

LEGISLATURE OF THE STATE OF IDAHO
Sixty-first Legislature Second Regular Session - 2012

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 663

BY EDUCATION COMMITTEE

AN ACT

RELATING TO EDUCATION; AMENDING SECTION 33-906, IDAHO CODE, TO DEFINE TERMS AND TO MAKE A TECHNICAL CORRECTION; AND AMENDING SECTION 33-906B, IDAHO CODE, TO DEFINE A TERM, TO ESTABLISH PROVISIONS ASSIGNING A FACTOR FOR ELIGIBLE PUBLIC CHARTER SCHOOLS AND TO ESTABLISH PROVISIONS RELATING TO A CALCULATION.

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

SECTION 1. That Section 33-906, Idaho Code, be, and the same is hereby amended to read as follows:

33-906. BOND LEVY EQUALIZATION SUPPORT PROGRAM. (1) Pursuant to section 33-906B, Idaho Code, school districts with a value index below one (1) shall be eligible to receive additional state financial assistance for the cost of annual bond interest and redemption payments made on bonds passed on or after September 15, 2002. However, any school district with a value index of less than one and one-half (1.5), shall receive no less than ten percent (10%) of the interest cost portion of the annual bond interest and redemption payment for bonds passed on or after September 15, 2002. The state department of education shall disburse such funds to school districts from moneys appropriated from the bond levy equalization fund. The department shall disburse the funds by no later than September 1 of each year for school districts in which voters have approved the issuance of qualifying bonds by no later than January 1 of that calendar year, and which are certifying a qualifying bond interest and redemption payment for the fiscal year in which the disbursement is made. For districts with a value index below one (1), the percentage of each annual bond interest and redemption payment that is paid by the state shall be determined by dividing the difference between one (1) and the school district's value index by one (1).

(2) For the purposes of this section, the annual bond interest and redemption payment shall be determined by dividing the total payment amounts by the number of fiscal years in which payments are to be made. The interest cost portion of the annual bond interest and redemption payment shall be determined by dividing the total interest paid by the number of fiscal years in which payments are to be made. For school districts not qualifying for a state payment in the first year of the bond interest and redemption payment schedule, due solely to the January 1 eligibility deadline, the state department of education shall distribute an additional payment in the next fiscal year, in the amount of such funds that the school district would have otherwise qualified for in the current fiscal year.

(3) The provisions of this section may not be utilized to refinance existing debt or subsidize projects previously subsidized by state grants, unless the existing debt being refinanced is a bond passed on or after September 15, 2002; provided however, that any school district that has

1 issued qualifying bonds prior to June 30, 2004, in conformance with this sec-
 2 tion shall not be deemed to be refinancing existing debt when the qualifying
 3 bonds are utilized to finance the acquisition of public school facilities
 4 previously leased or financed through means other than the issuance of gen-
 5 eral obligation bonds approved by a two-thirds (2/3) vote at an election
 6 called for that purpose subject to subsection (5) of this section.

7 (4) School districts shall annually report the status of all qualifying
 8 bonds to the state department of education by January 1 of each year, includ-
 9 ing bonds approved by the voters, but not yet issued. Information submitted
 10 shall include the following:

11 (a) The actual or estimated bond interest and redemption payment sched-
 12 ule;

13 (b) Any qualifying bond that has been paid off;

14 (c) Other information as may be required by the state department of edu-
 15 cation.

16 (5) No school district project eligible for participation in the bond
 17 levy equalization support program shall be deemed ineligible for participa-
 18 tion due to that school district project's eligibility and prior participa-
 19 tion in the safe school facilities loan and grant program or the Idaho safe
 20 schools facilities program under section 33-804A, 33-1017 or 33-1613, Idaho
 21 Code, provided that:

22 (a) Such school district notifies the state department of education of
 23 its desire and eligibility to participate in the bond levy equalization
 24 support program; and

25 (b) Such school district shall receive no state financial assistance
 26 for the project under the bond levy equalization support program until
 27 the amount to which it would otherwise have been entitled to receive
 28 shall equal the amounts received by the school district under the safe
 29 school facilities loan and grant program or the Idaho safe schools fa-
 30 cilities program under section 33-804A, 33-1017 or 33-1613, Idaho Code.

31 (6) Any school district formed as a result of the consolidation of two
 32 (2) or more school districts that passes an eligible bond within three (3)
 33 years of the successful consolidation election shall participate in the bond
 34 levy equalization support program at the district's actual value index minus
 35 twenty-five hundredths (.25). This adjustment shall apply for the duration
 36 of the bond interest and redemption payment schedule. If a school district
 37 advantaged by this subsection (6) deconsolidates either during the appli-
 38 cable bond interest and redemption payment schedule, or within a three (3)
 39 year period thereafter, each deconsolidated district shall, upon deconsol-
 40 idation, repay to the bond levy equalization fund all additional subsidies
 41 received pursuant to this subsection (6). The proportions owed by each de-
 42 consolidated district shall be determined by the proportion that each dis-
 43 trict's market value for assessment purposes bears to the whole.

44 (7) For the purposes of subsections (1) through (4) of this section:

45 (a) The term "school district" also includes public charter schools
 46 that primarily educate students in buildings owned by the public char-
 47 ter school;

48 (b) The term "bond" also includes a debt owed by an eligible public
 49 charter school, the proceeds of which debt are utilized for the con-
 50 struction or acquisition of a school facility plus any other purposes

1 for which a school bond may be used pursuant to section 33-1102, Idaho
2 Code; and

3 (c) The term "voters" also includes the board of directors of an eligi-
4 ble public charter school, in the case of a public charter school.

5 SECTION 2. That Section 33-906B, Idaho Code, be, and the same is hereby
6 amended to read as follows:

7 33-906B. VALUE INDEX CALCULATION. The state department of education
8 shall establish a value index for each school district, based on each school
9 district's market value per support unit for equalization purposes, the av-
10 erage annual seasonally-adjusted unemployment rate in the county in which a
11 plurality of the school district's market value for assessment purposes of
12 taxable property is located and the per capita income in the county in which
13 a plurality of the school district's market value for assessment purposes is
14 located. The value index for each school district shall be calculated as the
15 sum of the following three (3) components:

16 (1) The state department of education shall annually calculate each
17 school district's market value per support unit, based on the market values
18 that would be used to calculate a bond levy, and the statewide average. The
19 first portion of the value index shall be calculated by dividing the school
20 district's figure by the statewide average figure and dividing the result of
21 this calculation by two (2).

22 (2) The second portion of the value index shall be calculated by divid-
23 ing the statewide unemployment rate by the unemployment rate in the county in
24 which a plurality of the school district's market value for assessment pur-
25 poses of taxable property is located, and dividing the result of this calcu-
26 lation by four (4). For the purposes of this subsection, the statewide un-
27 employment rate and county unemployment rates shall be based on the most re-
28 cent average annual seasonally-adjusted unemployment rate data reported by
29 the United States department of labor, for which there is a complete calendar
30 year of data.

31 (3) The third portion of the value index shall be calculated by dividing
32 the county per capita income in the county in which a plurality of the school
33 district's market value for assessment purposes of taxable property is lo-
34 cated by the statewide per capita income, and dividing the result of this
35 calculation by four (4). For the purposes of this subsection, the statewide
36 per capita income and county per capita income shall be based on the most re-
37 cent data reported by the United States department of commerce, for which
38 there is a complete calendar year of data.

39 If a bond is passed by a subdistrict created pursuant to section 33-351,
40 Idaho Code, the index used shall be that of the school district. For sub-
41 districts created as a result of consolidation, for the purposes of retiring
42 prior bonded indebtedness, pursuant to section 33-311, Idaho Code, the sub-
43 district shall retain the value index factor calculated in subsection (1) of
44 this section, as such factor was calculated in the subdistrict's last fis-
45 cal year as a separate school district. The remaining components of the sub-
46 district's value index calculation shall be that of the consolidated school
47 district, as calculated each year.

48 (4) For the purposes of this section, the term "school district" also
49 includes public charter schools that primarily educate students in build-

1 ings owned by the public charter school. For the purposes of subsection (1)
2 of this section, eligible public charter schools shall be assigned a value
3 index factor of the statewide average of one-half (.5). For the purposes of
4 subsections (2) and (3) of this section, calculations shall be made for eli-
5 gible public charter schools based on the county in which the facility owned
6 by the public charter school is physically located.