

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 218

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PERSONAL PROPERTY TAXATION; AMENDING SECTION 63-201, IDAHO
2 CODE, TO DEFINE A TERM AND TO REVISE A DEFINITION; AMENDING SECTION
3 63-309, IDAHO CODE, TO REVISE PROVISIONS REGARDING CERTAIN TAXABLE IM-
4 PROVEMENTS; AMENDING SECTION 63-313, IDAHO CODE, TO REVISE PROVISIONS
5 REGARDING TAXATION OF TRANSIENT PERSONAL PROPERTY; AMENDING SECTION
6 63-602KK, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE EXEMPTION
7 OF CERTAIN PERSONAL PROPERTY FROM TAXATION; AMENDING CHAPTER 4, TITLE
8 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-602LL, IDAHO CODE,
9 TO PROVIDE FOR THE ASSESSMENT, TAXATION, AND EXEMPTION OF OPERATING
10 PERSONAL PROPERTY; AMENDING CHAPTER 6, TITLE 63, IDAHO CODE, BY THE
11 ADDITION OF A NEW SECTION 63-602MM, IDAHO CODE, TO PROVIDE FOR A PHASED
12 PERSONAL PROPERTY TAX EXEMPTION AND TO PROVIDE FOR CERTAIN REPLACEMENT
13 FUNDING; AMENDING SECTION 63-802, IDAHO CODE, TO REVISE PROVISIONS RE-
14 GARDING TAXING DISTRICT BUDGET LIMITATIONS; AMENDING SECTION 63-803,
15 IDAHO CODE, TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORRECTIONS;
16 AMENDING SECTION 63-3638, IDAHO CODE, TO PROVIDE FOR OPERATING AND PER-
17 SONAL PROPERTY TAX REPLACEMENT MONEYS FROM THE SALES TAX DISTRIBUTION;
18 AMENDING SECTION 63-510, IDAHO CODE, TO PROVIDE A CORRECT CODE REFER-
19 ENCE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-1009, IDAHO
20 CODE, TO PROVIDE A CORRECT CODE REFERENCE; PROVIDING SEVERABILITY; AND
21 PROVIDING AN EFFECTIVE DATE.
22

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

24 SECTION 1. That Section 63-201, Idaho Code, be, and the same is hereby
25 amended to read as follows:

26 63-201. DEFINITIONS. As used for property tax purposes in chapters 1
27 through 23, title 63, Idaho Code, the terms defined in this section shall
28 have the following meanings, unless the context clearly indicates another
29 meaning:

30 (1) "Appraisal" means an estimate of property value for property tax
31 purposes.

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

35 (b) For the purpose of estimating property value to present for an ap-
36 appeal filed pursuant to sections 63-501A, 63-407 and 63-409, Idaho Code,
37 the value estimation may be made by the assessor, a certified property
38 tax appraiser, a licensed appraiser, or a certified appraiser or any
39 party as specified by law.

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

1 (3) "Cogenerators" means facilities that produce electric energy, and
2 steam or forms of useful energy that are used for industrial, commercial,
3 heating or cooling purposes.

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

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

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

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

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

20 (9) "Fixtures" means those articles that, although once movable chat-
21 tels, have become accessory to and a part of improvements to real property
22 by having been physically incorporated therein or annexed or affixed thereto
23 in such a manner that removing them would cause material injury or damage to
24 the real property, the use or purpose of such articles is integral to the use
25 of the real property to which it is affixed, and a person would reasonably
26 be considered to intend to make the articles permanent additions to the real
27 property. "Fixtures" includes systems for the heating, air conditioning,
28 ventilation, sanitation, lighting and plumbing of such building.

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

32 (11) "Improvements" means all buildings, structures, manufactured
33 homes, as defined in section 39-4105(8), Idaho Code, mobile homes as defined
34 in section 39-4105(9), Idaho Code, and modular buildings, as defined in
35 section 39-4301(10), Idaho Code, erected upon or affixed to land, fences,
36 water ditches constructed for mining, manufacturing or irrigation purposes,
37 fixtures, and floating homes, whether or not such improvements are owned
38 separately from the ownership of the land upon or to which the same may be
39 erected, affixed or attached. The term "improvements" also includes all
40 fruit, nut-bearing and ornamental trees or vines not of natural growth,
41 growing upon the land, except nursery stock.

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

44 (13) "Lawful money of the United States" means currency and coin of the
45 United States at par value and checks and drafts that are payable in dollars
46 of the United States at par value, payable upon demand or presentment.

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

49 (15) "Market value" means the amount of United States dollars or equiva-
50 lent for which, in all probability, a property would exchange hands between a

1 willing seller, under no compulsion to sell, and an informed, capable buyer,
 2 with a reasonable time allowed to consummate the sale, substantiated by a
 3 reasonable down or full cash payment.

4 (16) "Operating personal property" means personal property held by an
 5 operating property taxpayer.

6 (17) "Operating property" means real and personal property operated
 7 in connection with any public utility, railroad or private railcar fleet,
 8 wholly or partly within this state, and which property is necessary to the
 9 maintenance and operation of the public utility, railroad or private railcar
 10 fleet, and the roads or lines thereof, and includes all rights-of-way ac-
 11 companied by title; roadbeds; tracks; pipelines; bargelines; equipment and
 12 docks; terminals; rolling stock; equipment; power stations; power sites;
 13 lands; reservoirs, generating plants, transmission lines, distribution
 14 lines and substations; and all title and interest in such property, as owner,
 15 lessee or otherwise. The term includes electrical generation plants under
 16 construction, whether or not owned by or operated in connection with any
 17 public utility. For the purpose of the appraisal, assessment and taxation of
 18 operating property, pursuant to chapter 4, title 63, Idaho Code, the value of
 19 intangible personal property shall be excluded from the taxable value of op-
 20 erating property in accordance with the provisions of section 63-602L, Idaho
 21 Code, and the value of personal property, other than intangible personal
 22 property, shall be excluded from the taxable value of operating property
 23 in accordance with the provisions of sections 63-602KK and 63-602LL, Idaho
 24 Code. Operating property shall be included in taxable value for the purpose
 25 of making a levy, as required in section 63-803, Idaho Code, except when an
 26 exemption is provided or when said levy is to be made against real property
 27 only.

28 (178) "Party in interest" means a person who holds a recorded purchase
 29 contract, mortgage, deed of trust, security interest, lien or lease upon the
 30 property. For purposes of notice requirements in section 63-1009, Idaho
 31 Code, recording includes documents recorded in full or by memorandum provid-
 32 ing notice thereof.

33 (189) "Person" means any entity, individual, corporation, partnership,
 34 firm, association, limited liability company, limited liability partner-
 35 ship or other such entities as recognized by the state of Idaho.

36 (1920) "Personal property" means everything that is the subject of own-
 37 ership and that is not included within the term "real property."

38 (201) "Private railcar fleet" means railroad cars or locomotives owned
 39 by, leased to, occupied by or franchised to any person other than a railroad
 40 company operating a line of railroad in Idaho or any company classified as a
 41 railroad by the interstate commerce commission and entitled to possess such
 42 railroad cars and locomotives except those possessed solely for the purpose
 43 of repair, rehabilitation or remanufacturing of such locomotives or rail-
 44 road cars.

45 (212) "Public utility" means electrical companies, pipeline companies,
 46 natural gas distribution companies, or power producers included within fed-
 47 eral law, bargelines, and water companies which are under the jurisdiction
 48 of the Idaho public utilities commission. The term also includes telephone
 49 corporations, as that term is defined in section 62-603, Idaho Code, except
 50 as hereinafter provided, whether or not such telephone corporation has been

1 issued a certificate of convenience and necessity by the Idaho public utili-
2 ties commission. This term does not include cogenerators, mobile telephone
3 service or companies, nor does it include pager service or companies, except
4 when such services are an integral part of services provided by a certifi-
5 cated utility company, nor does the term "public utility" include companies
6 or persons engaged in the business of providing solely on a resale basis, any
7 telephone or telecommunication service that is purchased from a telephone
8 corporation or company.

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

15 (234) "Real property" means land and all rights and privileges thereto
16 belonging or any way appertaining, all quarries and fossils in and under the
17 land, and all other property that the law defines, or the courts may inter-
18 pret, declare and hold to be real property under the letter, spirit, intent
19 and meaning of the law, improvements and all standing timber thereon, in-
20 cluding standing timber owned separately from the ownership of the land upon
21 which the same may stand, except as modified in chapter 17, title 63, Idaho
22 Code. Timber, forest, forest land, and forest products shall be defined as
23 provided in chapter 17, title 63, Idaho Code.

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

29 (256) "Special assessment" means a charge imposed upon property for
30 a specific purpose, collected and enforced in the same manner as property
31 taxes.

32 (267) "System value" means the market value for assessment purposes of
33 the operating property when considered as a unit.

34 (278) "Tax code area" means a geographical area made up of one (1) or
35 more taxing districts with one (1) total levy within the geographic area, ex-
36 cept as otherwise provided by law.

37 (289) "Taxing district" means any entity or unit with the statutory au-
38 thority to levy a property tax.

39 (2930) "Taxable value" means market value for assessment purposes, less
40 applicable exemptions or other statutory provisions. When statutory pro-
41 visions define taxable value as limited to real property for the purpose of
42 making a levy, operating property shall not be included.

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

48 (312) "Warrant of distraint" means a warrant ordering the seizure of
49 personal property to enforce payment of property tax, special assessment,

1 expense, fee, collection cost or charge collected in the same manner as per-
2 sonal property tax.

3 SECTION 2. That Section 63-309, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 63-309. IMPROVEMENTS ON EXEMPT AND RAILROAD RIGHTS-OF-WAY LANDS --
6 EQUITY IN STATE PROPERTY. (1) All taxable improvements on government, In-
7 dian, state, county, municipal or other lands exempt from taxation, and all
8 improvements on all railroad rights-of-way owned separately from the owner-
9 ship of the rights-of-way upon which the same stands, or in which nonexempt
10 persons have possessory interests, shall be assessed and taxed as personal
11 property, provided that such improvements shall not be eligible for the ex-
12 emption provided in section 63-602KK or 63-602MM, Idaho Code.

13 (2) Property of the state of Idaho or any department, agency or subdivi-
14 sion thereof, or any other property not subject to property taxation to
15 the owner thereof by reason of the legal status of the owner, held under con-
16 tract of sale or lease with option to purchase, with lease moneys applica-
17 ble to the purchase price, by any person, corporation or other association
18 for his or its exclusive use, shall be subject to the purchaser or lessee for
19 property taxation. When such property is held under a contract of sale or
20 other agreement whereby on certain payment or payments the legal title is or
21 may be acquired by such person, firm, corporation or association, such prop-
22 erty shall be assessed to such person, firm, corporation or association and
23 taxed without deduction on account of the whole or any part of the purchase
24 price or other sum due on such property remaining unpaid. The lien for any
25 such property tax shall ~~neither~~ not attach to, impair or be enforced against
26 any interest of the state of Idaho or any department, agency or subdivision
27 thereof.

28 (3) Refusal to pay the property tax levied upon any equity in state
29 property by the owner upon demand by the tax collector shall operate as for-
30 feiture of such equity.

31 SECTION 3. That Section 63-313, Idaho Code, be, and the same is hereby
32 amended to read as follows:

33 63-313. SPECIAL PROVISIONS FOR TRANSIENT PERSONAL PROPERTY. (1) All
34 transient personal property shall be listed by the owner and shall show the
35 quantity, name, model, serial number, if any, year of manufacture, date of
36 purchase, cost, whether new or used and other identifying information re-
37 quired by the county assessor. The list of transient personal property shall
38 identify the owner of the property and shall be filed with the home county
39 assessor on or before the first day of November of each year. The owner of
40 transient personal property may elect to treat as his home county that county
41 in which he maintains his residence or usual place of business or in which
42 the transient personal property is usually kept. The report shall be made on
43 forms prescribed by the state tax commission and shall identify periods of
44 thirty (30) days or more during which the personal property is located in a
45 county, specifying the location of the transient personal property for each
46 month of the current calendar year with a projection of the location for the
47 remaining months of November and December.

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

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

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

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

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

25 SECTION 4. That Section 63-602KK, Idaho Code, be, and the same is hereby
 26 amended to read as follows:

27 63-602KK. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY.

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

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

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

36 (ii) The cost of freight and shipping;

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

39 (iv) Sales and use taxes.

40 (c) For purposes of this subsection, an "item of taxable personal prop-
 41 erty" means equipment, machinery, furniture or other personal property
 42 that is functioning at its highest and best use for the purpose it was
 43 designed and constructed and is generally capable of performing that
 44 function without being combined with other items of personal property.
 45 An item of taxable personal property is not an individual component part
 46 of a piece of equipment, machinery, furniture or other personal prop-
 47 erty as a whole. An item of taxable personal property does not include
 48 an improvement to real property, a part that will become an improvement,
 49 or anything defined as a fixture.

1 (2) On and after January 1, 2015, except as provided in subsection (§6)
2 of this section, each person's personal property, located in the county,
3 which is not otherwise exempt, shall be exempt to the extent of one hundred
4 thousand dollars (\$100,000). For the purposes of this section, a person
5 includes two (2) or more people using the property in a common enterprise who
6 are within a relationship described in section 267 of the Internal Revenue
7 Code, as defined in section 63-3004, Idaho Code.

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

20 (b) ~~Except as provided in subsection (7) of this section,~~ For the year
21 beginning January 1, 2014, and every year thereafter, the amount of an-
22 nual replacement of property tax on personal property exempted pursuant
23 to subsection (2) of this section shall be the amount approved by the
24 state tax commission pursuant to paragraph (a) of this subsection.

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

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

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

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

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

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

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

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

34 ~~(i) The taxpayer has received the exemption during the previous~~
 35 ~~year as a result of him making a valid application as defined in~~
 36 ~~this section.~~

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

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

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

49 ~~(7) Recovery of property tax exemptions allowed by this section but im-~~
 50 ~~properly claimed:~~

1 ~~(a) Upon discovery of evidence, facts or circumstances indicating any~~
2 ~~exemption allowed by this section was improperly claimed, the county~~
3 ~~assessor shall decide whether the exemption claimed should have been~~
4 ~~allowed, and if not, notify the board of county commissioners, at which~~
5 ~~time the board may waive a recovery of the property tax and notify such~~
6 ~~taxpayer in writing.~~

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

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

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

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

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

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

48 ~~(h) Any unpaid recovered property taxes shall become a lien upon the~~
49 ~~taxpayer's personal property in the same manner as provided for prop-~~
50 ~~erty taxes in section 63-206, Idaho Code, except such lien shall attach~~

1 as of the first day of January in the year following the year the county
 2 treasurer sent the notice to the taxpayer pursuant to this section.

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

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

- 13 (a) Take the lesser amount of:
- 14 (i) The number of counties in which a company has operating prop-
 - 15 erty multiplied by one hundred thousand dollars (\$100,000); or
 - 16 (ii) The total statewide value of eligible personal property re-
 - 17 ported by the company.
- 18 (b) Reduce the amount calculated in paragraph (a) of this subsection by
 19 the value of any nonoperating personal property granted the exemption
 20 otherwise found in subsection (2) of this section, as reported by county
 21 assessors.

22 SECTION 5. That Chapter 6, Title 63, Idaho Code, be, and the same is
 23 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 24 ignated as Section 63-602LL, Idaho Code, and to read as follows:

25 63-602LL. PROPERTY EXEMPT FROM TAXATION -- OPERATING PERSONAL PROP-
 26 ERTY. (1) It is the intent of the legislature to gradually exempt from prop-
 27 erty taxation operating personal property. The legislature finds that the
 28 following percentages of the system value of each person owning operating
 29 property are exempt from taxation by industry:

30 Industry	Percentage
31 Electric	55%
32 Gas Distribution	95%
33 Gas Transmission	90%
34 Petroleum Pipelines	90%
35 Railcars	100%
36 Railroads	80%
37 Telecommunications	90%
38 Water Distribution	90%
39 Water Transportation	100%

40 (2) In applying the exemption provided in subsection (1) of this sec-
 41 tion, the state tax commission shall determine the industry applicable to
 42 each person owning operating property by determining the primary use from
 43 that person's operator's statement submitted pursuant to section 63-404,
 44 Idaho Code.

1 (3) In applying the exemption for operating personal property, the tax-
2 able value of operating property shall be determined each year as follows:

3 (a) The market value for assessment purposes of operating property
4 shall be determined each year pursuant to chapter 4, title 63, Idaho
5 Code, and section 63-205B, Idaho Code; and

6 (b) All other applicable exemptions shall then be deducted from that
7 value, including the exemption provided in section 63-602KK, Idaho
8 Code.

9 (4) Beginning in tax year 2031, the exempt value of personal property
10 for each year shall be calculated by applying the percentages set forth in
11 subsection (1) of this section to the net amount determined under subsection
12 (3) (b) of this section. This exempt value shall be subtracted from the net
13 amount determined under subsection (3) (b) of this section to obtain the tax-
14 able value of the operating property.

15 (5) Beginning in tax year 2022, the exempt value shall be ten percent
16 (10%) of the personal property exemption authorized under this section and
17 the proportion of the exemption shall be increased by an additional ten per-
18 cent (10%) in each year thereafter, such that by tax year 2031, the complete
19 exemption for operating personal property authorized under this section is
20 achieved. This exempt value shall be subtracted from the net amount deter-
21 mined under subsection (3) (b) of this section to obtain the taxable value of
22 the operating property.

23 (6) Beginning January 1, 2022, the state tax commission shall compute
24 the amount of operating personal property value exempt according to the pro-
25 visions of this section and shall apportion the exempt value to each tax-
26 ing district and unit and revenue allocation area. The state tax commis-
27 sion shall calculate the lost operating personal property revenues based on
28 the current year's levy rates and provide such information to each county by
29 the first Monday in November 2022. A distribution of replacement tax mon-
30 eys shall be made based on the increasing ten percent (10%) incremental ex-
31 emption values from the funds provided in section 63-3638(13), Idaho Code.
32 Total replacement moneys provided under this section and section 63-602MM,
33 Idaho Code, may not exceed any taxing district's total budget request for
34 property tax revenues pursuant to section 63-803, Idaho Code.

35 SECTION 6. That Chapter 6, Title 63, Idaho Code, be, and the same is
36 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
37 ignated as Section 63-602MM, Idaho Code, and to read as follows:

38 63-602MM. PROPERTY EXEMPT FROM TAXATION -- REMAINING PERSONAL PROP-
39 ERTY. (1) It is the intent of the legislature to gradually exempt from prop-
40 erty taxation all personal property. The provisions of this section shall
41 apply to property after the exemptions in section 63-602KK, Idaho Code, or
42 any other applicable exemptions have first been applied to the property.

43 (2) All personal property that was first acquired by a person on and af-
44 ter January 1, 2022, shall be exempt from property taxation by any taxing
45 district. No replacement moneys shall be provided as a result of this sub-
46 section.

47 (3) All personal property acquired by a person prior to January 1, 2022,
48 and still held by that person on and after January 1, 2022, shall be taxed
49 according to the provisions of this subsection.

1 (a) (i) The taxable value of personal property that was first ac-
2 quired before January 1, 2022, shall be valued for the 2022 tax
3 year as provided in section 63-208, Idaho Code, less any appli-
4 cable exemptions, including the exemption in section 63-602KK,
5 Idaho Code. The resulting amount shall serve as the base tax-
6 able value for purposes of the replacement funding set forth in
7 subparagraph (ii) of this paragraph. The taxable value of such
8 property for tax years after 2022 shall be determined in the same
9 manner, provided that property shall be exempt to the extent of any
10 value remaining on or after January 1, 2031.

11 (ii) Replacement personal property tax moneys shall be provided
12 to the applicable taxing districts, taxing units, and revenue
13 allocation areas for the property under their jurisdiction that
14 is exempted under this section. Replacement personal property
15 tax shall be as set forth in this subparagraph, as long as the to-
16 tal replacement moneys provided under this section and section
17 63-602LL, Idaho Code, do not exceed any taxing district's total
18 budget request for property tax pursuant to section 63-803, Idaho
19 Code:

- 20 1. For the year 2022, personal property tax dollars attrib-
21 utable to ten percent (10%) of the 2022 base taxable value;
- 22 2. For the year 2023, personal property tax dollars at-
23 tributable to twenty percent (20%) of the 2022 base taxable
24 value;
- 25 3. For the year 2024, personal property tax dollars at-
26 tributable to thirty percent (30%) of the 2022 base taxable
27 value;
- 28 4. For the year 2025, personal property tax dollars attrib-
29 utable to forty percent (40%) of the 2022 base taxable value;
- 30 5. For the year 2026, personal property tax dollars attrib-
31 utable to fifty percent (50%) of the 2022 base taxable value;
- 32 6. For the year 2027, personal property tax dollars attrib-
33 utable to sixty percent (60%) of the 2022 base taxable value;
- 34 7. For the year 2028, personal property tax dollars attrib-
35 utable to seventy percent (70%) of the 2022 base taxable
36 value;
- 37 8. For the year 2029, personal property tax dollars at-
38 tributable to eighty percent (80%) of the 2022 base taxable
39 value;
- 40 9. For the year 2030, personal property tax dollars at-
41 tributable to ninety percent (90%) of the 2022 base taxable
42 value; and
- 43 10. For 2031 and each year thereafter, one hundred percent
44 (100%) of personal property tax dollars attributable to the
45 2022 base taxable value.

46 (b) No later than the third Monday of November 2022, the county clerk of
47 each county shall certify to the state tax commission the amount of ex-
48 emption from property taxes under this subsection held by all taxpayers
49 in that county for that year. The certification shall identify the ex-
50 empt value, pursuant to this section, within each taxing district, tax-

1 ing unit, and revenue allocation area and shall show the levy rate ap-
 2 plicable to personal property and the tax calculated by applying that
 3 levy rate and the percentages pursuant to paragraph (a) (ii) of this sub-
 4 section. The certification shall be in the form prescribed by the state
 5 tax commission and shall be reviewed and, if necessary, corrected by the
 6 state tax commission, which shall notify the county clerk of any correc-
 7 tions by the second Monday of December 2022.

8 (c) Each taxing district, taxing unit, and revenue allocation area
 9 shall receive certain property tax replacement moneys as provided in
 10 this subsection. The state tax commission shall pay to the county
 11 treasurer of each county, from the amount appropriated for personal
 12 property tax replacement in section 63-3638, Idaho Code, for the lost
 13 property tax revenue from the personal property exempted under this
 14 section, based on the certifications required by this subsection. The
 15 county treasurer in turn shall pay each taxing district, taxing unit,
 16 and revenue allocation area within the county, and the procedures and
 17 provisions set forth in section 63-602KK(4) and (5), Idaho Code, shall
 18 also apply to this section.

19 (4) Nothing contained in this section shall affect the taxation of for-
 20 est lands or forest products pursuant to chapter 17, title 63, Idaho Code,
 21 or the taxation of the net profits of mines pursuant to chapter 28, title 63,
 22 Idaho Code.

23 (5) This section does not apply to operating personal property, which
 24 is governed by the provisions of section 63-602LL, Idaho Code.

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

27 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
 28 EXCEPTIONS. (1) Except as otherwise provided in ~~subsections (3) and (4)~~ of
 29 this section, no taxing district shall certify a budget request for an amount
 30 of property tax revenues to finance an annual budget that exceeds the ~~greater~~
 31 ~~of paragraphs (a) through (k) of this subsection, inclusive~~ maximum sum per-
 32 mitted under this section:

33 (a) (i) The highest dollar amount of property taxes certified for
 34 its annual budget for any one (1) of the three (3) tax years preced-
 35 ing the current tax year; plus

36 ~~(ii) whichever is greater, for the past tax year, which amount may~~
 37 ~~be increased by a A growth factor of not to exceed three percent~~
 38 ~~(3%); plus~~

39 ~~(iii) The amount of revenue calculated as described in this sub-~~
 40 ~~section. Multiply by multiplying~~ the levy of the previous year,
 41 not including any levy described in subsection (4) of this sec-
 42 tion, or any school district levy reduction resulting from a dis-
 43 tribution of state funds pursuant to section 63-3638(11) or (13),
 44 Idaho Code, by:

45 1. The value shown on the new construction roll compiled
 46 pursuant to section 63-301A, Idaho Code; and by plus

47 2. The value of annexation during the previous calendar
 48 year, as certified by the state tax commission for market

1 values of operating property of public utilities and by the
2 county assessor~~7~~.

3 (b) The dollar amount of property taxes certified for its annual budget
4 during the last year in which a levy was made~~7~~ may be substituted for the
5 amount in paragraph (a) (1) of this subsection, if no levy has been made
6 by the taxing district for three (3) or more years.

7 (c) The dollar amount of the actual budget request~~7~~ may be substituted
8 for the amount in paragraph (a) of this subsection if the taxing dis-
9 trict is newly created, except as may be provided in paragraph (i) of
10 this subsection~~7~~.

11 (d) ~~In the case of~~ This section does not apply to school districts, the
12 restriction district levies imposed in section 33-802, Idaho Code~~7~~.

13 (e) In the case of a nonschool district for which less than the maxi-
14 mum allowable increase in the dollar amount of property taxes is cer-
15 tified for annual budget purposes in any one (1) year, such a district
16 may, in any following year, recover the forgone increase by certifying,
17 in addition to any increase otherwise allowed, ~~an amount not to exceed~~
18 ~~one hundred percent (100%)~~ any or all of the increase originally for-
19 gone. Provided however, that prior to budgeting any forgone increase,
20 the district must provide notice of its intent to do so, hold a public
21 hearing, which may be in conjunction with its annual budget hearing, and
22 certify by resolution the amount of forgone increase to be budgeted and
23 the specific purpose for which the forgone increase is being budgeted.
24 Upon adoption of the resolution, the clerk of the district shall file a
25 copy of the resolution with the county clerk and the state tax commis-
26 sion. Said additional amount shall be included in future calculations
27 for increases as allowed~~7~~.

28 (f) If a taxing district elects to budget less than the maximum allow-
29 able increase in the dollar amount of property taxes, the taxing dis-
30 trict may reserve the right to recover all or any portion of that year's
31 forgone increase in a subsequent year by adoption of a resolution spec-
32 ifying the dollar amount of property taxes being reserved. Otherwise,
33 that year's forgone increase may not be recovered under paragraph (e) of
34 this subsection. The district must provide notice of its intent to do
35 so and hold a public hearing, which may be in conjunction with its an-
36 nual budget hearing if applicable. The resolution to reserve the right
37 to recover the forgone increase for that year shall be adopted at the an-
38 nual budget hearing of the taxing district if the district has a budget
39 hearing requirement~~7~~.

40 (g) In the case of cities, if the immediately preceding year's levy
41 subject to the limitation provided by this section is less than 0.004,
42 the city may increase its budget by an amount not to exceed the differ-
43 ence between 0.004 and actual prior year's levy multiplied by the prior
44 year's market value for assessment purposes. The additional amount
45 must be approved by sixty percent (60%) of the voters voting on the ques-
46 tion at an election called for that purpose and held on the date in May or
47 November provided by law and may be included in the annual budget of the
48 city for purposes of this section~~7~~.

49 (h) A taxing district may submit to the electors within the district
50 the question of whether the budget from property tax revenues may be

1 increased beyond the amount authorized in this section, but not beyond
2 the levy authorized by statute. The additional amount must be approved
3 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
4 voting on the question at an election called for that purpose and held
5 on the May or November dates provided by section 34-106, Idaho Code.
6 If approved by the required minimum sixty-six and two-thirds percent
7 (66 2/3%) of the voters voting at the election, the new budget amount
8 shall be the base budget for the purposes of this section.

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

17 ~~(j) In the instance or case of~~ This section does not apply to cooper-
18 ~~ative service agencies, the restrictions~~ agency levies imposed in sec-
19 ~~tions 33-315 through 33-318, Idaho Code.~~

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

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

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

38 (4) The amount of property tax revenues to finance an annual budget does
39 not include revenues from nonproperty tax sources and does not include rev-
40 enue from levies for the payment of judicially confirmed obligations pur-
41 suant to sections 63-1315 and 63-1316, Idaho Code, and revenue from levies
42 that are voter-approved for bonds, override levies or supplemental levies,
43 plant facilities reserve fund levies, school emergency fund levies or for
44 levies applicable to newly annexed property or for levies applicable to new
45 construction as evidenced by the value of property subject to the occupancy
46 tax pursuant to section 63-317, Idaho Code, for the preceding tax year. The
47 amount of property tax revenues to finance an annual budget does not include
48 any property taxes that were collected and refunded on property that is ex-
49 empt from taxation, pursuant to section 63-1305C, Idaho Code. The amount of
50 property tax revenues to finance an annual budget does not include the amount

1 of money received in the twelve (12) months immediately preceding June 30 of
2 the current tax year as a result of distributions of the tax provided in sec-
3 tion 63-3502B(2), Idaho Code.

4 (5) The amount of property tax revenues to finance an annual budget
5 shall include:

6 (a) Moneys received as recovery of property tax for a revoked provi-
7 sional property tax exemption under section 63-1305C, Idaho Code;

8 (b) Moneys received pursuant to section 63-3638(13), Idaho Code, as
9 property tax replacement for property exempt from taxation pursuant to
10 section 63-602KK, Idaho Code; and

11 (c) Beginning in tax year 2023, moneys received pursuant to section
12 63-3638(13), Idaho Code, as property tax replacement for property ex-
13 empt from taxation pursuant to sections 63-602LL and 63-602MM, Idaho
14 Code.

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

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

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

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

1 days. After receipt of this certification, the county commissioners shall
2 make a tax levy as a percent of taxable value of all property in the taxing
3 district which, when applied to the tax rolls, will meet the budget require-
4 ments certified by such taxing districts.

5 (4) Except as provided in section 50-2908(1), Idaho Code, for the pur-
6 pose of this section, "taxable value" shall mean the portion of the equal-
7 ized assessed value, less any exemptions not including the exemptions pro-
8 vided for tax year 2022 in sections 63-602LL and 63-602MM, Idaho Code, and
9 the value that exceeds the value of the base assessment roll for the portion
10 of any taxing district within a revenue allocation area of an urban renewal
11 district, located within each taxing district ~~which~~ that certifies a budget
12 to be raised from a property tax levy. When the county auditor is notified
13 of revenues sufficient to cover expenses as provided in section 50-2903(5),
14 Idaho Code, taxable value shall also include the value that exceeds the value
15 of the base assessment roll for the portion of any taxing district within a
16 revenue allocation area. For each taxing district, taxable value shall in-
17 clude the value from the property and operating property rolls for the cur-
18 rent year and subsequent and missed property rolls for the prior year or the
19 best estimate of the subsequent and missed property rolls for the current
20 year.

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

23 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
24 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,
25 and 63-3709, Idaho Code, and except as provided in subsection (16) of this
26 section, shall be distributed by the state tax commission as follows:

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

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

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

37 (4) An amount equal to the sum required to be certified by the chair-
38 man of the Idaho housing and finance association to the state tax commis-
39 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
40 appropriated and shall be paid to any capital reserve fund established by
41 the Idaho housing and finance association pursuant to section 67-6211, Idaho
42 Code. Such amounts, if any, as may be appropriated hereunder to the capital
43 reserve fund of the Idaho housing and finance association shall be repaid for
44 distribution under the provisions of this section, subject to the provisions
45 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
46 tion, as soon as possible, from any moneys available therefor and in excess
47 of the amounts the association determines will keep it self-supporting.

48 (5) An amount equal to the sum required by the provisions of sections
49 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated

1 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
2 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

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

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

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

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

43 (i) The revenue-sharing amount calculated by the state tax com-
44 mission for the various cities for each quarter of fiscal year 2020
45 shall be the base amount for current quarterly revenue distribu-
46 tion amounts. The state tax commission shall calculate the per
47 capita distribution for each city resulting from the previous fis-
48 cal year's distributions.

49 (ii) If there is no change in the amount of the revenue-sharing
50 account from the same quarter of the previous fiscal year, then the

1 various cities shall receive the same amount received for the same
2 quarter of the previous fiscal year.

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

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

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

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

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

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

39 1. One million three hundred twenty thousand dollars
40 (\$1,320,000) annually shall be distributed one forty-fourth
41 (1/44) to each of the various counties; and

42 2. The balance of such amount shall be paid to the various
43 counties, and each county shall be entitled to an amount in
44 the proportion that the population of that county bears to
45 the population of the state; and

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

49 1. Each county that received a payment under the provisions
50 of section 63-3638(e), Idaho Code, as that subsection ex-

1 isted immediately prior to July 1, 2000, during the fourth
2 quarter of calendar year 1999, shall be entitled to a like
3 amount during succeeding calendar quarters.

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

8 3. If the dollar amount of money available under this sub-
9 section (10) (b) (ii) in any quarter exceeds the amount paid
10 in the fourth quarter of calendar year 1999, each county
11 shall be entitled to a proportionately increased payment,
12 but such increase shall not exceed one hundred five percent
13 (105%) of the total payment made in the fourth quarter of
14 calendar year 1999.

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

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

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

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

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

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

1 (v) If a special purpose taxing district is dissolved or disincorporated, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or disincorporation. The board of county commissioners shall determine any redistribution of moneys so received.

2
3
4
5
6
7 (vi) Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this paragraph (c) of this subsection.

8
9
10 (vii) For purposes of this paragraph (c) of this subsection, a special purpose taxing district is any taxing district that is not a city, a county, or a school district.

11
12
13 (11) Amounts calculated in accordance with section 2, chapter 356, laws of 2001, for annual distribution to counties and other taxing districts beginning in October 2001 for replacement of property tax on farm machinery and equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool districts, the state tax commission shall distribute one-fourth (1/4) of this amount certified quarterly to each county. For school districts, the state tax commission shall distribute one-fourth (1/4) of the amount certified quarterly to each school district. For nonschool districts, the county auditor shall distribute to each district within thirty (30) calendar days from receipt of moneys from the state tax commission. Moneys received by each taxing district for replacement shall be utilized in the same manner and in the same proportions as revenues from property taxation. The moneys remitted to the county treasurer for replacement of property exempt from taxation pursuant to section 63-602EE, Idaho Code, may be considered by the counties and other taxing districts and budgeted at the same time, in the same manner and in the same year as revenues from taxation on personal property which these moneys replace. If taxing districts are consolidated, the resulting district is entitled to an amount equal to the sum of the amounts received in the last calendar quarter by each district pursuant to this subsection prior to the consolidation. If a taxing district is dissolved or disincorporated, the state tax commission shall continuously distribute to the board of county commissioners an amount equal to the last quarter's distribution prior to dissolution or disincorporation. The board of county commissioners shall determine any redistribution of moneys so received. If a taxing district annexes territory, the distribution of moneys received pursuant to this subsection shall be unaffected. Taxing districts formed after January 1, 2001, are not entitled to a payment under the provisions of this subsection. School districts shall receive an amount determined by multiplying the sum of the year 2000 school district levy minus .004 times the market value on December 31, 2000, in the district of the property exempt from taxation pursuant to section 63-602EE, Idaho Code, provided that the result of these calculations shall not be less than zero (0). The result of these school district calculations shall be further increased by six percent (6%). For purposes of the limitation provided by section 63-802, Idaho Code, moneys received pursuant to this section as property tax replacement for property exempt from taxation pursuant to section 63-602EE, Idaho Code, shall be treated as property tax revenues.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

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

4 (13) ~~(a) Amounts calculated in accordance with subsection (4) of section~~
5 ~~63-602KK(4), Idaho Code, for annual distribution to counties and other~~
6 ~~taxing districts for replacement of property tax on personal property~~
7 ~~tax exemptions pursuant to subsection (2) of section 63-602KK(2), Idaho~~
8 ~~Code, which amounts are continuously appropriated unless the legisla-~~
9 ~~ture enacts a different appropriation for a particular fiscal year. For~~
10 ~~purposes of the limitation provided by section 63-802, Idaho Code, mon-~~
11 ~~eys received pursuant to this section as property tax replacement for~~
12 ~~property exempt from taxation pursuant to section 63-602KK, Idaho Code,~~
13 ~~shall be treated as property tax revenues. If taxing districts are con-~~
14 ~~solidated, the resulting district is entitled to an amount equal to the~~
15 ~~sum of the amounts that were received in the last calendar year by each~~
16 ~~district pursuant to this subsection prior to the consolidation. If a~~
17 ~~taxing district or revenue allocation area annexes territory, the dis-~~
18 ~~tribution of moneys received pursuant to this subsection shall be un-~~
19 ~~affected. Taxing districts and revenue allocation areas formed after~~
20 ~~January 1, 2013, are not entitled to a payment under the provisions of~~
21 ~~this subsection.~~

22 (b) Amounts calculated in accordance with sections 63-602LL and
23 63-602MM, Idaho Code, for annual distribution to counties and other
24 taxing districts, taxing units, and revenue allocation areas for re-
25 placement of property tax on operating and personal property pursuant
26 to those sections, which amounts are continuously appropriated unless
27 the legislature enacts a different appropriation for a particular fis-
28 cal year.

29 (c) For purposes of any distribution under paragraph (a) or (b) of this
30 subsection, if taxing districts are consolidated, the resulting dis-
31 trict is entitled to an amount equal to the sum of the amounts that were
32 received in the last calendar year by each district pursuant to this
33 subsection prior to the consolidation. If a taxing district or revenue
34 allocation area annexes territory, the distribution of moneys received
35 pursuant to this subsection shall be unaffected.

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) One percent (1%), but not less than fifteen million dollars
47 (\$15,000,000), is continuously appropriated and shall be distributed to the
48 transportation expansion and congestion mitigation fund established in sec-
49 tion 40-720, Idaho Code. The distribution provided for in this subsection

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

3 SECTION 10. That Section 63-510, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 63-510. NOTIFICATION OF VALUATION DUE TO STATE TAX COMMISSION. (1)
6 Prior to the first Monday of August, the auditor of each county in the state
7 shall notify the state tax commission of the net taxable value of all prop-
8 erty situated within each taxing unit or district in the county from the
9 property roll for the current year and shall provide an estimate of the net
10 taxable value for each taxing unit or district from the current year's es-
11 timated subsequent and missed property rolls. Such notification shall also
12 include an estimate of the net taxable value within any area annexed during
13 the immediate prior year to any taxing unit or district.

14 (2) Prior to the first Monday of March, the auditor of each county in the
15 state shall notify the state tax commission of the net taxable value of all
16 property situated within each taxing unit or district in the county from the
17 subsequent and missed property rolls. Such notification shall also include
18 an estimate of the net taxable value within any area annexed during the im-
19 mediate prior year, and listed on the subsequent or missed property roll, to
20 any taxing unit or district.

21 (3) The notification required in subsections (1) and (2) of this sec-
22 tion shall be on forms prescribed and provided by the state tax commission
23 and shall list separately the value exempt from property taxation in accor-
24 dance with section 63-602G, Idaho Code, and the value in excess of the equal-
25 ized assessment valuation as shown on the base assessment roll in any revenue
26 allocation area, pursuant to chapters 20 and 29, title 50, Idaho Code.

27 (4) For the purposes of this section, "taxing district," as defined in
28 section 63-201(28), Idaho Code, shall include each incorporated city in each
29 county, regardless of whether said city certifies a property tax budget.

30 SECTION 11. That Section 63-1009, Idaho Code, be, and the same is hereby
31 amended to read as follows:

32 63-1009. EFFECT OF TAX DEED AS CONVEYANCE. The deed conveys to the
33 grantee the right, title, and interest held by the record owner or owners,
34 provided that the title conveyed by the deed shall be free of any recorded
35 purchase contract, mortgage, deed of trust, security interest, lien, or
36 lease, as long as notice has been sent to the party in interest as provided
37 in sections 63-201(178) and 63-1005, Idaho Code, and the lien for property
38 taxes, assessments, amounts certified to the tax collector pursuant to sec-
39 tion 50-1715, Idaho Code, charges, interest, and penalties for which the
40 lien is foreclosed and in satisfaction of which the property is sold.

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

1 SECTION 13. This act shall be in full force and effect on and after Jan-
2 uary 1, 2022.