

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 690

BY REVENUE AND TAXATION COMMITTEE

1 AN ACT  
2 RELATING TO TAXATION; AMENDING CHAPTER 8, TITLE 57, IDAHO CODE, BY THE AD-  
3 DITION OF A NEW SECTION 57-810, IDAHO CODE, TO ESTABLISH PROVISIONS RE-  
4 GARDING THE COUNTY AND CITY PROPERTY TAX RELIEF FUND; PROVIDING A SUNSET  
5 DATE; AND DECLARING AN EMERGENCY.

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

7 SECTION 1. That Chapter 8, Title 57, Idaho Code, be, and the same is  
8 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
9 ignated as Section 57-810, Idaho Code, and to read as follows:

10 57-810. COUNTY AND CITY PROPERTY TAX RELIEF FUND. (1) There is hereby  
11 created in the state treasury the county and city property tax relief fund.  
12 Moneys in the fund are intended to offset property tax increases for county  
13 and city governments. Moneys in the fund are continuously appropriated and  
14 shall be distributed as provided in this section:

15 (a) Fifty percent (50%) of the total amount available in the fund shall  
16 be distributed to each of the forty-four (44) counties for property tax  
17 relief. Such moneys shall be distributed in the proportion that the  
18 sum of each county's 2021 approved property tax budget portion of the  
19 county's budget in the county's current expense fund, county justice  
20 fund, and county district court fund bears to the total amount of ap-  
21 proved property tax budget portion of budgets in all counties' current  
22 expense funds, county justice funds, and county district court funds  
23 in tax year 2021. The state tax commission shall calculate the propor-  
24 tional amount for each county. Counties are encouraged to first use  
25 moneys from the fund to pay off any bonded indebtedness.

26 (b) Fifty percent (50%) of the total amount available in the fund shall  
27 be distributed to each of the various cities for property tax relief.  
28 Such moneys shall be distributed in the proportion that each city's 2021  
29 approved property tax portion of its budget bears to the total amount of  
30 approved property tax portions of their budgets in tax year 2021. The  
31 state tax commission shall calculate the proportional amount for each  
32 city. Cities are encouraged to first use moneys from the fund to pay off  
33 any bonded indebtedness.

34 (2) Moneys received pursuant to this section for property tax relief  
35 shall be considered by the various counties and cities as property tax rev-  
36 enues and shall be budgeted at the same time, in the same manner, and in the  
37 same year as other property tax revenues. As part of the budget certifica-  
38 tion process, a city council or board of county commissioners receiving mon-  
39 eys pursuant to this section shall certify to the state tax commission the  
40 amount of moneys budgeted for property tax relief. The state tax commission  
41 shall ensure that the budget and levy effects of the property tax replace-  
42 ment are neutral and shall not consider any subtraction from a participating

1 county or city when determining future budget limitations pursuant to sec-  
2 tion 63-802, Idaho Code.

3 (3) (a) After the close of each fiscal year, the state controller shall  
4 determine and notify the state tax commission of any excess cash bal-  
5 ance in the general fund by no later than the third Monday in July. The  
6 general fund excess cash balance shall be determined by deducting from  
7 the ending balance, according to the legislative record, any appropria-  
8 tions to be carried over into the next fiscal year, all encumbrances ap-  
9 proved by the division of financial management, any transfers pursuant  
10 to section 57-814(2) (c), Idaho Code, and an amount sufficient to cover  
11 any reappropriations authorized by the legislature. Any moneys remain-  
12 ing after all deductions shall be the general fund excess cash balance.

13 (b) On July 1, or as soon thereafter as practicable, the state con-  
14 troller shall transfer up to eighty million dollars (\$80,000,000) of  
15 the general fund excess cash balance to the county and city property tax  
16 relief fund.

17 (c) Any cash balance in the county and city property tax relief fund at  
18 the beginning of each state fiscal year may be distributed by the state  
19 tax commission pursuant to subsection (1) of this section.

20 (4) (a) Cities formed on and after July 1, 2022, are not eligible for  
21 moneys from the county and city property tax relief fund.

22 (b) Moneys from the fund that would otherwise be payable to a city that  
23 is dissolved on or after July 1, 2022, shall revert and be divided among  
24 the rest of the cities pursuant to subsection (1) (b) of this section.

25 SECTION 2. The provisions of Section 1 of this act shall be null, void,  
26 and of no force and effect on and after July 1, 2026.

27 SECTION 3. An emergency existing therefor, which emergency is hereby  
28 declared to exist, this act shall be in full force and effect on and after its  
29 passage and approval.