

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 369

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXING DISTRICTS; AMENDING CHAPTER 8, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-802B, IDAHO CODE, TO ESTABLISH CERTAIN NOTICE AND PUBLIC HEARING REQUIREMENTS IN ORDER FOR A TAXING DISTRICT TO INCREASE THE PROPERTY TAX REVENUES PORTION OF ITS BUDGET; AND DECLARING AN EMERGENCY.

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

SECTION 1. That Chapter 8, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-802B, Idaho Code, and to read as follows:

63-802B. TAXING DISTRICT PROPOSAL TO INCREASE PROPERTY TAX REVENUES -- REQUIREMENTS. (1) Notwithstanding the provisions of section 63-802, Idaho Code, a taxing district may certify a budget request for an amount of property tax revenues to finance an annual budget that exceeds the taxing district's prior year's certified budget for property tax revenues only if the taxing district complies with the notice and hearing provisions set forth in this section, except that:

(a) Taxing districts that propose a budget of less than one million dollars (\$1,000,000) shall be exempt from the requirements of this section; and

(b) Any portion of proposed property tax revenue added as a result of new construction, annexation, or the termination, deannexation, or plan modification of a revenue allocation area of an urban renewal district pursuant to section 63-301A(3)(f), (i), or (j), Idaho Code, shall not be considered in calculating the amount of increase in property tax revenues from a prior year under the provisions of this section.

(2) A taxing district that proposes to increase the dollar amount of property tax revenues for its annual budget over the previous year shall publish a notice in a newspaper qualified to print legal notices pursuant to the provisions of section 60-106, Idaho Code, and mail a copy of the same to each owner of taxable property within the taxing district no earlier than four (4) weeks before and no later than two (2) weeks before the taxing district's budget hearing pursuant to section 63-802A, Idaho Code. The form and content of the notice shall be substantially as follows:

NOTICE OF PROPOSED TAX INCREASE
[NAME OF TAXING DISTRICT]

The [name of the taxing district] is proposing to increase its property tax revenue.

The [name of the taxing district] tax per one hundred thousand dollars (\$100,000) of taxable value of property, above any exemptions,

of residential property would increase from \$_____ to \$_____, which is \$_____ per year.

The [name of the taxing district] tax per one hundred thousand dollars (\$100,000) of taxable value of property, above any exemptions, of commercial property would increase from \$_____ to \$_____, which is \$_____ per year.

The [name of the taxing district] tax per one hundred thousand dollars (\$100,000) of taxable value of property, above any exemptions, of industrial property would increase from \$_____ to \$_____, which is \$_____ per year.

The [name of the taxing district] tax per one hundred thousand dollars (\$100,000) of taxable value of property, above any exemptions, of land actively devoted to agriculture would increase from \$_____ to \$_____, which is \$_____ per year.

The [name of the taxing district] tax per one hundred thousand dollars (\$100,000) of taxable value of property, above any exemptions, of operating property would increase from \$_____ to \$_____, which is \$_____ per year.

If the proposed budget is approved, [name of the taxing district] would receive an additional \$_____ in property tax revenue per year as a result of the tax increase.

If the proposed budget is approved, [name of the taxing district] would increase its property tax budgeted revenue by ____% above last year's property tax budgeted revenue excluding new revenue added as a result of new construction, annexation, and certain other exempt revenue.

The [name of the taxing district] invites all concerned citizens to a public hearing for the purpose of hearing comments regarding the proposed tax increase and to explain the reasons for the proposed tax increase.

PUBLIC HEARING

Date/Time: [date] [time]

Location: [name of hearing place and address of hearing place]

To obtain more information regarding the tax increase, citizens may contact the [name of the taxing district] at [phone number of taxing district] or visit [internet address for the taxing district's website].

(3) The hearing notice shall:

(a) Be no less than one-quarter (1/4) page in size, use type no smaller than 18-point font, and be surrounded by a one-quarter (1/4) inch border;

(b) Not be placed in that portion of the newspaper where legal notices and classified advertisements appear;

(c) Be published in a newspaper of general interest and readership in the taxing district that is published at least one (1) day per week, whenever possible;

(d) Be run once each week for at least two (2) weeks, starting no earlier than four (4) weeks before the taxing district's budget hearing and no later than two (2) weeks before the taxing district conducts its budget hearing. If a taxing district's public hearing information is published by the county auditor in accordance with section 63-802A, Idaho Code, the taxing district need only publish the notice once during the week before the taxing district conducts a public hearing at which the taxing district's annual budget is discussed;

(e) State that the taxing district will meet on a certain day, time, and place fixed in the notice for the purpose of hearing comments regarding the proposed increase and to explain the reasons for the proposed increase; and

(f) State the internet address for the taxing district's public website.

(4) A public hearing on the proposed tax increase shall be held pursuant to the provisions of chapter 2, title 74, Idaho Code. It shall be open to the public and held at a hearing of the taxing district with no items on the agenda other than discussion and action on the taxing district's proposed budget and property tax revenue increase request.

(5) The governing body of a taxing district conducting such a public hearing shall:

(a) Schedule the hearing to be held at or after 6:00 p.m. on the same date as the public hearing on the taxing district's proposed annual budget pursuant to section 63-802A, Idaho Code. If a taxing district holds a public hearing for the purpose of addressing general business of the taxing district on the same date as a property tax revenue increase public hearing, the public hearing addressing general business items shall conclude before the beginning of the property tax revenue increase public hearing. A taxing district may not schedule a property tax revenue increase public hearing at the same time as the public hearing of another overlapping taxing district in the same county. The county auditor shall resolve any conflict in public hearing dates and times after consultation with each affected taxing district;

(b) State the dollar amount of additional property tax revenue that would be generated each year by the proposed increase;

(c) Explain the reasons for the proposed tax increase, including the taxing district's intended use of additional property tax revenue; and

(d) Provide an interested party desiring to be heard an opportunity to present oral testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment.

(6) A taxing district that intends to increase the property tax portion of its budget from the previous year shall, at the same time as such taxing district mails its meeting notice pursuant to subsection (2) of this section, mail to each owner of taxable property within its jurisdiction a notice, on a form prescribed by the state tax commission, that contains:

(a) In bold upper-case type no smaller than 18-point font the statement "NOTICE OF PROPOSED TAX INCREASE";

(b) The value of the property for the previous tax year, the amount of tax levied on the property for the previous tax year, and the estimated

1 taxes due on the property for the upcoming tax year if the taxing dis-
2 trict's proposed budget is adopted. The property tax estimate shall be
3 based on the most recent year's data that is available to the taxing dis-
4 trict;

5 (c) The following statement: "[Insert name of taxing entity] is
6 proposing a property tax revenue increase for [insert applicable tax
7 year]. This notice contains estimates of the tax on your property and
8 the proposed property tax increase on your property as a result of this
9 property tax revenue increase. These estimates are calculated on the
10 basis of [insert previous applicable tax year] data. The actual tax on
11 your property and proposed tax increase on your property may vary from
12 this estimate.";

13 (d) The dollar amount of additional property tax revenue that would be
14 generated each year by the proposed increase in the taxing district's
15 property tax portion of its budget;

16 (e) A brief statement of the primary purpose for the proposed increase
17 in the property tax portion of the budget, including the taxing dis-
18 trict's intended use of additional property tax revenue described in
19 paragraph (d) of this subsection;

20 (f) The date, time, and place of the public hearing pursuant to subsec-
21 tion (5) of this section;

22 (g) The internet address for the taxing entity's public website; and

23 (h) Other information approved by the state tax commission.

24 (7) A county auditor may conduct an audit to verify a taxing district's
25 compliance with this section. If the county auditor, after completing an
26 audit, finds that a taxing district has failed to meet the requirements of
27 this section, the county auditor shall prepare and submit a report of the au-
28 ditor's findings to the board of county commissioners. The board of county
29 commissioners may not certify a tax rate that results in increased property
30 tax revenues to a taxing district if it determines that the taxing district
31 has failed to meet the requirements of this section.

32 SECTION 2. An emergency existing therefor, which emergency is hereby
33 declared to exist, this act shall be in full force and effect on and after its
34 passage and approval.