

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 697

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO COUNTIES AND PROPERTY TAX LEVIES; AMENDING CHAPTER 13, TITLE
2 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-1305A, IDAHO CODE,
3 TO ESTABLISH PROVISIONS PROVIDING THAT CERTAIN TAXING DISTRICTS MAY
4 CERTIFY A BUDGET REQUEST IN EXCESS OF CERTAIN LIMITATIONS FOR THE PUR-
5 POSE OF PAYING A FINAL JUDGMENT, TO PROVIDE FOR CERTAIN CONDITIONS, TO
6 ESTABLISH PROVISIONS RELATING TO THE APPLICATION OF LAW AND THE METHOD
7 OF PAYMENT, TO PROVIDE FOR RULES AND TO ESTABLISH PROVISIONS RELATING
8 TO A LIMITATION; AMENDING CHAPTER 13, TITLE 63, IDAHO CODE, BY THE AD-
9 DITION OF A NEW SECTION 63-1305B, IDAHO CODE, TO ESTABLISH PROVISIONS
10 RELATING TO AN ELECTION; AMENDING SECTION 50-2908, IDAHO CODE, TO ES-
11 TABLISH PROVISIONS RELATING TO LEVIES FOR PAYMENT OF CERTAIN JUDGMENTS,
12 TO PROVIDE CORRECT CODE REFERENCES AND TO MAKE A TECHNICAL CORRECTION;
13 AMENDING SECTION 63-802, IDAHO CODE, TO REVISE A CODE REFERENCE AND TO
14 PROVIDE THAT THE AMOUNT OF PROPERTY TAX REVENUES TO FINANCE AN ANNUAL
15 BUDGET DOES NOT INCLUDE REVENUE FROM LEVIES TO SATISFY CERTAIN JUDG-
16 MENTS AND REVENUE FROM CERTAIN OTHER LEVIES; AMENDING SECTION 63-803,
17 IDAHO CODE, TO REVISE A CODE REFERENCE; AMENDING SECTION 63-811, IDAHO
18 CODE, TO REVISE A CODE REFERENCE; AMENDING SECTION 31-1901, IDAHO CODE,
19 TO PROVIDE THAT THE COUNTY MAY ALSO ISSUE BONDS FOR THE PURPOSE OF PAYING
20 A CERTAIN JUDGMENT; REPEALING SECTION 50-2908, IDAHO CODE, RELATING
21 TO DETERMINATION OF TAX LEVIES AND CREATION OF SPECIAL FUND; REPEALING
22 SECTION 63-802, IDAHO CODE, RELATING TO LIMITATION ON BUDGET REQUESTS
23 AND LIMITATION ON TAX CHARGES, REPEALING SECTION 63-803, IDAHO CODE,
24 RELATING TO CERTIFICATION OF BUDGETS IN DOLLARS AND REPEALING SECTION
25 63-811, IDAHO CODE, RELATING TO COMPUTATION OF PROPERTY TAXES AND DU-
26 TIES OF COUNTY AUDITOR; REPEALING SECTION 31-1901, IDAHO CODE, RELATING
27 TO COMMISSIONERS ISSUING FUNDING AND REFUNDING BONDS; AMENDING CHAPTER
28 29, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2908, IDAHO
29 CODE, TO ESTABLISH PROVISIONS RELATING TO DETERMINATION OF CERTAIN
30 TAX LEVIES, TO ESTABLISH PROVISIONS RELATING TO EXCEPTIONS, TO ESTAB-
31 LISH PROVISIONS RELATING TO THE ALLOCATION OF CERTAIN TAX REVENUES,
32 TO ESTABLISH PROVISIONS RELATING TO THE CREATION OF A SPECIAL FUND, TO
33 ESTABLISH PROVISIONS RELATING TO TAXING DISTRICTS IN WHICH A REVENUE
34 ALLOCATION AREA IS LOCATED AND TO DEFINE A TERM; AMENDING CHAPTER 8,
35 TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-802, IDAHO
36 CODE, TO ESTABLISH PROVISIONS RELATING TO LIMITATIONS ON CERTAIN BUDGET
37 REQUESTS, TO ESTABLISH PROVISIONS RELATING TO LIMITATIONS ON CERTAIN
38 TAX CHARGES AND TO PROVIDE FOR EXCEPTIONS; AMENDING CHAPTER 8, TITLE
39 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-803, IDAHO CODE,
40 TO ESTABLISH PROVISIONS RELATING TO CERTIFICATION OF BUDGETS IN DOL-
41 LARS; AMENDING CHAPTER 8, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW
42 SECTION 63-811, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO COMPU-
43 TATION OF PROPERTY TAXES AND DUTIES OF COUNTY AUDITOR; AMENDING CHAPTER
44 19, TITLE 31, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 31-1901, IDAHO
45

1 CODE, TO ESTABLISH PROVISIONS RELATING TO CERTAIN COMMISSIONERS WHO
2 MAY ISSUE CERTAIN FUNDING AND REFUNDING BONDS; PROVIDING SEVERABILITY;
3 DECLARING AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION, PROVIDING A
4 SUNSET DATE AND PROVIDING AN EFFECTIVE DATE.

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

6 SECTION 1. That Chapter 13, Title 63, Idaho Code, be, and the same is
7 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
8 ignated as Section 63-1305A, Idaho Code, and to read as follows:

9 63-1305A. PAYMENT OF JUDGMENT BY ORDER OF COURT. (1) Notwithstanding
10 the provisions of section 6-928, Idaho Code, and except as provided for in
11 section 63-1305, Idaho Code, a nonschool taxing district may certify a bud-
12 get request for an amount of property tax revenues to finance an annual bud-
13 get in excess of the limitations imposed by section 63-802, Idaho Code, for
14 the purpose of paying a final judgment entered by a court of law, including
15 interest, costs and award of attorney's fees, if any, provided that:

16 (a) The taxing district first budgets the maximum amount of property
17 tax permitted pursuant to section 63-802, Idaho Code, including any
18 available forgone amount; and

19 (b) All surplus funds available to the taxing district are used to pay
20 the outstanding judgment; and

21 (c) The judgment was entered after December 1, 2010; and

22 (d) The judgment amount, including interest and award of attorney's
23 fees, if any, exceeds one-third (1/3) of the property tax revenues used
24 to finance the taxing district's highest annual budget in the preceding
25 three (3) years; and

26 (e) The amount in excess of the limitations imposed by section 63-802,
27 Idaho Code, authorized by this section does not increase the budget that
28 would otherwise be applicable by more than the amount raised by a levy
29 rate of one-tenths of one percent (0.1%).

30 (2) The provisions of subsection (1) of this section pertain regardless
31 of whether the judgment is paid in cash, redeemable warrants, the proceeds
32 of bonded indebtedness permitted as an ordinary and necessary expense or any
33 combination of these methods of payment.

34 (3) The state tax commission may promulgate rules necessary to adminis-
35 ter the provisions of this section.

36 (4) The levy permitted pursuant to subsection (1) of this section may be
37 levied only until the judgment is paid in full.

38 SECTION 2. That Chapter 13, Title 63, Idaho Code, be, and the same is
39 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
40 ignated as Section 63-1305B, Idaho Code, and to read as follows:

41 63-1305B. ELECTION -- AUTHORIZATION OF GOVERNING BODY. (1) No non-
42 school taxing district shall exercise any powers provided pursuant to sec-
43 tion 63-1305A, Idaho Code, unless a majority of qualified electors, voting
44 in an election held in such nonschool taxing district, vote to approve the
45 question of whether the governing body of such district may exercise the pow-
46 ers and authority provided for in section 63-1305A, Idaho Code.

1 (2) The election provided for in this section shall be held in accor-
2 dance with the provisions of section 34-106, Idaho Code.

3 SECTION 3. That Section 50-2908, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1)
6 For purposes of calculating the rate at which taxes shall be levied by or
7 for each taxing district in which a revenue allocation area is located, the
8 county commissioners shall, with respect to the taxable property located in
9 such revenue allocation area, use the equalized assessed value of such tax-
10 able property as shown on the base assessment roll rather than on the current
11 equalized assessed valuation of such taxable property, except the current
12 equalized assessed valuation shall be used for calculating the tax rate for:

13 (a) Levies for refunds and credits pursuant to section 63-1305, Idaho
14 Code, and any judgment pursuant to section 33-802(1), Idaho Code, cer-
15 tified after December 31, 2007;

16 (b) Levies for payment of judgments pursuant to section 63-1305A, Idaho
17 Code;

18 (c) Levies permitted pursuant to section 63-802(3), Idaho Code, certi-
19 fied after December 31, 2007;

20 (ed) Levies for voter approved general obligation bonds of any taxing
21 district and plant facility reserve fund levies passed after December
22 31, 2007;

23 (~~de~~) Levies set forth in paragraphs (1) (a) through (ed) of this subsec-
24 tion, first certified prior to December 31, 2007, when the property af-
25 fected by said levies is included within the boundaries of a revenue al-
26 location area by a change in the boundaries of either the revenue allo-
27 cation area or any taxing district after December 31, 2007; and

28 (ef) School levies for supplemental maintenance and operation pursuant
29 to section 33-802(3) and (4), Idaho Code, approved after December 31,
30 2007.

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

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

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

41 (ii) A portion of the taxes levied by the taxing district or on its
42 behalf on the taxable property located within the revenue allo-
43 cation area, which portion is the amount produced by applying the
44 taxing district's tax rate determined under subsection (1) of this
45 section to the equalized assessed valuation, as shown on the base
46 assessment roll, of the taxable property located within the rev-
47 enue allocation area; and

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

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

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

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

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

27 SECTION 4. That Section 63-802, Idaho Code, be, and the same is hereby
28 amended to read as follows:

29 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES
30 -- EXCEPTIONS. (1) Except as provided in subsections (3) and (4) of this
31 section, no taxing district shall certify a budget request for an amount of
32 property tax revenues to finance an annual budget that exceeds the greater of
33 paragraphs (a) through (i) of this subsection inclusive:

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

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

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

4 (d) In the case of school districts, the restriction imposed in section
5 33-802, Idaho Code;

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

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

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

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

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

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

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

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

17 SECTION 5. That Section 63-803, Idaho Code, be, and the same is hereby
18 amended to read as follows:

19 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
20 district is required by law to certify to any county treasurer, county audi-
21 tor, county assessor, county commissioners or to any other county officer,
22 any property tax levy, upon property located within said district, such cer-
23 tification shall, notwithstanding any other provision of the law applicable
24 to any such district, be made at the time and in the manner hereinafter pro-
25 vided.

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

31 (3) Using the taxable value of the district, the council, trustees,
32 board or other governing body of any taxing district shall certify the total
33 amount required from a property tax upon property within the district to
34 raise the amount of money fixed by their budget as previously prepared or
35 approved. The amount of money so determined shall be certified in dollars
36 to the appropriate county commissioners. Any taxing unit, except regional
37 airport authorities, located in more than one (1) county shall divide its
38 dollar budget for certification to the separate counties by multiplying the
39 amount of such budget by a fraction, the numerator of which shall be the total
40 taxable value of all property in such taxing unit within the county to which
41 such certification is to be made, and the denominator of which shall be the
42 total taxable value of property in such taxing unit in all such counties.
43 Budget certification to the participating counties of regional airport
44 authorities shall be made in the manner prescribed in section 21-807(10),
45 Idaho Code. Taxable value shall be certified by the county auditor of each
46 affected county to such taxing unit and such certification shall be used in
47 this formula. Except as provided in section 33-805, Idaho Code, relating to
48 school emergency fund levies, the certification to the county commissioners
49 required in this section shall be made not later than the Thursday prior

1 to the second Monday in September, unless, upon application therefor, the
2 county commissioners grant an extension of not more than seven (7) working
3 days. After receipt of this certification, the county commissioners shall
4 make a tax levy as a percent of taxable value of all property in the taxing
5 district, which when applied to the tax rolls, will meet the budget require-
6 ments certified by such taxing districts.

7 (4) Except as provided in subsection (1)(a) through (ef) of section
8 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
9 mean the portion of the equalized assessed value, less any exemptions, ex-
10 cept the exemption for personal property in section 63-602KK, Idaho Code,
11 and the value that exceeds the value of the base assessment roll for the
12 portion of any taxing district within a revenue allocation area of an ur-
13 ban renewal district, located within each taxing district which certifies
14 a budget to be raised from a property tax levy. When the county auditor is
15 notified of revenues sufficient to cover expenses as provided in section
16 50-2903(5), Idaho Code, taxable value shall also include the value that
17 exceeds the value of the base assessment roll for the portion of any taxing
18 district within a revenue allocation area. For each taxing district, tax-
19 able value shall include the value from the property and operating property
20 rolls for the current year and subsequent and missed property rolls for the
21 prior year or the best estimate of the subsequent and missed property rolls
22 for the current year.

23 SECTION 6. That Section 63-811, Idaho Code, be, and the same is hereby
24 amended to read as follows:

25 63-811. COMPUTATION OF PROPERTY TAXES -- DUTY OF COUNTY AUDITOR. (1)
26 The county auditor must cause to be computed the amount of the local property
27 taxes levied on the total of the taxable value as entered on the property and
28 operating property rolls, and must deliver the property and operating prop-
29 erty rolls to the tax collector on or before the first Monday of November.

30 (2) The county auditor must cause to be computed the amount of the local
31 property taxes levied on the total of the taxable value as entered on the sub-
32 sequent property roll, and must deliver the subsequent property roll to the
33 tax collector as soon as possible, without delay, after the first Monday of
34 December.

35 (3) The county auditor must cause to be computed the amount of the state
36 property tax and the amount of the local property taxes levied on the total
37 taxable value as entered on the missed property roll, and must deliver the
38 missed property roll to the tax collector as soon as possible, without delay,
39 after the first Monday of March of the year following the year in which the
40 assessment was entered on the missed property roll.

41 (4) Except as provided in subsection (1)(a) through (ef) of section
42 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
43 mean the portion of the equalized assessed value, less any exemptions and
44 the value that exceeds the value of the base assessment roll for the portion
45 of any taxing district within a revenue allocation area of an urban renewal
46 district, located within each taxing district which certifies a budget to be
47 raised from a property tax levy.

48 (5) The county auditor, at the time of delivery to the county tax col-
49 lector of the property roll, subsequent property roll, missed property roll

1 or operating property roll with all property taxes computed, must subscribe
2 an affidavit to such roll that he has to the best of his knowledge and ability
3 computed the proper amount of property taxes due, and recorded such orders of
4 the board of equalization as have been made and has made no other changes.

5 (6) Failure of the auditor to make the affidavit shall not affect the
6 validity of any entry on the roll. The making of such affidavit, however, is
7 declared to be a duty pertaining to the office of the county auditor. In ev-
8 ery case where the said affidavit is omitted from the real property assess-
9 ment roll, completed and delivered as aforesaid, the board of county commis-
10 sioners must require the county auditor to make the same, and upon refusal or
11 neglect of such county auditor to make and subscribe to such affidavit forth-
12 with, the chairman of the said board must immediately file in the district
13 court in the county, an information in writing, verified by his oath, charg-
14 ing such county auditor with refusal or neglect to perform the official du-
15 ties pertaining to his office, and thereupon he must be proceeded against as
16 in such cases provided by law.

17 SECTION 7. That Section 31-1901, Idaho Code, be, and the same is hereby
18 amended to read as follows:

19 31-1901. COMMISSIONERS MAY ISSUE FUNDING AND REFUNDING BONDS. The
20 board of county commissioners of any county in this state may issue nego-
21 tiable coupon bonds of their county for the purpose of paying, redeeming,
22 funding or refunding the outstanding indebtedness of the county, whether
23 the indebtedness exists as a warrant indebtedness or bonded indebtedness.
24 The county may also issue bonds for the purpose of paying a judgment meeting
25 the criteria of section 63-1305A, Idaho Code. All such bonds shall be in
26 the form and shall be issued, sold or exchanged and redeemed in accordance
27 with the provisions of chapter 2 of title 57, known as the "Municipal Bond
28 Law" of the state of Idaho, except where different provision is made herein.
29 Provided, that the authority to fund warrant indebtedness shall extend only
30 to the funding of warrant indebtedness existing as of the second Monday in
31 January, 1933, and providing further that all taxes and other revenues which
32 but for the funding of warrants would have been lawfully applicable to the
33 redemption of the warrants so funded shall, as and when collected, be appor-
34 tioned to and placed in the sinking fund for the payment of the interest and
35 retirement of the principal of such bonds. Bonds issued for the purpose of
36 funding warrants shall bear interest payable semiannually as the board of
37 county commissioners may determine.

38 SECTION 8. That Section 50-2908, Idaho Code, be, and the same is hereby
39 repealed.

40 SECTION 9. That Sections 63-802, 63-803 and 63-811, Idaho Code, be, and
41 the same are hereby repealed.

42 SECTION 10. That Section 31-1901, Idaho Code, be, and the same is hereby
43 repealed.

1 SECTION 11. That Chapter 29, Title 50, Idaho Code, be, and the same is
2 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
3 ignated as Section 50-2908, Idaho Code, and to read as follows:

4 50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1)
5 For purposes of calculating the rate at which taxes shall be levied by or
6 for each taxing district in which a revenue allocation area is located, the
7 county commissioners shall, with respect to the taxable property located in
8 such revenue allocation area, use the equalized assessed value of such tax-
9 able property as shown on the base assessment roll rather than on the current
10 equalized assessed valuation of such taxable property, except the current
11 equalized assessed valuation shall be used for calculating the tax rate for:

12 (a) Levies for refunds and credits pursuant to section 63-1305, Idaho
13 Code, and any judgment pursuant to section 33-802(1), Idaho Code, certi-
14 fied after December 31, 2007;

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

17 (c) Levies for voter approved general obligation bonds of any taxing
18 district and plant facility reserve fund levies passed after December
19 31, 2007;

20 (d) Levies set forth in paragraphs (1) (a) through (c) of this subsec-
21 tion, first certified prior to December 31, 2007, when the property af-
22 fected by said levies is included within the boundaries of a revenue al-
23 location area by a change in the boundaries of either the revenue allo-
24 cation area or any taxing district after December 31, 2007; and

25 (e) School levies for supplemental maintenance and operation pursuant
26 to section 33-802(3) and (4), Idaho Code, approved after December 31,
27 2007.

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

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

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

38 (ii) A portion of the taxes levied by the taxing district or on its
39 behalf on the taxable property located within the revenue allo-
40 cation area, which portion is the amount produced by applying the
41 taxing district's tax rate determined under subsection (1) of this
42 section to the equalized assessed valuation, as shown on the base
43 assessment roll, of the taxable property located within the rev-
44 enue allocation area; and

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

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

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

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

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

24 SECTION 12. That Chapter 8, Title 63, Idaho Code, be, and the same is
25 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
26 ignated as Section 63-802, Idaho Code, and to read as follows:

27 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
28 EXCEPTIONS. (1) Except as provided in subsection (3) of this section, no tax-
29 ing district shall certify a budget request for an amount of property tax
30 revenues to finance an annual budget that exceeds the greater of paragraphs
31 (a) through (i) of this subsection inclusive:

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

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

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

1 (d) In the case of school districts, the restriction imposed in section
2 33-802, Idaho Code;

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

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

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

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

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

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

48 (3) No board of county commissioners shall set a levy, nor shall the
49 state tax commission approve a levy for annual budget purposes which exceeds
50 the limitation imposed in subsection (1) of this section, unless authority

1 to exceed such limitation has been approved by a majority of the taxing dis-
2 trict's electors voting on the question at an election called for that pur-
3 pose and held pursuant to section 34-106, Idaho Code, provided however, that
4 such voter approval shall be for a period of not to exceed two (2) years.

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

13 SECTION 13. That Chapter 8, Title 63, Idaho Code, be, and the same is
14 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
15 ignated as Section 63-803, Idaho Code, and to read as follows:

16 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing
17 district is required by law to certify to any county treasurer, county audi-
18 tor, county assessor, county commissioners or to any other county officer,
19 any property tax levy, upon property located within said district, such cer-
20 tification shall, notwithstanding any other provision of the law applicable
21 to any such district, be made at the time and in the manner hereinafter pro-
22 vided.

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

28 (3) Using the taxable value of the district, the council, trustees,
29 board or other governing body of any taxing district shall certify the total
30 amount required from a property tax upon property within the district to
31 raise the amount of money fixed by their budget as previously prepared or
32 approved. The amount of money so determined shall be certified in dollars
33 to the appropriate county commissioners. Any taxing unit, except regional
34 airport authorities, located in more than one (1) county shall divide its
35 dollar budget for certification to the separate counties by multiplying the
36 amount of such budget by a fraction, the numerator of which shall be the total
37 taxable value of all property in such taxing unit within the county to which
38 such certification is to be made, and the denominator of which shall be the
39 total taxable value of property in such taxing unit in all such counties.
40 Budget certification to the participating counties of regional airport
41 authorities shall be made in the manner prescribed in section 21-807(10),
42 Idaho Code. Taxable value shall be certified by the county auditor of each
43 affected county to such taxing unit and such certification shall be used in
44 this formula. Except as provided in section 33-805, Idaho Code, relating to
45 school emergency fund levies, the certification to the county commissioners
46 required in this section shall be made not later than the Thursday prior
47 to the second Monday in September, unless, upon application therefor, the
48 county commissioners grant an extension of not more than seven (7) working
49 days. After receipt of this certification, the county commissioners shall

1 make a tax levy as a percent of taxable value of all property in the taxing
2 district, which when applied to the tax rolls, will meet the budget require-
3 ments certified by such taxing districts.

4 (4) Except as provided in subsection (1)(a) through (e) of section
5 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
6 mean the portion of the equalized assessed value, less any exemptions, ex-
7 cept the exemption for personal property in section 63-602KK, Idaho Code,
8 and the value that exceeds the value of the base assessment roll for the
9 portion of any taxing district within a revenue allocation area of an ur-
10 ban renewal district, located within each taxing district which certifies
11 a budget to be raised from a property tax levy. When the county auditor is
12 notified of revenues sufficient to cover expenses as provided in section
13 50-2903(5), Idaho Code, taxable value shall also include the value that
14 exceeds the value of the base assessment roll for the portion of any taxing
15 district within a revenue allocation area. For each taxing district, tax-
16 able value shall include the value from the property and operating property
17 rolls for the current year and subsequent and missed property rolls for the
18 prior year or the best estimate of the subsequent and missed property rolls
19 for the current year.

20 SECTION 14. That Chapter 8, Title 63, Idaho Code, be, and the same is
21 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
22 ignated as Section 63-811, Idaho Code, and to read as follows:

23 63-811. COMPUTATION OF PROPERTY TAXES -- DUTY OF COUNTY AUDITOR. (1)
24 The county auditor must cause to be computed the amount of the local property
25 taxes levied on the total of the taxable value as entered on the property and
26 operating property rolls, and must deliver the property and operating prop-
27 erty rolls to the tax collector on or before the first Monday of November.

28 (2) The county auditor must cause to be computed the amount of the local
29 property taxes levied on the total of the taxable value as entered on the sub-
30 sequent property roll, and must deliver the subsequent property roll to the
31 tax collector as soon as possible, without delay, after the first Monday of
32 December.

33 (3) The county auditor must cause to be computed the amount of the state
34 property tax and the amount of the local property taxes levied on the total
35 taxable value as entered on the missed property roll, and must deliver the
36 missed property roll to the tax collector as soon as possible, without delay,
37 after the first Monday of March of the year following the year in which the
38 assessment was entered on the missed property roll.

39 (4) Except as provided in subsection (1)(a) through (e) of section
40 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
41 mean the portion of the equalized assessed value, less any exemptions and
42 the value that exceeds the value of the base assessment roll for the portion
43 of any taxing district within a revenue allocation area of an urban renewal
44 district, located within each taxing district which certifies a budget to be
45 raised from a property tax levy.

46 (5) The county auditor, at the time of delivery to the county tax col-
47 lector of the property roll, subsequent property roll, missed property roll
48 or operating property roll with all property taxes computed, must subscribe
49 an affidavit to such roll that he has to the best of his knowledge and ability

1 computed the proper amount of property taxes due, and recorded such orders of
2 the board of equalization as have been made and has made no other changes.

3 (6) Failure of the auditor to make the affidavit shall not affect the
4 validity of any entry on the roll. The making of such affidavit, however, is
5 declared to be a duty pertaining to the office of the county auditor. In ev-
6 every case where the said affidavit is omitted from the real property assess-
7 ment roll, completed and delivered as aforesaid, the board of county commis-
8 sioners must require the county auditor to make the same, and upon refusal or
9 neglect of such county auditor to make and subscribe to such affidavit forth-
10 with, the chairman of the said board must immediately file in the district
11 court in the county, an information in writing, verified by his oath, charg-
12 ing such county auditor with refusal or neglect to perform the official du-
13 ties pertaining to his office, and thereupon he must be proceeded against as
14 in such cases provided by law.

15 SECTION 15. That Chapter 19, Title 31, Idaho Code, be, and the same is
16 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
17 ignated as Section 31-1901, Idaho Code, and to read as follows:

18 31-1901. COMMISSIONERS MAY ISSUE FUNDING AND REFUNDING BONDS. The
19 board of county commissioners of any county in this state may issue nego-
20 tiable coupon bonds of their county for the purpose of paying, redeeming,
21 funding or refunding the outstanding indebtedness of the county, whether the
22 indebtedness exists as a warrant indebtedness or bonded indebtedness. All
23 such bonds shall be in the form and shall be issued, sold or exchanged and
24 redeemed in accordance with the provisions of chapter 2 of title 57, known
25 as the "Municipal Bond Law" of the state of Idaho, except where different
26 provision is made herein. Provided, that the authority to fund warrant in-
27 debtedness shall extend only to the funding of warrant indebtedness existing
28 as of the second Monday in January, 1933, and providing further that all
29 taxes and other revenues which but for the funding of warrants would have
30 been lawfully applicable to the redemption of the warrants so funded shall,
31 as and when collected, be apportioned to and placed in the sinking fund for
32 the payment of the interest and retirement of the principal of such bonds.
33 Bonds issued for the purpose of funding warrants shall bear interest payable
34 semiannually as the board of county commissioners may determine.

35 SECTION 16. SEVERABILITY. The provisions of this act are hereby de-
36 clared to be severable and if any provision of this act or the application
37 of such provision to any person or circumstance is declared invalid for any
38 reason, such declaration shall not affect the validity of the remaining por-
39 tions of this act.

40 SECTION 17. An emergency existing therefor, which emergency is hereby
41 declared to exist, this act shall be in full force and effect on and after its
42 passage and approval, and retroactively to January 1, 2012. The provisions
43 of Sections 1 and 2 of this act shall be null, void and of no force and effect
44 on and after July 1, 2017. The provisions of Sections 8, 9 and 10 of this act
45 shall be in full force and effect on and after July 1, 2017. The provisions of
46 Sections 11, 12, 13, 14 and 15 shall be in full force and effect on and after
47 July 1, 2017.