

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 592

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO REVENUE AND TAXATION; AMENDING SECTION 63-301A, IDAHO CODE, TO
2 ESTABLISH PROVISIONS THAT A NEW CONSTRUCTION ROLL SHALL SHOW CERTAIN
3 REDUCTIONS IN TAXABLE MARKET VALUE AND TO PROVIDE FOR EXCEPTIONS; AND
4 AMENDING SECTION 63-802, IDAHO CODE, TO REVISE A CODE REFERENCE AND TO
5 ESTABLISH PROVISIONS RELATING TO A CERTAIN AMOUNT THAT SHALL BE SUB-
6 TRACTED FROM THE DOLLAR AMOUNT OF PROPERTY TAXES CERTIFIED FOR AN ANNUAL
7 BUDGET.
8

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

10 SECTION 1. That Section 63-301A, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare
13 a new construction roll, which shall be in addition to the property roll,
14 which new construction roll shall show:

15 (a) The name of the taxpayer;

16 (b) The description of the new construction, suitably detailed to meet
17 the requirements of the individual county;

18 (c) A description of the land and its change in use, suitably detailed
19 to meet the needs of the individual county;

20 (d) The amount of taxable market value added to the property on the cur-
21 rent year's property roll that is directly the result of new construc-
22 tion or a change in use of the land or both;

23 (e) The amount of taxable market value added as provided in subsection
24 (3) (g) of this section as a result of dissolution of any revenue alloca-
25 tion area;

26 (f) The amount of taxable market value to be deducted to reflect the ad-
27 justments required in paragraphs (f) (i), (f) (ii) and (f) (iii) of this
28 subsection:

29 (i) Any board of tax appeals or court ordered value change, if
30 property has a taxable value lower than that shown on any new con-
31 struction roll in any one (1) of the immediate five (5) tax years
32 preceding the current tax year;

33 (ii) Any reduction in value resulting from correction of value im-
34 properly included on any previous new construction roll as a re-
35 sult of double or otherwise erroneous assessment;

36 (iii) Any reduction in value, in any one (1) of the immediate five
37 (5) tax years preceding the current tax year, resulting from a
38 change of land use classification.

39 (g) (i) Beginning January 1, 2011, any reduction in taxable mar-
40 ket value resulting from property that became exempt pursuant to
41 chapters 6 and 45, title 63, Idaho Code, in the five (5) years im-
42 mediately preceding the current tax year. Such a reduction shall

1 be applied to the taxable market value but shall not be shown on
 2 the new construction roll in a cumulative manner in each succeed-
 3 ing year.

4 (ii) The provisions of paragraph (g) (i) of this subsection shall
 5 not apply to sections 63-602G, 63-602L, 63-602X, 63-602W(2),
 6 63-602AA and 63-602KK, Idaho Code.

7 (iii) The provisions of paragraph (g) (i) of this subsection shall
 8 not apply to that portion of taxable property that is increment
 9 value as defined in section 50-2903, Idaho Code.

10 (2) As soon as possible, but in any event by no later than the first Mon-
 11 day in June, the new construction roll shall be certified to the county audi-
 12 tor and a listing showing the amount of value on the new construction roll in
 13 each taxing district or unit be forwarded to the state tax commission on or
 14 before the fourth Monday in July. Provided however, the value shown in sub-
 15 section (3) (f) of this section shall be reported to the appropriate county
 16 auditor by the state tax commission by the third Monday in July and the value
 17 sent by the county auditor to each taxing district. The value established
 18 pursuant to subsection (3) (f) of this section is subject to correction by the
 19 state tax commission until the first Monday in September and any such correc-
 20 tions shall be sent to the appropriate county auditor, who shall notify any
 21 affected taxing districts.

22 (3) The value shown on the new construction roll shall include the tax-
 23 able market value increase from:

24 (a) Construction of any new structure that previously did not exist; or

25 (b) Additions or alterations to existing nonresidential structures; or

26 (c) Installation of new or used manufactured housing that did not pre-
 27 viously exist within the county; or

28 (d) Change of land use classification; or

29 (e) Property newly taxable as a result of loss of the exemption provided
 30 by section 63-602W, Idaho Code; or

31 (f) The construction of any improvement or installation of any equip-
 32 ment used for or in conjunction with the generation of electricity and
 33 the addition of any improvement or equipment intended to be so used, ex-
 34 cept property that has a value allocated or apportioned pursuant to sec-
 35 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-
 36 ity, as those terms are defined in section 61-332A, Idaho Code, or that
 37 is owned by a public utility, as that term is defined in section 61-332A,
 38 Idaho Code, owning any other property that is allocated or apportioned.
 39 No replacement equipment or improvements may be included; or

40 (g) Increases in value over the base value of property on the base as-
 41 sessment roll within an urban renewal revenue allocation area that has
 42 been terminated pursuant to section 50-2909(4), Idaho Code, to the ex-
 43 tent that this increment exceeds the incremental value as of December
 44 31, 2006, or, for revenue allocation areas formed after December 31,
 45 2006, the entire increment value. Notwithstanding other provisions of
 46 this section, the new construction roll shall not include new construc-
 47 tion located within an urban renewal district's revenue allocation
 48 area, except as provided in this subsection (3) (g); or

49 (h) New construction, in any one (1) of the immediate five (5) tax years
 50 preceding the current tax year, allowable but never included on a new

1 construction roll, provided however, that, for such property, the value
2 on the new construction roll shall reflect the taxable value that would
3 have been included on the new construction roll for the first year in
4 which the property should have been included.

5 (i) Formerly exempt improvements on state college or state university
6 owned land for student dining, housing, or other education related pur-
7 poses approved by the state board of education and board of regents of
8 the university of Idaho as proper for the operation of such state col-
9 lege or university provided however, such improvements were never in-
10 cluded on any previous new construction roll.

11 (4) The amount of taxable market value of new construction shall be the
12 change in net taxable market value that is attributable directly to new con-
13 struction or a change in use of the land or loss of the exemption provided
14 by section 63-602W(3), Idaho Code. It shall not include any change in value
15 of existing property that is due to external market forces such as general
16 or localized inflation, except as provided in subsection (3) (g) of this sec-
17 tion.

18 SECTION 2. That Section 63-802, Idaho Code, be, and the same is hereby
19 amended to read as follows:

20 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
21 EXCEPTIONS. (1) Except as provided in subsection (3) of this section, no tax-
22 ing district shall certify a budget request for an amount of property tax
23 revenues to finance an annual budget that exceeds the greater of paragraphs
24 (a) through (i) of this subsection inclusive:

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

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

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

43 (d) In the case of school districts, the restriction imposed in section
44 33-802, Idaho Code;

45 (e) In the case of a nonschool district for which less than the maximum
46 allowable increase in the dollar amount of property taxes is certified
47 for annual budget purposes in any one (1) year, such a district may, in
48 any following year, recover the foregone increase by certifying, in ad-
49 dition to any increase otherwise allowed, an amount not to exceed one

1 hundred percent (100%) of the increase originally foregone. Said addi-
2 tional amount shall be included in future calculations for increases as
3 allowed;

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

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

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

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

33 (j) The amount calculated by multiplying the levy of the previous year,
34 not including any levy described in subsection (4) of this section, or
35 any school district levy reduction resulting from a distribution of
36 state funds pursuant to section 63-3638(11), Idaho Code, by the value
37 shown on the new construction roll pursuant to section 63-301A(1)(g),
38 Idaho Code, shall be subtracted from the dollar amount of property taxes
39 certified for the annual budget in each of the three (3) tax years pre-
40 ceding the current tax year or during the last year in which a levy was
41 made. The new budget amount shall be the base budget for the purposes of
42 this section.

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