

LEGISLATURE OF THE STATE OF IDAHO  
Sixty-fifth Legislature First Regular Session - 2019

IN THE SENATE

SENATE BILL NO. 1061, As Amended, As Amended in the House

BY EDUCATION COMMITTEE

AN ACT

RELATING TO EDUCATION; AMENDING SECTION 33-802, IDAHO CODE, TO REVISE PROVISIONS REGARDING SCHOOL LEVIES; AMENDING SECTION 33-808, IDAHO CODE, TO PROVIDE CORRECT CODE REFERENCES; AMENDING SECTION 34-439A, IDAHO CODE, TO PROVIDE A CORRECT CODE REFERENCE; AMENDING SECTION 50-2908, IDAHO CODE, TO PROVIDE CORRECT CODE REFERENCES; AMENDING SECTION 33-308, IDAHO CODE, TO REVISE PROVISIONS REGARDING CERTAIN VOTER APPROVAL OF THE ASSUMPTION OF BONDED INDEBTEDNESS AND INTEREST WITH REGARD TO SCHOOL DISTRICT EXCISIONS AND ANNEXATIONS AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING EFFECTIVE DATES.

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

SECTION 1. That Section 33-802, Idaho Code, be, and the same is hereby amended to read as follows:

33-802. SCHOOL LEVIES. (1) Any tax levied for school purposes shall be a lien on the property against which the tax is levied. The board of trustees shall determine the levies upon each dollar of taxable property in the district for the ensuing fiscal year as follows:

(1a) Bond, Interest and Judgment Obligation Levies. Such levies as shall be required to satisfy all maturing bond, bond interest, and judgment obligations.

(2b) Budget Stabilization Levies. School districts not receiving state equalization funds in fiscal year 2006 may authorize a budget stabilization levy for calendar year 2006 and each year thereafter. Such levies shall not exceed the difference between the amount of equalized funds that the state department of education estimates the school district will receive in fiscal year 2007, based on the school district's fiscal year 2006 reporting data, and the combined amount of money the school district would have received from its maintenance and operation levy and state property tax replacement funds in fiscal year 2007 under the laws of the state of Idaho as they existed prior to amendment by the first extraordinary session of the fifty-eighth Idaho legislature. The state department of education shall notify the state tax commission and affected counties and school districts of the maximum levy amounts permitted, by no later than September 1, 2006.

(3c) Supplemental Maintenance and Operation Levies. No levy in excess of the levy permitted by this section shall be made by a noncharter district unless such a supplemental levy in a specified amount and for a specified time not to exceed two (2) years be first authorized through an election held subject to the provisions of section 34-106, Idaho Code, and pursuant to title 34, Idaho Code, and approved by a majority of the district electors voting in such election. A levy approved pursuant

1 to this subsection may be reduced by a majority vote of the board of  
2 trustees in the second year.

3 (4d) Charter District Supplemental Maintenance and Operation. Levies  
4 pursuant to the respective charter of any such charter district shall be  
5 first authorized through an election held subject to the provisions of  
6 section 34-106, Idaho Code, and pursuant to title 34, Idaho Code, and  
7 approved by a majority of the district electors voting in such election.

8 ~~(52) (a) The board of trustees of any school district that has, for at~~  
9 ~~least seven (7) consecutive years, been authorized through an election~~  
10 ~~held to certify a supplemental levy that has annually been equal to or~~  
11 ~~greater than twenty percent (20%) of the total general maintenance and~~  
12 ~~operation fund, may submit the question of an indefinite term supple-~~  
13 ~~mental levy to the electors of the school district the question of a~~  
14 ~~levy with the term of three (3) to ten (10) years. Such question shall~~  
15 ~~clearly state the dollar amount that will be certified annually and~~  
16 ~~that the duration of the levy will be for an indefinite number of years.~~

17 The question must be approved by a majority of the district electors  
18 voting on the question in an election held subject to the provisions of  
19 section 34-106, Idaho Code, and pursuant to title 34, Idaho Code.

20 (b) In the event that the levy rate resulting from the original levy ap-  
21 proved pursuant to paragraph (a) of this subsection increases by more  
22 than three percent (3%) after the first two (2) years of the duration of  
23 the levy, the board of trustees shall hold an election according to sec-  
24 tion 34-106, Idaho Code, during that same fiscal year, to put to the vot-  
25 ers the question of whether to reauthorize the continuance of the levy.  
26 The reauthorization of the levy must be approved by a majority of the  
27 district electors voting on the question. Voter approval to reautho-  
28 rize the continuance of the levy shall be required for every two (2) year  
29 period in which the levy rate exceeds the original levy rate by more than  
30 three percent (3%). If the levy is not reauthorized by the voters pur-  
31 suant to this paragraph, the levy shall terminate at the end of the same  
32 fiscal year.

33 (c) An indefinite term supplemental levy in effect on or before July 1,  
34 2019, shall remain in effect.

35 (d) Any ~~The~~ levy approved pursuant to this subsection may be reduced by  
36 a majority vote of the board of trustees during any fiscal year.

37 (63) A charter district may levy for maintenance and operations if such  
38 authority is contained within its charter. In the event property within a  
39 charter district's boundaries is contained in a revenue allocation area es-  
40 tablished under chapter 29, title 50, Idaho Code, and such revenue alloca-  
41 tion area has given notice of termination thereunder, then, only for the pur-  
42 pose of determining the levy described in this subsection, the district may  
43 add the increment value, as defined in section 50-2903, Idaho Code, to the  
44 actual or adjusted market value for assessment purposes of the district as  
45 such value existed on December 31 of the previous year.

46 SECTION 2. That Section 33-808, Idaho Code, be, and the same is hereby  
47 amended to read as follows:

48 33-808. NOTICE OF ADJUSTMENT TO MARKET VALUE FOR ASSESSMENT PURPOSES  
49 UPON TERMINATION OF A REVENUE ALLOCATION AREA. (1) A charter district with a

1 maintenance and operation levy in the immediately previous year that shall  
 2 adjust its market value for assessment purposes in accordance with the pro-  
 3 visions of section 33-802(63), Idaho Code, relating to termination of a rev-  
 4 enue allocation area, shall advertise its action by publishing in at least  
 5 the newspaper of largest paid circulation published in the county of the dis-  
 6 trict, or if there is no such newspaper, then in a newspaper published near-  
 7 est to the district where the advertisement is required to be published.

8 (2) For purposes of this section, the definition of "newspaper" shall  
 9 be as established in sections 60-106 and 60-107, Idaho Code; provided fur-  
 10 ther, that the newspaper of largest circulation shall be established by the  
 11 statement of average annual paid weekday circulation listed on the newspa-  
 12 per's sworn statement of ownership that was filed with the United States post  
 13 office on a date most recently preceding the date on which the advertise-  
 14 ment required in this section is to be published. The advertisement shall  
 15 be run when the school district ascertains that it will adjust its market  
 16 value for assessment purposes in accordance with the provisions of section  
 17 33-802(63), Idaho Code, relating to termination of a revenue allocation  
 18 area, and shall be published once a week for two (2) weeks following action  
 19 by the board of trustees.

20 (3) The form and content of the notice shall be substantially as fol-  
 21 lows:

#### 22 NOTICE OF PROPERTY TAX ADJUSTMENT BY SCHOOL BOARD

23 The (insert name of the school district) hereinafter the "District,"  
 24 has increased its market value for assessment purposes as of December 31,  
 25 . . . . , by the amount of the increment value of the (insert name of Redevel-  
 26 opment Agency Revenue Allocation Area) on such date, in accordance with the  
 27 provisions of Section 33-802, Idaho Code, because the revenue allocation  
 28 area gave notice of termination pursuant to Section 50-2903, Idaho Code, and  
 29 as a result thereof property taxes on the increment value of the revenue al-  
 30 location area will not be collected and distributed to the District. Section  
 31 33-802, Idaho Code, permits the District to replace those funds by adjusting  
 32 its market value as described herein. The total amount of dollars in prop-  
 33 erty taxes to be directly collected by the District pursuant to this action  
 34 is estimated to be \$.....

35 SECTION 3. That Section 34-439A, Idaho Code, be, and the same is hereby  
 36 amended to read as follows:

37 34-439A. DISCLOSURES IN ELECTIONS TO AUTHORIZE LEVY. (1) Notwith-  
 38 standing any other provision of law except for the provisions of section  
 39 63-802(1)(g), Idaho Code, any taxing district that proposes to submit any  
 40 question to the electors of the district that would authorize any levy,  
 41 except for the levies authorized for the purposes provided in sections  
 42 63-802(1)(g) and 33-802(41)(d), Idaho Code, and except for levies relating  
 43 to bonded indebtedness where section 34-439, Idaho Code, applies, shall in-  
 44 clude in the ballot question, or in a brief official statement on the ballot  
 45 but separate from the ballot question, a disclosure setting forth in simple,

1 understandable language information on the proposal substantially as fol-  
2 lows:

3 (a) The purpose for which the levy shall be used; the date of the elec-  
4 tion; and the dollar amount estimated to be collected each year from the  
5 levy; and

6 (b) The length of time, reflected in months or years, in which the pro-  
7 posed levy will be assessed.

8 (2) The information called for in subsection (1) of this section shall  
9 be placed prior to the location on the ballot where a person casts a vote and  
10 shall also be included in like manner in the official notice of the election.

11 SECTION 4. That Section 50-2908, Idaho Code, be, and the same is hereby  
12 amended to read as follows:

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

21 (a) Levies for refunds and credits pursuant to section 63-1305, Idaho  
22 Code, and any judgment pursuant to section 33-802(1) (a), Idaho Code,  
23 certified after December 31, 2007;

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

26 (c) Levies for voter approved general obligation bonds of any taxing  
27 district and plant facility reserve fund levies passed after December  
28 31, 2007;

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

34 (e) School levies for supplemental maintenance and operation pursuant  
35 to section 33-802 ~~(31)~~ (c) and ~~(4d)~~, Idaho Code, approved after Decem-  
36 ber 31, 2007, and for emergency funds pursuant to section 33-805, Idaho  
37 Code, approved after July 1, 2015.

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

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

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

48 (ii) A portion of the taxes levied by the taxing district or on its  
49 behalf on the taxable property located within the revenue allo-

1 cation area, which portion is the amount produced by applying the  
 2 taxing district's tax rate determined under subsection (1) of this  
 3 section to the equalized assessed valuation, as shown on the base  
 4 assessment roll, of the taxable property located within the rev-  
 5 enue allocation area; and

6 (iii) All taxes levied by the taxing district to satisfy obliga-  
 7 tions specified in subsection (1) (a) through (e) of this section.

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

11 (3) Upon enactment of an ordinance adopting a revenue allocation fi-  
 12 nancing provision as part of an urban renewal plan, the urban renewal agency  
 13 shall create a special fund or funds to be used for the purposes enumerated  
 14 in this chapter. The revenues allocated to the urban renewal agency pursuant  
 15 to this chapter shall be paid to the agency by the treasurer of the county in  
 16 which the revenue allocation district is located and shall be deposited by  
 17 the agency into one (1) or more of such special funds. The agency may, in ad-  
 18 dition, deposit into such special fund or funds such other income, proceeds,  
 19 revenues and funds it may receive from sources other than the revenues allo-  
 20 cated to it under subsection (2) (b) of this section.

21 (4) For the purposes of section 63-803, Idaho Code, during the period  
 22 when revenue allocation under this chapter is in effect, and solely with re-  
 23 spect to any taxing district in which a revenue allocation area is located,  
 24 the county commissioners shall, in fixing any tax levy other than the levy  
 25 specified in subsection (1) (a) through (e) of this section, take into con-  
 26 sideration the equalized assessed valuation of the taxable property situ-  
 27 ated in the revenue allocation area as shown in the base assessment roll,  
 28 rather than the current equalized assessed value of such taxable property.

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

34 SECTION 5. That Section 33-308, Idaho Code, be, and the same is hereby  
 35 amended to read as follows:

36 33-308. EXCISION AND ANNEXATION OF TERRITORY. (1) A board of trustees  
 37 of any school district, including a specially chartered school district, or  
 38 one-fourth (1/4) or more of the school district electors, residing in an area  
 39 of not more than fifty (50) square miles within which there is no schoolhouse  
 40 or facility necessary for the operation of a school district, may petition  
 41 in writing proposing the annexation of the area to another and contiguous  
 42 school district.

43 (2) Such petition shall be in duplicate, one (1) copy of which shall be  
 44 presented to the board of trustees of the district from which the area is pro-  
 45 posed to be excised, and the other to the board of trustees of the district to  
 46 which the area is proposed to be annexed. The petition shall contain:

47 (a) The names and addresses of the petitioners;

48 (b) A legal description of the area proposed to be excised from one  
 49 ~~(1)~~ district and annexed to another contiguous district. Such legal

description shall be prepared by a licensed attorney, licensed professional land surveyor or licensed professional engineer professionally trained and experienced in legal descriptions of real property;

(c) Maps showing the boundaries of the districts as they presently appear and as they would appear should the excision and annexation be approved;

(d) The names of the school districts from and to which the area is proposed to be excised and annexed;

(e) A description of reasons for which the petition is being submitted; and

(f) An estimate of the number of children residing in the area described in the petition.

(3) The board of trustees of each school district, no later than ten (10) days after its first regular meeting held subsequent to receipt of the petition, shall transmit the petition, with recommendations, to the state department of education.

(4) The state board of education shall approve the proposal, provided:

(a) The excision and annexation is in the best interests of the children residing in the area described in the petition; and

(b) The excision of the territory, as proposed, would not leave a school district with a bonded debt in excess of the limit then prescribed by law.

If either condition is not met, the state board shall disapprove the proposal. The approval or disapproval shall be expressed in writing to the board of trustees of each school district named in the petition.

(5) If the state board of education shall approve the proposal, it shall ~~be submitted to the school district electors residing in the area described in the petition,~~ submit the ballot questions to the appropriate voters as described in subsections (6) and (7) of this section at an election held in the manner provided in chapter 14, title 34, Idaho Code. Such election shall be held on the date authorized in section 34-106, Idaho Code, which that is nearest to sixty (60) days after the state board approves the proposal.

(6) At the election there shall be submitted to the electors having the qualifications of electors in a school district bond election and residing in the area proposed to be annexed:

(a) The question of whether the area described in the petition shall be excised from school district no. ( ) and annexed to contiguous school district no. ( ); and

(b) The question of assumption of the appropriate proportion of any bonded debt, and the interest thereon, of the proposed annexing school district.

(7) Also at the election, there shall be submitted a question to the electors having the qualifications of electors in a school district bond election and residing in the area remaining in the district from which the area is proposed to be excised. The question shall ask such electors whether they approve the assumption of the portion of the school district bond and the interest thereon held by the electors proposing to leave the school district. This subsection shall apply only to a proposed excision from a school district that has a bonded indebtedness and where the proposed excision would subtract ten percent (10%) or more of the market value for assessment

1 purposes on the property in the school district from which the area is pro-  
2 posed to be excised.

3 (8) If a majority of the school district electors in the area described  
4 in the petition, voting in the election, shall vote in favor of the proposal  
5 to excise and annex the said area, and if ~~in the area~~ the electors voting  
6 on the ~~question~~ questions of the assumption of bonded debt and interest set  
7 forth in subsections (6) and (7) of this section, if applicable, have ap-  
8 proved such assumption by the proportion of votes cast as is required by sec-  
9 tion 3, article VIII, of the constitution of the state of Idaho, the proposal  
10 shall carry and be approved. Otherwise, it shall fail.

11 (89) If the proposal shall be approved by the electors in the manner  
12 prescribed, the board of canvassers shall thereupon promptly notify the  
13 state department of education and the affected school districts of such re-  
14 sults. The superintendent of public instruction shall make an appropriate  
15 order for the boundaries of the affected school districts to be altered, and  
16 the legal descriptions of the school districts shall be altered, as pre-  
17 scribed in section 33-307, Idaho Code.

18 SECTION 6. An emergency existing therefor, which emergency is hereby  
19 declared to exist, the provisions of Section 5 of this act shall be in full  
20 force and effect on and after passage and approval. Sections 1 through 4 of  
21 this act shall be in full force and effect on and after July 1, 2019.