27 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property  
28 tax revenues. If taxing districts are consolidated, the resulting district  
29 is entitled to an amount equal to the sum of the amounts that were received in  
30 the last calendar year by each district pursuant to this subsection prior to  
31 the consolidation. If a taxing district or revenue allocation area annexes  
32 territory, the distribution of moneys received pursuant to this subsection  
33 shall be unaffected. Taxing districts and revenue allocation areas formed  
34 after January 1, 2013, are not entitled to a payment under the provisions of  
35 this subsection.

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

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

46 (16) After reducing all moneys collected under this chapter as may be  
47 required by sections 63-3203 and 63-3709, Idaho Code, but before deducting  
48 any other amounts set forth in this section, one percent (1%) shall be dis-  
49 tributed to the transportation expansion and congestion mitigation program  
50 established in section 40-720, Idaho Code. ~~The distribution provided for~~

~~1 in this subsection must immediately follow the distribution provided for in  
2 subsection (10) of this section.~~