

Short Ballot Title

Initiative Relating To Resort County Sales Tax, Defining Resort County, Creating Resort County Sales Or Use Tax, And Creating Administration Process

Long Ballot Title

An initiative relating to a Resort County Sales Tax; Repealing Chapter 26, Title 63, Idaho Code; Amending Title 63, Idaho Code by the addition of a new Chapter 26, Title 63, to provide a definition of "resort county," to provide authority for a county sales or use tax, to create a county property tax relief fund, to provide a distribution formula, to provide coordination with city local option non-property taxes, to provide for collection and administration of local option sales or use taxes by the state tax commission, to provide for distribution, providing severability, and declaring an emergency.

Text of Initiative

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

SECTION 1. That Chapter 26, Title 63, Idaho Code, be, and the same is, hereby repealed.

SECTION 2. That Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW CHAPTER, to be known and designated as Chapter 26, Title 63, Idaho Code, and to read as follows:

CHAPTER 26 RESORT COUNTY SALES TAX

63-2601. FINDINGS. The people of the State of Idaho find that the increase in growth of the population of certain resort counties and the influx of great numbers of people traveling to those counties for sport, recreation and business have created a drain on the resort county infrastructure that is borne to an inequitable degree by the property owners of each resort county. In addition, the close proximity of large population centers to certain resort counties has the additional effect of requiring those resort counties to service the needs of persons traveling to the resort county on a short-term basis, which effect must also be met by the property owners of these resort counties to an inequitable degree. The people of the State of Idaho find that it is both equitable and desirable to shift this tax burden in part from the property owners of the resort county to those visitors partaking of the services of the county. The people of the State of Idaho also find that this objective must be subject to the approval and supervision of the voters of each resort county both through their elected officials and through direct input at the ballot box.

63-2602. DEFINITION OF RESORT COUNTY. As used in this chapter, a "resort county" is any county having a population of more than seventeen thousand (17,000), and which county derives a major portion of its economic well-being from businesses catering to recreational needs and meeting needs of people traveling to that destination county for an extended period of time.

63-2603. AUTHORITY FOR COUNTY SALES OR USE TAX. The voters of a resort county are given the authority to authorize their county government to adopt, implement and collect a sales tax or use tax upon all sales, without exception, that are subject to taxation under chapter 36, title 63, Idaho Code. The county commissioners of any such resort county are hereby given the freedom and authority to adopt, implement and collect a sales or use tax as provided herein if approved by the required sixty percent (60%) of county voters voting in an election conducted on the fourth Tuesday in May, or on the first Tuesday after the first Monday in November. No local option sales or use tax proposal may be presented to resort county voters for approval or modification for a period of one (1) year after an election to approve or disapprove

such tax. The question presented to the voters of a resort county shall state the rate of the local sales or use tax, the duration of the tax, which shall not exceed ten (10) years, and the purpose of the tax.

63-2604. COUNTY PROPERTY TAX RELIEF FUND. (1) Any resort county which implements a sales or use tax pursuant to this chapter shall create and establish in the office of the county treasurer a county property tax relief fund into which shall be placed a minimum of fifty percent (50%) of any revenue received from the county sales or use tax. On or before the Tuesday following the first Monday in September of each year, the county treasurer shall submit to the board of county commissioners and the state tax commission a statement showing the balance in the county property tax relief fund as of September 1 of that year.

(2) No later than October 10, the balance in the county property tax relief fund, as of September 1, shall be distributed to the county and any cities within the county entitled to receive revenues from the county sales or use tax. Moneys distributed shall be in an amount proportional to the percentage that the previous year's property tax portion of the budget subject to the limitations of section 63-802, Idaho Code, for the county and each city bears to the previous year's total property tax portion of the budget subject to the limitations of section 63-802, Idaho Code, for the county and all cities in the county.

(3) The dollar amount subject to the limitations of section 63-802, Idaho Code, shall be the sum of the dollar amount of the portion of property taxes certified to the board of county commissioners under section 63-804, Idaho Code, and subject to the limitations of section 63-802, Idaho Code, as if no county property tax relief fund moneys were to be distributed, and the dollar amount to be received from the property tax relief fund. The division of the resulting sum by the value subject to taxation is a quotient that shall not exceed the levy limits proscribed by Idaho Code. If these limitations are exceeded, the board of county commissioners shall reduce any applicable budget request to comply with this section. The levy set to fund this portion of the budget shall be calculated based on the budget subject to the limitations of section 63-802, Idaho Code, less the money to be received from the county property tax relief fund.

63-2605. GENERAL PROVISIONS. Any ordinance assessing a tax pursuant to this chapter shall contain a finding by the board of county commissioners based upon evidence presented to it that the conditions set forth in section 63-2602, Idaho Code, exist and shall provide the methods for reporting and collecting taxes due. Taxes collected pursuant to any such ordinance shall be remitted to the county official designated in such ordinance or other such official contracting, pursuant to this chapter, with the county to provide collection services, and shall constitute revenue of the county available for any lawful purpose approved by county voters subject to the provisions of the this chapter. In any election, the ordinance submitted to county voters shall: (1) state and define the sales or use tax to be approved; (2) state the exact rate of the tax to be assessed; (3) state the exact purpose or purposes for which the revenues derived from the sales or use tax shall be used; (4) state the manner and formula by which any portion of the tax revenue collected shall be distributed to cities within the resort county; and (5) state the duration of the tax which shall not be in excess of ten (10) years. No tax shall be redefined, no rate shall be increased, no purpose shall be modified, and no duration shall be extended without subsequent approval of county voters. The county clerk of any county adopting an ordinance, or any amendment thereto, shall forward a copy of the ordinance or amendment to the state controller, the chairman of the state tax commission and the chairman of the state board of tax appeals.

63-2606. DISTRIBUTION FORMULA - GENERAL PROVISIONS. (1) At the end of each fiscal year, county sales or use tax not placed in the county property tax relief fund shall be distributed to the cities in the resort county according to the formula made a part of the ordinance submitted to the county voters.

(2) All resort county property tax revenues distributed to a city shall be subject to the same purpose or purposes as submitted to the county voters as described in section 63-2605, Idaho Code, and for no other purpose.

63-2607. COORDINATION WITH CITY LOCAL OPTION NONPROPERTY TAXES. In the event that a city has implemented a resort city local option nonproperty tax as described in sections 50-1043 through 50-1049, Idaho Code, that city shall not be entitled to its share of the distribution of resort county sales or use taxes as described in section 63-2606, Idaho Code. In addition, the county local option sales or use tax shall have no effect within a city that has implemented a city local option nonproperty tax.

63-2608. COLLECTION AND ADMINISTRATION OF LOCAL OPTION SALES OR USE TAXES BY THE STATE TAX COMMISSION - DISTRIBUTION - (1) Any resort county which has levied a tax pursuant to section 63-2603, Idaho Code, may contract with the state tax commission for the collection and administration of such taxes in like manner and under definitions and rules of the state tax commission for the collection and administration of the state sales or use tax under chapter 36, title 63, Idaho Code. A county which levies such tax shall have the right to view and audit the records of collection thereof maintained by the commission and the returns of taxpayers relating to such tax. Alternately, such county shall have authority to administer and collect such tax.

(2) All revenues collected by the state tax commission pursuant to section 63-2603, Idaho Code, shall be distributed as follows:

(a) An amount of money shall be distributed to the state refund fund sufficient to pay current refund claims. All refunds authorized by the commission to be paid shall be paid through the state refund fund and those moneys are continuously appropriated.

(b) An amount of money equal to such fee may be agreed upon between the state tax commission and such County for the actual cost of the collection and administration of the tax. The amount retained by the commission shall not exceed the amount authorized to be expended by appropriation by the legislature. Any unencumbered balance in excess of the actual cost at the end of each fiscal year shall be distributed as provided in subsection (2)(c) of this section.

(c) All remaining moneys received pursuant to this chapter shall be placed in a fund designated by the state controller and remitted monthly to the county levying such sales or use tax.

63-2609. SEVERABILITY. The provisions of this act are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of the remaining portions of this act.

SECTION 4. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after passage and approval by the qualified electors of the State of Idaho, and certification of the same by the Secretary of State of the State of Idaho.