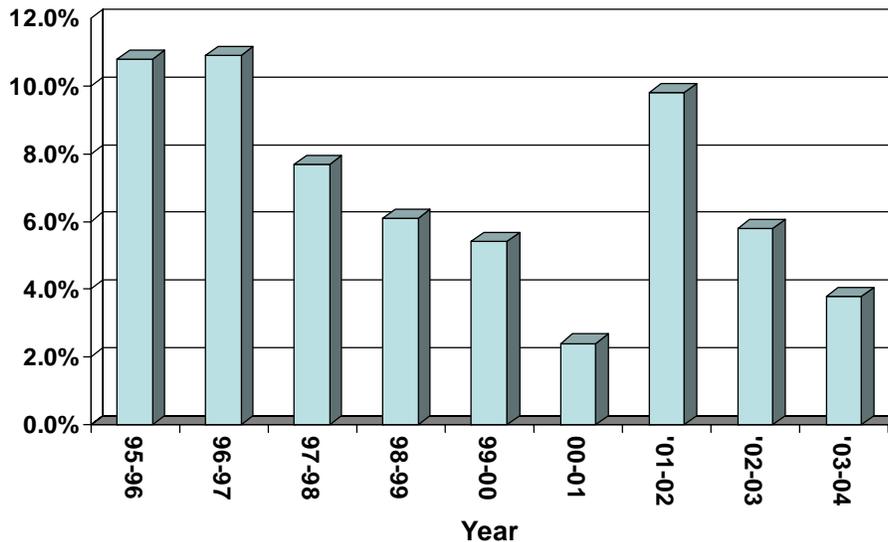


2004 MARKET VALUES AND PROPERTY TAXES and the Effects of the Homeowner's Exemption

Total budgeted property taxes for 2004 are \$1,140.8 million and have increased \$59.7 million or 5.5% since 2003. This year's rate of increase is nearly identical to last year's 5.9% increase and in line with many of the increases occurring in the last several years. While there were fewer major changes in 2004 property taxes on the spending side, nearly all of the increase was paid by the residential property sector, with little change in other sectors. This resulted from the coupling of inflating residential property values and flat or decreasing taxable values in commercial/industrial, timberland, and mining sectors.

Most property tax budgets continue to be constrained to an increase that cannot exceed 3% plus a component for new construction and annexation. School maintenance and operation (M&O) funds are not constrained in this manner, but may grow as rapidly as the taxable market value of property. However, because growth of these funds lags taxable value growth by a full year, school M&O funds increased only 3.8% in 2004. Next year's M&O growth is anticipated to be higher, reflecting something closer to the 6.6%

Annual Growth in School M&O Funds



overall rate of taxable value increase reported in 2004.

Increases in dollars levied for all school funds and numbers of voter-approved school funds are shown in Chart VI. Such school fund increases account for 34% of the overall property tax increase.

Many districts show increases in excess of 3%, despite the cap that is now in place. The total net property tax increase of \$59.7 million can be broken down as follows:

Cause of increased property tax	Potential increase amount*
3% general cap	\$18.0 million
Increases in school bonds, judgments, and school exempt levies other than M&O	\$12.8 million
Decreases in school judgment funds	\$ <3.1> million
Increases <decreases> in non-school bonds and voter-approved levies	\$ <3.9> million
Increase in school M&O property tax	\$ 9.9 million
Additional dollars available due to new construction	\$20.0 million
Additional dollars available due to annexation	\$2.8 million
Increase <decrease> due to new levies in 2003 or existing districts not levying in 2003	\$ 1.1 million
Property tax increase <decrease> due to use of Foregone Amount	\$ 3.3 million
Increase due to re-establishment of Kootenai County property tax relief	\$ <1.2> million

*Only potential increases can be calculated for the 3% cap, new construction, and annexation. In some cases, districts have accumulated indicated amounts as "foregone" amounts, which were not levied, but may be recaptured as future property tax increases. Overall available foregone amounts increased by \$1.1 million in 2004 to \$30 million.

Chart VII shows increases in exempt and non-exempt property tax budgets for all major types of taxing districts. Components of property tax budgets are designated "exempt" or "non-exempt" depending on whether they are constrained by the 3% plus new construction cap. Bonds, overrides, plant facility funds, and emergency and certain other funds are considered exempt in this chart. The 7.7% increase shown in Chart VII for non-exempt county property taxes was influenced by the reestablishment of the Kootenai County property tax relief fund. This fund reduced Kootenai County property taxes by about \$1.2 million. Had this reduction not taken place, nonexempt county property taxes would have increased by 8.2% statewide.

Despite overall moderate changes in budgeted property taxes, significant increases or decreases may occur when individual assessed values grow or decline more rapidly than typical values or when significant changes in specific taxing district budgets occur. The following table lists many of the notable changes in property tax portions of taxing district budgets for 2004 in comparison to 2003. Additional information can be found in detailed budget reports available on request.

Significant Property Tax Budget Changes in 2004

County	Taxing District	Description of Change	\$ Amount of Change
Ada	Southwest Ada Mosquito Abatement	Increase due to annexation	340,000
Ada / Boise	Boise School District 1	Eliminated 63-1305 Judgment levy	<3,200,000>
Bear Lake	Fish Haven Sewer	New levy	10,000
Benewah	St. Maries City	Eliminated Bond	48,000
Benewah / Kootenai	Plummer School District 44	New Emergency levy	57,000
Bingham	Ambulance	Eliminated Override	<98,000>
Bingham	Cemetery	New Override	20,000
Blaine	Blaine School District 61	Eliminated Emergency Fund levy	<390,000>
Blaine	Sun Valley Sewer and Water	New Bond	332,000
Boise	Garden Valley School District 71	New Override	100,000
Bonner	Schweitzer Fire	New Override	220,000
Bonner	West Bonner School District 83	Eliminated Emergency Fund	<167,000>
Bonneville	County Road and Bridge	Did not levy	<100,000>
Boundary	South Boundary Fire	New District	83,000
Camas	Camas Library	New Permanent Override	32,000
Canyon	Middleton School District 134	New Plant Facilities Fund, but decreased Bond Fund	80,000
Caribou / Bannock / Franklin	Grace School District 148	Eliminated Override	<100,000>
Caribou / Bonneville / Bear Lake	Soda Springs School District 150	Increased Plant Facilities fund	375,000
Cassia	County	Eliminated Bond	250,000
Elmore	Mt. Home City	New Bond	168,500
Franklin / Bannock	West Side School District 202	Eliminated Plant Facilities Fund	<70,000>
Fremont	County	New 63-1305 Judgment Fund	66,500
Fremont / Madison	Fremont School District 215	New 63-1305 Judgment levy	77,000
Gem / Boise	Emmett School District 221	Decreased Bond Fund and Decreased Override	<365,000>

County	Taxing District	Description of Change	\$ Amount of Change
Gooding	Wendell Recreation	Eliminated Override	48,000
Gooding / Lincoln	Gooding School District 231	Eliminated Emergency Fund	<161,000>
Idaho / Adams	Grangeville School District 241	New Override	1,555,000
Jefferson / Madison	Jefferson School District 251	Increased Bond and Plant Facilities funds	213,000
Kootenai	Ambulance	Eliminated Override	<1,055,000>
Kootenai	Coeur d'Alene School District 271	Increased Bond and Plant Facilities funds	1,000,000
Kootenai	Hauser Lake Fire	Eliminated Override	<28,500>
Kootenai	Post Falls School District 273	Increased Bond and Emergency funds	511,000
Kootenai / Benewah	Kootenai School District 274	Increased Override	87,000
Kootenai / Bonner	Lakeland School District 272	Increased Bond and Emergency funds	680,000
Kootenai / Bonner	Timberlake Fire	Eliminated Override	201,000
Latah	Moscow School District 281	Increased Bond fund	72,000
Lemhi	Salmon School District 291	New Override	250,000
Lewis / Clearwater / Idaho	Nez Perce School District 302	New Bond fund and Increased Override	150,000
Lewis / Idaho	Kamiah School District 304	Decreased Bond fund	135,000
Lincoln	Richfield School District 316	New Emergency fund	20,000
Madison	Madison School District 321	Decreased Bond fund and New Emergency fund	300,000
Nez Perce	Lapwai School District 341	New Bond fund	280,000
Owyhee / Canyon	Marsing School District 363	New Emergency fund	76,000
Payette	Fruitland School District 373	Decreased Bond fund and Increased Emergency fund	62,000
Payette	New Plymouth School District 372	Increased Override	76,000
Power	Arbon School District 383	New Override	24,000
Power	Rockland School District 382	Decreased Bond fund	<56,000>
Power / Cassia	American Falls School District 381	Increased Bond and Plant Facilities funds	50,000
County	Taxing District	Description of	\$ Amount

		Change	of Change
Shoshone / Kootenai	Kellogg School District 391	Increased Bond fund and Override	214,000
Teton	Ambulance	New District	289,000
Teton	Teton School District 401	New Emergency fund	136,000
Twin Falls	Ambulance	New District	465,000
Twin Falls	Filer School District 413	Decreased Bond fund	<100,000>
Twin Falls	Kimberly School District 414	Increased Bond fund and New Emergency fund	72,000
Twin Falls	Twin Falls School District 411	Increased Bond and Plant Facilities funds and New Emergency fund	595,000
Valley	Cascade School District 422	Decreased Bond fund	<74,000>
Valley	Donnelly Fire	New District	350,000
Valley	Edwards Mosquito Abatement	New levy	8,000
Valley	McCall City	Eliminated Bond	<110,000>
Valley / Adams	McCall-Donnelly School District 421	Increased Bond fund and New Emergency fund	188,000
Washington	Midvale School District 433	New Override	80,000
Washington	Weiser School District 431	Increased Bond fund	68,000
Washington / Adams	Cambridge School District 432	Decreased Bond fund	<126,000>

Overall exempt funds increased 2.5% (not including school M&O) in 2004. This rate of growth is slightly less than the 3.3% increase in 2003 and is mostly attributable to increases in school exempt and voter - approved funds. Excluding school districts, voter-approved exempt property taxes decreased by about \$4 million. Non-exempt funds (not including school M&O) increased by 6.9%, about the same as in 2003. This rate of increase would have been 7.5%, but was reduced by the reestablishment of the Kootenai County property tax relief fund.

A summary of property tax increases in various time periods is found in the following table:

Summary of property tax increases during various periods

Period	Total Property Tax Increase (Million \$)	Total Percent Increase	Average Percent Change Per Year
1973-1978	100.0	84.0	+ 13.0
1978-1981	2.7	0.8	+ 0.3
1981-1994	408.9	268.5	+ 8.6
1994-1995	12.6	1.9	+ 1.9
1995-2000	250.0	37.6	+ 6.6
2000-2001	34.4	3.8	+ 3.8
2001-2004	192.3	20.2	+ 6.3

Since the early 1970s, the property tax system has undergone three significant changes, each of which has been accompanied by substantial tax relief. During the 1970s, the system was levy driven, meaning that taxes tended to expand at the rate of growth in assessed value. The 1978 – 1981 period saw state-funded, school-related tax relief and strict budget increase limitations or freezes. From 1982 until the early 1990s, budgets (and, toward the end of that period, levies) were permitted to grow by 5% each year. From 1992 – 1994, the only difference between the system in place and the levy-driven system of the 1970s was special advertising requirements. In 1995, some school M&O taxes were replaced with state funds and a 3% budget increase cap with certain growth exceptions was imposed. This system has been in place since 1995, but less growth in taxes occurred in 2001 because of the state’s replacement of agricultural equipment property taxes and various other state and local property tax relief mechanisms. From 2002 through 2004, with no new state-generated property tax relief, property tax growth has mirrored the 1995 – 2000 period.

Distribution of property taxes among local units of government can be summarized as follows:

Five year distribution of property tax by major local unit of government

Unit of Government	2000 Taxes Mill.\$	2001 Taxes Mill.\$	2002 Taxes Mill.\$	2003 Taxes Mill.\$	2004 Taxes Mill.\$	% Ch. 03 – 04
County	212.3	210.7	228.7	247.6	263.4	+ 6.4
City	193.9	210.7	225.2	231.4	246.0	+ 6.3
School	391.8	408.1	441.1	467.7	487.8	+ 4.3
Highway	49.8	51.9	53.3	56.7	60.3	+ 6.4
All Other	66.3	67.1	73.0	77.7	83.3	+ 7.2
TOTAL	914.0	948.5	1,021.3	1,081.1	1,140.8	+ 5.5

Additional detail concerning taxing district budgets is found in Charts V, VI, and VII, attached to this report.

Typical Property Tax Rates

Statewide, there are several thousand unique combinations of taxing districts that may be levying property tax against a given parcel. This results in as many unique property tax rates. Chart VIII provides general tax rate guidance by listing average urban and rural rates calculated for each county and overall. Statewide, the highest property tax rate is in Mullan City, in Shoshone County, where the rate is 3.112%. The lowest rate is in one area of rural Blaine County, where the rate is 0.492%. Highest and lowest rates and average rates include all taxing districts that levy against individual property.

Analysis of major property tax trends in 2004

- Faster overall growth in statewide taxable value – 6.6% v. 4.3% in 2003 – with greater variance by sector.
 - Continued declining taxable value for timberland, operating property, and certain specific industrial properties (included in the commercial sector on Chart I);
 - Declining taxable value of mining properties;
 - Slightly increasing agricultural property taxable values;
 - More rapidly increasing taxable value for residential property, with the residential share of total property taxes increasing from 57.7% in 2002 to 59.2% in 2003 to 61.6% (exceeding last year’s all time high) in 2004.
- Faster growth in taxable value results in lower property tax rates for most sectors.
 - Overall weighted average property tax rate decreased from 1.475% in 2003 to 1.460% in 2004;
 - Because of concentration of properties in certain areas as well as taxable value declines in the timber and mining sectors, resource sector average property tax rates increase slightly in 2004.

- New construction remained strong, absorbing some of the increase in property taxes, while inflation of existing property values was experienced mostly by residential property. For existing property, the following tax changes are expected:
 - Typical residential property tax increases are expected to be about 5.7%;
 - Typical commercial/industrial sector property taxes are expected to be flat;
 - Larger than expected increases will occur on a localized basis as a result of new or increased voter-approved bonds, other elective budget issues, or location in an area with a high concentration of property receiving the new Qualified Investment Exemption (QIE) or property with declining value.

Residential Property

The proportion of the property tax paid by residential taxpayers reached 61.6%, the highest share paid by this sector since this report series began in 1980. This year's continued residential property tax share increase was due largely to relatively faster growth (both inflation-driven and new construction-related) in this sector. The residential sector, as a whole, is expected to have a property tax increase of 9.6%. Newly constructed residences will pay some of this, so most individuals will see smaller increases. However, in areas with significant inflation of residential values, tax increases for existing residential property will exceed the otherwise typical (statewide) 6% - 7% increases. Increases will be even higher in areas near newly exempt or declining value property and for property subject to local voter-approved increases.

The total increase in taxable value for residential property was \$5.1 billion in 2004. New residential construction accounted for about 30% (\$1.5 billion) of this increase. Therefore, sector wide, existing residential property taxable value increases averaged about 7.7% . Average residential property tax rates declined about 1.5%, so these value increases typically translate into tax increases of just over 6%. Because much of the new construction was in the owner-occupied sub-sector, average tax increases for existing owner-occupied homes are less than 6% (see Chart III). Larger increases are expected for vacant residential land and nonowner-occupied subsectors.

As analyzed in this report, in addition to owner-occupied homes and mobile homes, residential property includes vacant land, nonowner-occupied houses, second and vacation homes, and rental housing consisting of up to four units (such as a four-plex).

Commercial Property

The proportion of property taxes paid by the commercial and industrial property sector declined this year to its lowest share since 1984. This reflects significant downward adjustments to taxable values of certain industrial parcels, very limited inflation related growth, lagging well behind such growth in the residential sector, and implementation of a new qualified investment exemption (QIE) that lowered the taxable value of industrial property by over \$200 million.

Commercial construction strengthened in 2004, with an estimated statewide value of about \$900 million. As in 2003, despite this new construction, there was a slight decrease in overall commercial/industrial property taxable value, because of the factors stated above. Ignoring new construction, taxable values of previously existing property in this sector declined by about \$900 million. Aside from localized elective tax increases, and excluding individual parcels with decreasing taxable values or receiving the QIE, property taxes on existing commercial and industrial parcels are expected to be relatively unchanged from 2002 and 2003 amounts.

Agricultural Property

Agricultural property values increased slightly, growing by 1.1% in 2004. The average agricultural property tax rate increased 1.8% in 2004. Hence, typical agricultural land property taxes should be up by about 2.8% this year. Despite this year's increase, the share of property tax paid by the agricultural sector as a whole declined slightly to only 4.2% of total Idaho property taxes, the lowest share for agricultural property since this report series began in 1980. Farmland still accounts for at least 20% of the taxes in 8 of Idaho's 44 counties, however, and pays more than one-third of all property taxes in two counties (Clark and Lewis).

Mining Property

Mining property consists of mining equipment and net profit of mines and may include related industrial equipment. Total taxable value in this sector declined by \$38 million in 2004 following a dramatic increase from \$124 Million in 2001 to \$308 million in 2003. Mining property constitutes a significant proportion of taxable property in only two counties, Custer and Caribou.

Mining sector property taxes decreased approximately 2% in 2004.

Operating Property

Operating property (generally utilities and railroads) values decreased 3.9% in 2004, after a 3.1% decrease in 2003. Taxes in this sector declined at about the same rate. The proportional share of statewide taxable value represented by operating property declined to 4.6%, while the sector's share of statewide property taxes declined to 4.4%. This proportional share of taxes remains the lowest paid by the sector since tracking began in 1980. Three counties derive 20% or more of property taxes from operating property (Boundary, Clark, and Lincoln).

This year's value changes for operating property reflect economic conditions within this industry and settlement of certain valuation appeals. Although there is future uncertainty about this issue, the amount of the intangibles exemption decreased from about \$250 million in exempt value in 2003 to \$204 million in exempt value in 2004.

Timber Property

The timber property sector includes land and equipment components, with most of the value represented by land. Sector-wide values decreased 9.3% in 2004. Taxable values of timberland have been in decline since 2000 and that pattern continued (as expected) this year. The decreases reflect changing economic conditions and, in conjunction with previous legislative changes, are expected to continue into the future. Timber property taxes decreased 7.3% and the sector now represents only 0.9% of total property taxes.

Chart I

Chart I compares 2003 and 2004 property taxes, rates, and taxable values by major category of property, and by urban or rural location. Values correspond to those available in October, 2004 and will differ slightly from calendar year values. Because of this discrepancy and because there are always delinquencies, as well as penalties and interest paid on prior delinquencies, taxes shown on this chart represent amounts budgeted by taxing districts, not amounts actually collected.

Tax revenue attributable to certain types of districts that do not levy traditional property taxes is not included in these figures. Forest protection associations, TV translator districts, irrigation districts, urban renewal districts, and districts that could levy property taxes, but charge fees instead, are examples of excluded authorities.

The residential property category is by far the largest and includes two major subsectors: owner-occupied and nonowner-occupied. All reports since 1993 include an analysis of each of these subgroups for which the breakdown of value is estimated using subjective indices. In 1997, owner and nonowner-occupied value assignment procedures were redone, attributing more of the residential value to the owner-occupied subsector. This change was based partly on the premise that the previous methodology did not completely take into account the proportionally lower homeowner's exemption available to owners of residential improvements valued at more than \$100,000. Value apportionment procedures underwent further refinement in 2001 for similar reasons. A more major methodology change was implemented in 2002, the first year actual owner and nonowner-occupied residential property value data became available from most county records. This system was refined considerably in 2003. Subsequent to the release of 2003 information, property category assignment errors were discovered and corrected prior to completion of the 2004 report. For this reason, comparisons shown in the 2004 version of Chart I have been computed against the revised 2003 Chart I, available in December, 2004. Because of methodology changes, long-term comparisons using 2002 and prior versions of Chart I should only be considered valid for the entire residential sector, not for any of the subsectors (especially owner and nonowner-occupied).

Chart II

Chart II demonstrates the effects of the homeowner's exemption on taxes paid by each category of property in 2004 by showing how these taxes would change if there were no homeowner's exemption.

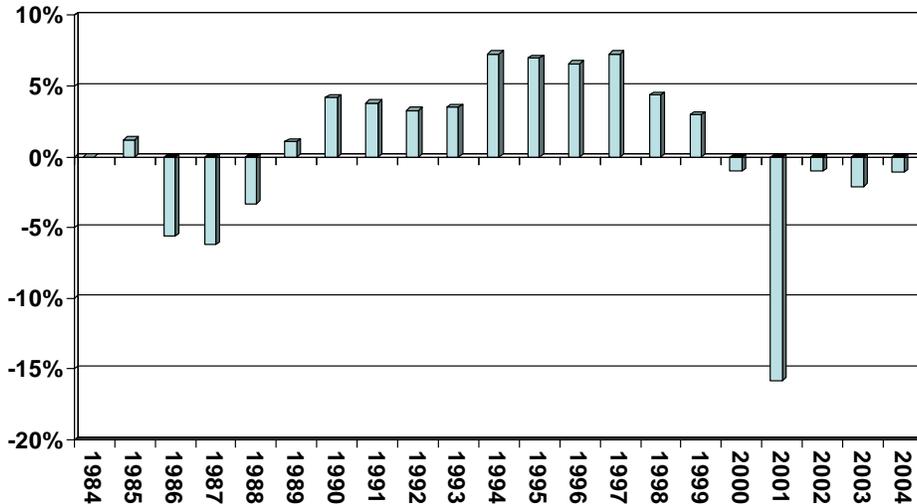
In 2004, homeowners paid \$103.5 million less in property taxes than they would have without this exemption. This figure is similar to the 2003 amount.

Assuming that total taxes budgeted remain the same with or without the exemption, taxes on noneligible property are higher with the exemption in place. Chart II demonstrates this effect.

The two largest traceable exemptions are the homeowner's exemption, which reduced value by \$13,175 million, and the speculative value exemption, which applies to agricultural and timberland, and reduced value by \$13,075 million in 2004. The speculative value exemption tends to vary more from year to year because it reflects agricultural and timber property market value, which tends to change faster than the taxable value of this type of property.

The following table traces recent changes in taxable and exempt value (all values shown in billions of dollars) in the combined agriculture and timber property group:

Changes in Taxable Value Combined Agriculture and Timber Property



The chart clearly shows the effects of the 2001 exemption of agricultural equipment and economic timberland value trends, and enables long-term patterns to be discerned.

Exemptions, such as the homeowner's or speculative value exemption, do not change the net total amount of property taxes budgeted or collected, except in school districts and the moderate number of other cases where taxing district levy limits are approached. In all other cases, barring an influx of state or other replacement revenue, tax rates merely increase to offset lower values.

Chart III

Chart III shows the effects of the general tax increase and the homeowner's exemption on individual properties of different types using statewide average urban and rural tax rates appropriate for each category. Since 1992, this report has attempted to consider the effects of inflation on property values and taxes.

Currently, the inflation component used for typical residential property value is 6.5%, while 1.1% inflation was applied to farmland taxable values; no inflation component was used for commercial property taxable values this year.

Under these assumptions, a typical commercial property taxpayer should have seen little change in property taxes on existing property in 2004. In rural areas, typical agricultural property taxes for a farm including an owner-occupied home increased 4.1%, assuming the same inflation rate on the farm house as is occurring in the overall residential sector. Increases for typical owner-occupied residential properties are in the 5.5% - 6.0% range.

This chart also presents the hypothetical effects of complete elimination of the homeowner's exemption. Residential taxes obviously would rise significantly, while nonresidential taxes would be somewhat reduced. The magnitude of the savings that would be experienced by nonresidential property is smaller than the impact on residential property. This is because the value of all property currently eligible for the exemption is less than the value of nonexempt categories (commercial, operating, certain ineligible residential, etc.).

Homeowner's exemption effects shown in Chart III will also vary depending on land/improvement ratios of any eligible property and farm size. Higher proportionate residential land values will reduce the percent of tax reduction granted; improvements (homes) valued in excess of \$100,000 will also receive less benefit because of the \$50,000 limit on the exemption. Larger farms, and those without an owner-occupant, would tend to have a greater decrease in taxes than shown, if the homeowner's exemption were eliminated.

Chart IV

Chart IV indicates the percent of the property taxes paid by each category of property in each county. From these percentages, counties with significant shares of tax paid by particular categories can be determined.

Additional Charts

Charts containing property tax budget and market value information follow the narrative portion of this report. The attachment entitled "2004 Property Tax Analysis Charts" provides a complete listing of charts discussed in this narrative and other charts that analyze the exempt and nonexempt budgets of taxing districts, comparing 2004 amounts with those submitted in 2003.

Data presented throughout this report has been compiled from budget reports submitted by taxing districts to counties and then to the Idaho State Tax Commission.

Alan S. Dornfest
Property Tax Policy Supervisor
December 30, 2004

2004 Property Tax Analysis Charts

Chart	Title
I	Comparison of 2003 and 2004 Taxable Market Value and Estimated Property Tax Collections by Category of Property.
II	Effects of 2004 Homeowner's Exemption
III	Comparison of 2003 and 2004 Property Taxes and Effects of 2004 Homeowner's Exemption on Individual Property
IV	Percent of Total 2004 Property Taxes Paid by Each Major Category of Property
V	Comparison of 2003 – 2004 Property Tax by District Type
VI	School Property Taxes by Fund Comparison of Property Tax Budgets 2003 – 2004
VII	Comparison of Property Tax Budget 2003 – 2004 by Type of Taxing District (exempt & nonexempt funds)
VIII	2004 Average Property Tax Rates

Chart I
Comparison of 2003 and 2004 Taxable Market Value and
Estimated Property Tax Collections by Category of Property

December 17, 2004

Category of Property	2004 Market Value Including 2003 Sub. Roll	% of Market Value in Category	% Change in Market Value* 2003/2004	Estimated 2004 Tax Rate	Estimated 2004 Tax (\$)	% of Tax in Category	% Change in Taxes* 2003/2004
Primary Residential:							
Urban owner-occupied	18,651,356,945	23.9%	10.1%	1.743%	\$325,174,902	28.5%	9.4%
Rural owner-occupied	11,173,638,979	14.3%	11.1%	1.218%	\$136,136,106	11.9%	9.9%
Subtotal	29,824,995,923	38.2%	10.5%	1.547%	\$461,311,008	40.4%	9.5%
Other Residential:							
Urban non owner occupied	9,717,249,028	12.4%	15.2%	1.396%	\$135,655,226	11.9%	11.0%
Rural non owner occupied	10,473,774,576	13.4%	10.2%	1.005%	\$105,272,789	9.2%	8.3%
Subtotal	20,191,023,605	25.8%	12.5%	1.193%	\$240,928,014	21.1%	9.8%
Residential subtotal	50,016,019,528	64.0%	11.3%	1.404%	702,239,022	61.6%	9.6%
Commercial:							
Urban	15,930,078,224	20.4%	-0.3%	1.753%	\$279,242,320	24.5%	-0.4%
Rural	3,713,100,692	4.8%	1.0%	1.291%	\$47,946,574	4.2%	1.7%
Subtotal	19,643,178,916	25.1%	0.0%	1.666%	\$327,188,894	28.7%	-0.1%
Agricultural:	3,799,469,441	4.9%	1.1%	1.248%	\$47,410,594	4.2%	2.8%
Timber:	849,855,131	1.1%	-9.3%	1.244%	\$10,572,718	0.9%	-7.3%
Mining:	269,801,202	0.3%	-12.5%	1.263%	\$3,408,886	0.3%	-2.2%
Real & Personal:							
Subtotal	74,578,324,218	95.4%	7.2%	1.463%	\$1,090,820,114	95.6%	6.0%
Operating:							
Urban	1,010,561,549	1.3%	-6.7%	1.792%	\$18,111,981	1.6%	-7.3%
Rural	2,546,770,003	3.3%	-2.7%	1.250%	\$31,833,696	2.8%	-1.9%
Subtotal	3,557,331,552	4.6%	-3.9%	1.404%	\$49,945,677	4.4%	-3.9%
Total Urban	45,309,245,746	58.0%	6.8%	1.673%	\$758,184,429	66.5%	5.4%
Total Rural	32,826,410,023	42.0%	6.3%	1.165%	\$382,581,362	33.5%	5.8%
Grand Total	78,135,655,770	100.0%	6.6%	1.460%	\$1,140,765,791	100.0%	5.5%

Value do not include urban renewal increments.

Residential and Commercial categories of property were compared to adjusted 2003 values.

* In comparison to 12-17-2004 Revision 2003 values and taxes.

Chart II
Effects of the 2004 Homeowner's Exemption
Values and Taxes Assuming NO Homeowner's Exemption

December 14, 2004

Category of Property	2004 Market Value Without Homeowner's Exemption (\$)	% of Market Value in Category	% Change in total Market Value* 2003/2004	Estimated 2004 Tax Rate w/o Homeowner's Exemption	Estimated 2004 Tax w/o Homeowner's Exemption (\$)	% of Tax in Cat.	Changes in 2004 Taxes if NO Homeowner's Exemption	
							% change:	\$ change:
Primary Residential:								
Urban owner-occupied	27,235,326,825	29.8%	8.8%	1.474%	\$401,518,058	35.2%	23.5%	76,343,156
Rural owner-occupied	15,764,220,044	17.3%	8.6%	1.036%	\$163,294,284	14.3%	19.9%	27,158,178
Subtotal	42,999,546,868	47.1%	8.7%	1.314%	\$564,812,342	49.5%	22.4%	103,501,334
Other Residential:								
Urban non owner occupied	9,717,249,028	10.6%	15.2%	1.194%	\$116,064,712	10.2%	-14.4%	(19,590,513)
Rural non owner occupied	10,473,774,576	11.5%	10.2%	0.881%	\$92,226,857	8.1%	-12.4%	(13,045,931)
Subtotal	20,191,023,605	22.1%	12.5%	1.032%	\$208,291,570	18.3%	-13.5%	(32,636,445)
Residential subtotal	63,190,570,473	69.2%	9.9%	1.223%	773,103,912	67.8%	10.1%	70,864,889
Commercial:								
Urban	15,930,078,224	17.4%	-0.3%	1.461%	\$232,698,268	20.4%	-16.7%	(46,544,052)
Rural	3,713,100,692	4.1%	1.0%	1.090%	\$40,467,539	3.5%	-15.6%	(7,479,035)
Subtotal	19,643,178,916	21.5%	0.0%	1.391%	\$273,165,807	23.9%	-16.5%	(54,023,087)
Agricultural:	3,799,469,441	4.2%	1.1%	1.052%	\$39,985,355	3.5%	-15.7%	(7,425,239)
Timber:	849,855,131	0.9%	-9.3%	1.082%	\$9,193,240	0.8%	-13.0%	(1,379,478)
Mining:	269,801,202	0.3%	-12.5%	1.139%	\$3,073,942	0.3%	-9.8%	(334,943)
Real & Personal								
Subtotal	87,752,875,163	96.1%	6.8%	1.252%	\$1,098,522,256	96.3%	0.7%	7,702,142
Operating:								
Urban	1,010,561,549	1.1%	-6.7%	1.495%	\$15,104,204	1.3%	-16.6%	(3,007,777)
Rural	2,546,770,003	2.8%	-2.7%	1.066%	\$27,139,331	2.4%	-14.7%	(4,694,365)
Subtotal	3,557,331,552	3.9%	-3.9%	1.188%	\$42,243,535	3.7%	-15.4%	(7,702,142)
Total Urban	53,893,215,626	59.0%	6.7%	1.420%	\$765,385,243	67.1%	0.9%	7,200,814
Total Rural	37,416,991,088	41.0%	5.9%	1.003%	\$375,380,548	32.9%	-1.9%	(7,200,814)
Grand Total	91,310,206,715	100.0%	6.4%	1.249%	\$1,140,765,791	100.0%	0.0%	0

Value do not include urban renewal increments.

Chart III
Comparison of 2003 & 2004 Property Taxes and
Effects of 2004 Homeowner's Exemption on Individual Property

12/17/2004

Location	Type of Property	2003 Property Taxes (\$)	2004 Property Taxes (\$)	% Change 2003 - 2004	2004 Tax Without Homeowner's Exempt. (\$)	% Change in 2004 Tax if NO Home. Exempt
Urban	Owner Occupied Residential*	1,051	1,112	5.8%	1,621	45.8%
Urban	Commercial	2,421	2,418	-0.1%	2,015	-16.7%
Rural	Owner Occupied Residential*	738	777	5.4%	1,139	46.6%
Rural	Commercial	1,768	1,781	0.7%	1,503	-15.6%
Rural	Farm	3,204	3,334	4.1%	3,298	-1.1%

Farm property is assumed to be valued as follows:

	2003		2004		Taxable Value: (after Home. Ex.)
	2003	2004	2003	2004	2004
Agricultural land	\$201,310	\$203,429	\$201,310	\$203,429	\$203,429
Owner - occupied house	\$86,744	\$92,382	\$86,744	\$92,382	\$46,191
Residential land	\$16,524	\$17,598	\$16,524	\$17,598	\$17,598
Total	\$304,578	\$313,410	\$304,578	\$313,410	\$267,219

Commercial property is valued as follows:

	2003	2004
Commercial real and personal property	\$137,913	\$137,913

Residential property is valued as follows:

	2003		2004		Taxable Value: (after Home. Ex.)
	2003	2004	2003	2004	2004
Owner - occupied house	\$86,744	\$92,382	\$86,744	\$92,382	\$46,191
Residential land	\$16,524	\$17,598	\$16,524	\$17,598	\$17,598
Total	\$103,268	\$109,980	\$103,268	\$109,980	\$63,789

Inflation Adjustments

Owner Occupied Residential values have been inflated by 6.5% in 2004;
Commercial values have not been inflated in 2004.
The remainder of residential and commercial growth is attributed to new construction.
Farm land values have have been inflated by 1.1% in 2004.

Chart IV

Percent of Total 2004 Property Taxes Paid by Each Major Category of Property

12/17/2004

County	Residential Property:			Commercial & Industry:			Farms	Timber	Mining	All Real & Persnl	Operating Property:		Subtotal
	Urban	Rural	Subtotal	Urban	Rural	Subtotal	Total	Total	Total	Subtotal	Urban	Rural	
ADA	50.8%	11.4%	62.2%	33.6%	1.4%	35.0%	0.3%	0.0%	0.0%	97.5%	1.5%	1.0%	2.5%
ADAMS	12.0%	44.6%	56.5%	5.8%	6.7%	12.5%	8.6%	6.3%	0.0%	83.9%	0.5%	15.5%	16.1%
BANNOCK	51.5%	9.1%	60.6%	32.3%	0.9%	33.2%	1.2%	0.0%	0.0%	94.9%	2.5%	2.6%	5.1%
BEAR LAKE	24.4%	40.3%	64.8%	8.2%	1.9%	10.0%	8.9%	0.0%	0.0%	83.8%	1.6%	14.6%	16.2%
BENEWAH	16.5%	30.0%	46.5%	13.0%	8.2%	21.2%	6.4%	20.6%	0.2%	94.8%	0.9%	4.3%	5.2%
BINGHAM	26.4%	25.6%	52.1%	15.7%	10.6%	26.3%	14.8%	0.0%	0.0%	93.2%	1.1%	5.6%	6.8%
BLAINE	55.9%	32.4%	88.3%	9.6%	0.9%	10.5%	0.5%	0.0%	0.0%	99.3%	0.2%	0.5%	0.7%
BOISE	10.7%	71.7%	82.4%	3.5%	4.7%	8.3%	2.1%	3.3%	0.0%	96.0%	0.7%	3.3%	4.0%
BONNER	19.6%	51.5%	71.1%	13.1%	4.0%	17.1%	1.9%	2.5%	0.0%	92.6%	1.4%	6.0%	7.4%
BONNEVILLE	42.5%	14.7%	57.2%	34.1%	5.0%	39.1%	1.8%	0.0%	0.0%	98.1%	1.0%	0.9%	1.9%
BOUNDARY	14.7%	28.7%	43.4%	11.2%	7.8%	19.0%	8.4%	7.4%	0.0%	78.2%	2.1%	19.7%	21.8%
BUTTE	12.7%	41.5%	54.2%	8.9%	9.6%	18.5%	21.2%	0.0%	0.0%	93.9%	0.5%	5.6%	6.1%
CAMAS	15.3%	45.4%	60.7%	6.4%	5.0%	11.4%	21.2%	0.0%	0.0%	93.4%	0.8%	5.8%	6.6%
CANYON	40.2%	23.4%	63.6%	25.3%	5.0%	30.4%	3.6%	0.0%	0.0%	97.5%	1.2%	1.3%	2.5%
CARIBOU	15.4%	10.5%	25.9%	10.5%	6.9%	17.4%	14.4%	0.0%	31.9%	89.6%	1.3%	9.1%	10.4%
CASSIA	19.7%	18.9%	38.6%	15.1%	18.5%	33.6%	21.5%	0.0%	0.0%	93.7%	1.1%	5.1%	6.3%
CLARK	6.9%	8.1%	15.1%	9.0%	10.2%	19.2%	42.8%	0.0%	0.1%	77.2%	1.6%	21.2%	22.8%
CLEARWATER	21.6%	20.5%	42.1%	11.1%	3.5%	14.6%	3.3%	36.2%	0.0%	96.2%	1.4%	2.4%	3.8%
CUSTER	15.9%	45.0%	60.9%	10.7%	4.4%	15.0%	9.8%	0.0%	11.1%	96.9%	0.4%	2.7%	3.1%
ELMORE	41.5%	18.7%	60.1%	15.2%	4.3%	19.6%	5.5%	0.0%	0.0%	85.3%	1.8%	13.0%	14.7%
FRANKLIN	34.7%	22.7%	57.4%	11.9%	3.0%	14.9%	16.2%	0.0%	0.3%	88.8%	2.5%	8.7%	11.2%
FREMONT	20.4%	56.6%	77.0%	6.1%	3.8%	9.9%	9.1%	0.1%	0.1%	96.1%	0.8%	3.0%	3.9%
GEM	26.7%	46.0%	72.7%	11.3%	4.6%	16.0%	8.2%	0.1%	0.0%	97.0%	0.6%	2.5%	3.0%
GOODING	23.6%	24.3%	47.9%	9.3%	14.1%	23.4%	19.4%	0.0%	0.0%	90.6%	0.9%	8.4%	9.4%
IDAHO	19.6%	39.9%	59.5%	11.0%	8.3%	19.3%	13.5%	4.6%	0.1%	97.0%	0.6%	2.4%	3.0%
JEFFERSON	21.1%	41.5%	62.6%	6.9%	8.4%	15.3%	16.2%	0.0%	0.0%	94.0%	1.1%	4.8%	6.0%
JEROME	23.3%	23.0%	46.3%	15.3%	11.9%	27.2%	18.5%	0.0%	0.0%	92.0%	0.7%	7.3%	8.0%
KOOTENAI	37.5%	31.4%	68.9%	21.3%	2.5%	23.8%	0.5%	1.0%	0.0%	94.3%	3.6%	2.1%	5.7%
LATAH	42.0%	16.8%	58.8%	23.1%	3.0%	26.1%	6.4%	4.9%	0.0%	96.2%	1.9%	1.9%	3.8%
LEMHI	23.2%	39.2%	62.4%	16.2%	4.7%	20.8%	13.0%	0.0%	0.1%	96.3%	0.8%	2.9%	3.7%
LEWIS	25.8%	12.0%	37.8%	14.3%	2.9%	17.2%	37.6%	3.9%	0.0%	96.5%	1.3%	2.2%	3.5%
LINCOLN	25.3%	15.7%	40.9%	5.6%	10.2%	15.7%	22.5%	0.0%	0.1%	79.3%	1.5%	19.2%	20.7%
MADISON	26.8%	21.7%	48.5%	30.7%	10.1%	40.8%	7.7%	0.0%	0.0%	97.0%	0.9%	2.0%	3.0%
MINIDOKA	25.1%	22.4%	47.5%	19.6%	9.4%	29.1%	17.7%	0.0%	0.0%	94.2%	1.3%	4.5%	5.8%
NEZ PERCE	46.6%	6.6%	53.2%	26.9%	13.0%	39.9%	3.2%	0.2%	0.0%	96.5%	2.5%	1.0%	3.5%
ONEIDA	29.1%	20.3%	49.4%	11.2%	3.7%	14.9%	27.5%	0.0%	1.0%	92.8%	0.9%	6.3%	7.2%
OWYHEE	17.1%	25.7%	42.8%	7.6%	8.0%	15.6%	27.8%	0.0%	1.2%	87.4%	0.6%	12.0%	12.6%
PAYETTE	38.0%	23.1%	61.2%	17.9%	6.3%	24.3%	9.6%	0.0%	0.0%	95.0%	1.5%	3.4%	5.0%
POWER	13.7%	9.1%	22.8%	7.0%	34.7%	41.8%	17.5%	0.0%	0.0%	82.1%	0.8%	17.1%	17.9%
SHOSHONE	30.0%	17.7%	47.7%	13.6%	8.0%	21.6%	0.4%	18.2%	0.9%	88.8%	3.2%	7.9%	11.2%
TETON	18.0%	64.1%	82.1%	7.3%	3.3%	10.6%	5.6%	0.0%	0.0%	98.2%	0.2%	1.6%	1.8%
TWIN FALLS	37.4%	17.6%	55.0%	28.1%	3.1%	31.2%	9.0%	0.0%	0.0%	95.2%	1.2%	3.5%	4.8%
VALLEY	33.1%	52.9%	86.0%	8.6%	1.6%	10.2%	0.9%	1.4%	0.0%	98.6%	0.3%	1.1%	1.4%
WASHINGTON	31.7%	18.5%	50.2%	12.4%	4.1%	16.6%	17.3%	0.0%	0.0%	84.0%	1.0%	15.0%	16.0%

Chart V:

Comparison of 2003 - 2004 Property Tax by District Type				
District Category December 17, 2004	Property Tax		%	\$
	2003	2004	Inc/Dec	Inc/Dec
County	247,601,074	263,389,101	6.4%	15,788,027
City	231,417,917	245,985,972	6.3%	14,568,055
School	467,710,637	487,764,864	4.3%	20,054,227
Ambulance	10,259,333	10,670,572	4.0%	411,239
Auditorium	10,925	11,258	3.0%	333
Cemetery	2,745,798	2,962,382	7.9%	216,584
Extermination	541,697	608,645	12.4%	66,948
Fire	32,507,311	34,931,835	7.5%	2,424,524
Flood Control	363,887	382,548	5.1%	18,661
Roads & Highways	56,676,618	60,279,996	6.4%	3,603,378
Hospital	6,303,696	6,585,635	4.5%	281,939
Junior College	8,266,412	8,778,302	6.2%	511,890
Library	11,255,709	12,084,705	7.4%	828,996
Mosquito Abatement	885,770	1,276,058	44.1%	390,288
Port	450,000	450,000	0.0%	-
Recreation	2,506,229	2,637,986	5.3%	131,757
Sewer Incl Rec Sewer	554,641	570,524	2.9%	15,883
Sewer & Water	926,062	1,302,297	40.6%	376,235
Water	73,176	76,096	4.0%	2,920
Watershed	8,682	8,942	3.0%	260
Total:	1,081,065,574	1,140,757,718	5.5%	59,692,144

Chart VI:

12/17/04

2004 School Property Taxes by Fund Comparison of 2003 - 2004 School Property Taxes					
Fund	2003 \$ AMOUNT	2004 \$ AMOUNT	% of Total	\$ CHANGE 2003 - 2004	% Difference
General M&O	261,984,543	271,928,766	55.75%	9,944,223	3.80%
Tort	4,777,142	5,045,213	1.03%	268,071	5.61%
Tuition	380,334	387,735	0.08%	7,401	1.95%
Bonds	89,067,021	93,376,655	19.14%	4,309,634	4.84%
Cosa	528,155	549,840	0.11%	21,685	4.11%
Emergency	6,741,734	11,563,841	2.37%	4,822,107	71.53%
63-1305 Judgement	3,204,035	87,606	0.02%	(3,116,429)	-97.27%
Override	66,234,775	67,982,616	13.94%	1,747,841	2.64%
Plant Facility	34,792,898	36,842,592	7.55%	2,049,694	5.89%
TOTALS:	467,710,637	487,764,864	100.00%	20,054,227	4.29%

2003 - 2004 Comparison of M&O and Voter Approved Exempt Funds used by Schools		
Fund	2003	2004
M&O	114	114
Bond	78	81
Plant Facility	59	58
Override	53	55

Chart VII:

Comparison of Property Tax Budgets 2003 - 2004 by Type of Taxing District					
12/17/04					
District	2003 Dollars	2004 Dollars	2003 - 2004 Change		% Total 2004 Property Tax
			Dollars	Percent	
County	247,601,074	263,389,101	15,788,027	6.38%	23.09%
City	231,417,917	245,985,972	14,568,055	6.30%	21.56%
School	467,710,637	487,764,864	20,054,227	4.29%	42.76%
Cemetery	2,745,798	2,962,382	216,584	7.89%	0.26%
Fire	32,507,311	34,931,835	2,424,524	7.46%	3.06%
Highway	56,676,618	60,279,996	3,603,378	6.36%	5.28%
Hospital	6,303,696	6,585,635	281,939	4.47%	0.58%
Junior College	8,266,412	8,778,302	511,890	6.19%	0.77%
Library	11,255,709	12,084,705	828,996	7.37%	1.06%
Other	16,580,402	17,994,926	1,414,524	8.53%	1.58%
Totals:	1,081,065,574	1,140,757,718	59,692,144	5.52%	100.00%

Comparison of Property Tax Budgets 2003 - 2004 by Type of Taxing District Exempt - Non Exempt Fund Comparison Only								
District	Exempt Property Tax Funds				Non Exempt Property Tax Funds*			
	2003 Dollars	2004 Dollars	2003 - 2004 Change		2003 Dollars	2004 Dollars	2003 - 2004 Change	
			Dollars	Percent			Dollars	Percent
County	6,213,981	3,457,385	(2,756,596)	-44.36%	241,387,093	259,931,716	18,544,623	7.68%
City	3,237,799	3,222,001	(15,798)	-0.49%	228,180,118	242,763,971	14,583,853	6.39%
School	200,568,618	209,853,310	9,284,692	4.63%	267,142,019	277,911,554	10,769,535	4.03%
Cemetery	31,532	74,320	42,788	135.70%	2,714,266	2,888,062	173,796	6.40%
Fire	1,230,070	1,138,266	(91,804)	-7.46%	31,277,241	33,793,569	2,516,328	8.05%
Highway	0	0	0	N/A	56,676,618	60,279,996	3,603,378	6.36%
Hospital	1,046,389	1,137,961	91,572	8.75%	5,257,307	5,447,674	190,367	3.62%
Junior College	0	0	0	N/A	8,266,412	8,778,302	511,890	6.19%
Library	1,457,048	1,123,850	(333,198)	-22.87%	9,798,661	10,960,855	1,162,194	11.86%
Other	1,546,098	731,606	(814,492)	-52.68%	15,034,304	17,263,320	2,229,016	14.83%
Totals:	215,331,535	220,738,699	5,407,164	2.51%	865,734,039	920,019,019	54,284,980	6.27%

* School Districts' M&O budgets are included in these figures.

Chart VIII

2004 AVERAGE PROPERTY TAX RATES			
11/19/04			
COUNTY	AVERAGE URBAN %	AVERAGE RURAL %	OVERALL AVERAGE PROP. TAX %
ADA	1.658%	1.409%	1.620%
ADAMS	1.701%	1.156%	1.222%
BANNOCK	2.408%	1.463%	2.210%
BEAR LAKE	1.372%	0.960%	1.068%
BENEWAH	1.704%	1.134%	1.253%
BINGHAM	2.169%	1.380%	1.625%
BLAINE	0.622%	0.522%	0.588%
BOISE	1.304%	0.995%	1.024%
BONNER	1.435%	1.004%	1.104%
BONNEVILLE	2.045%	1.397%	1.858%
BOUNDARY	1.687%	1.351%	1.428%
BUTTE	1.842%	1.248%	1.333%
CAMAS	1.994%	1.293%	1.396%
CANYON	2.219%	1.484%	1.902%
CARIBOU	2.184%	1.376%	1.515%
CASSIA	1.741%	1.197%	1.345%
CLARK	1.282%	1.017%	1.053%
CLEARWATER	1.951%	1.157%	1.330%
CUSTER	1.064%	0.802%	0.855%
ELMORE	2.027%	1.131%	1.516%
FRANKLIN	1.501%	1.154%	1.311%
FREMONT	1.428%	1.045%	1.122%
GEM	1.458%	1.067%	1.180%
GOODING	1.800%	1.129%	1.283%
IDAHO	1.506%	1.008%	1.116%
JEFFERSON	1.855%	1.198%	1.313%
JEROME	2.131%	1.401%	1.611%
KOOTENAI	1.688%	1.265%	1.496%
LATAH	2.087%	1.659%	1.924%
LEMHI	1.609%	0.948%	1.123%
LEWIS	2.047%	1.386%	1.604%
LINCOLN	1.962%	1.269%	1.415%
MADISON	1.512%	1.288%	1.418%
MINIDOKA	1.755%	1.204%	1.403%
NEZ PERCE	2.323%	1.352%	1.985%
ONEIDA	1.702%	1.172%	1.340%
OWYHEE	1.581%	1.227%	1.289%
PAYETTE	2.187%	1.335%	1.727%
POWER	2.498%	1.656%	1.784%
SHOSHONE	2.411%	1.660%	1.954%
TETON	0.840%	0.684%	0.715%
TWIN FALLS	1.928%	1.269%	1.641%
VALLEY	1.216%	0.738%	0.885%
WASHINGTON	1.856%	1.248%	1.458%
Statewide:	1.658%	1.190%	1.462%