

WELCOME TO IDAHO STATE TAX COMMISSION'S 2014 BUDGET AND LEVY TRAINING



Please Sign In & Pick Up:

1. Budget & Levy Packet
 2. Evaluation Form
-

**For the convenience of others please
turn off cell-phones and other
electronic devices.**



Your Instructors Today are

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Workshop Agenda

Introductions & Goals	20 minutes	8:30 – 8:50
New Legislation	30 minutes	8:50 – 9:20
General Process	55 Minutes	9:20 – 10:15
Break	15 minutes	10:15 – 10:30
Special Situations	15 Minutes	10:30 – 10:45
L-2 Forms and Related Issues	30 minutes	10:45 – 11:15
L-2 Working Problems	20 minutes	11:15 – 11:35
Additional Information – Appendix	15 Minutes	11:35 – 11:50
Wrap up	10 minutes	11:50 – 12:00

Session Goals

- Review new and existing laws that may affect property tax revenue for taxing districts
- Understand limits on property tax revenue
- Understand how to use forms to certify budgets
 - Where to get forms
 - Where to get necessary information
 - What documentation to provide

Session Limitations

- Focus is on revenue, not expenditure
 - State Tax Commission does not oversee or govern expenditures
 - Carry over authority varies
- Actual taxes collected and disbursed to you may vary from certified amounts
 - Part of the taxable value used to set the levy rate is estimated
 - Certified property tax does not include occupancy tax
 - Delinquencies may be collected for back years
- Budget and other publication requirements – specific to each type of district

Where to go for answers on these issues

- Associations of like districts
 - County (Idaho Association of Counties)
 - City (Association of Idaho Cities)
 - Highway Districts (Idaho Association of Highway Districts)
 - Fire Districts
- Independent auditors
- Legal advisors

Taxing District General Budget and Levy Responsibilities

1. Notify each County Clerk of budget hearing date and location, written notification required. (due - April 30 each year),
2. Set your budget
Provide required advertisements for budget hearing dates, location, and times, and, publication of proposed budget (if required)
3. Certify budget to County Commissioners, make sure that you sign your L-2 form before you submit it to the county. (9-4-2014 or request a 7 working day extension from the County to 9-15-2014)



Property Tax Budget Hearing Notification

63-802A. NOTICE OF BUDGET HEARING.

- (1) Not later than April 30** of each year, each taxing district shall set and **notify*** the county clerk of the date and location set for the budget hearing of the district. If no budget hearing is required by law, the county clerk shall be so notified.
- (2)** ...a taxing district that fails to comply with subsection (1) of this section shall be prohibited from including in its budget any budget increase otherwise permitted by either subsection (1)(a) or (1)(e) of section 63-802, Idaho Code.
- (3)** If a taxing district wishes to change the time and location of such budget hearing as stated on the assessment notice, it shall publish such change of time and location in advance of such hearing as provided by law.

(Prohibits property tax budget increases from 3%, New Construction, Annexation, recaptured foregone, and generating additional foregone.)

*** Written notification required (Rule 805.01).**

Web Address for rules:

<http://adminrules.idaho.gov/rules/current/35/index.html>

County's Role

Assessor:

1. Provide locally assessed property value information to County Clerk.
2. Develop new construction roll.

County Clerk:

1. Provides value & tax information to Taxing Districts
2. Provides information to County Commissioners
3. Provides information to State Tax Commission

County Commissioners:

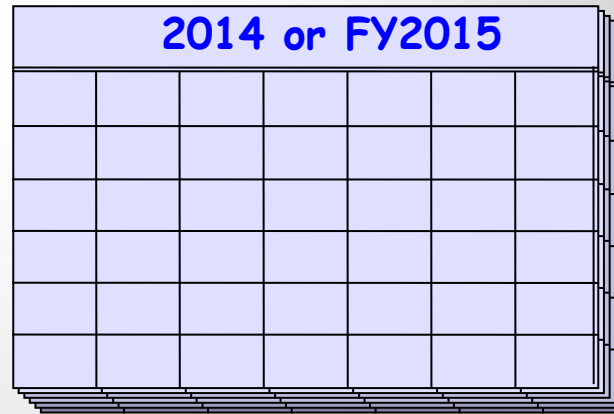
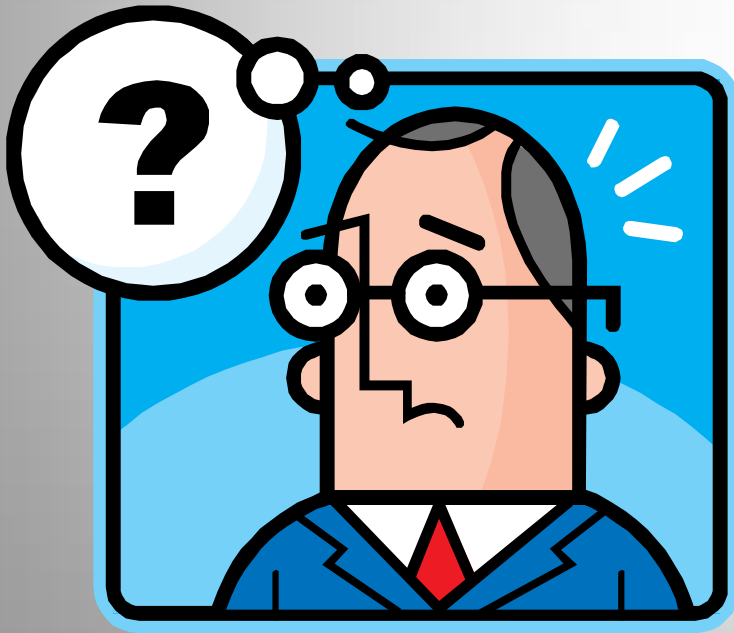
1. Set levy rate
2. Approve property tax portion of budget
3. Submit levy & approved budget to State Tax Commission
(9-15-2014 or 9/22/2014 with extension)

State Tax Commission Roles

- 1. Review and approve levy rates and property tax portion of budget (10-27-2014)
(ensure limits not exceeded)**
- 2. Determine operating property values**
 - Preliminary values in July**
 - State Board of Equalization finalizes by 4th Monday in August.**
 - Final values in September (9-2-2014)**
- 3. Provide technical support & assistance**
- 4. Map boundaries of each taxing district**

What Year is it Anyway?

Throughout this presentation, when we refer to a calendar year, we are referring to the year in which your property tax budget is being certified.



2014 LEGISLATIVE SESSION



HB-383

- Amends I.C. §63-803(4):
 - Deletes the verbiage that required adding back of the personal property exemption value to get the “taxable value”.
 - Retroactive to January 1, 2014.
 - Signed by the Governor 3/14/2014.
 - Levies will be set on taxable value.

HB-441A

- Corrective legislation to fix some provisions of the personal property exemption.
- School districts exclude personal property exemption value for purposes of determining bonding capacity.
- Taxing districts consolidating resulting district gets sum of amounts received in the last calendar year by each district prior to the consolidation.
- Deletes exception language and narrows what qualifies as personal property. Removes the requirement of an application every 5 years.
- Clarifies that improvements on exempt land do not qualify for PP exemption.

HB-441A – Personal Property Exemption

- 2014 property tax budget certification
 - Personal property tax reimbursement
 - to be reported and subtracted on the L-2 worksheet.
 - Agricultural Equipment and Personal Property replacement money.
 - Values used to set levies will exclude personal property exempted value.
 - Notification by county clerk(s) due 1st Monday of August of total amount of P-Tax replacement and identify type of replacement.

Levy Calculation

Personal Property Exemption

* - Assumes unchanged from 2013

Assume:	
2014 Total Value	105,000,000 *
Persnl Prop Exemption	5,000,000 *
2014 Taxable Value	100,000,000
2014 P-Tax Budget	105,000
PP Reimbursement	5,000
2014 P-Tax to be levied	100,000

Levy Rate	0.001000000
(100,000/100,000,000)	

P-tax generated	100,000,000
	x 0.00105
	<hr/> 100,000
PP Reimbursement:	5,000
Total Received:	105,000

Amount paid by taxpayers

Amount paid by State

Total from both equals 2014 P-Tax budget.

Questions

Personal Property Exemption

- Will personal property replacement change after 2013?
 - Upward corrections done; downward possible if discovered errors result in recovery.
 - No changes afterwards to existing districts.
- What if a taxpayer changes the location of the property to which the exemption applies? (i.e. Meridian 2013, Boise 2014)
 - No change to amount of replacement
 - Taxing districts in current (ie: 2014) location of exempt property lose taxable value.
- No change in replacement
 - if a new voter approved levy is passed (after August 2013)
 - if a levy existing in 2013 expires

HB-560

Local Governing Entities Central Registry

- New statute I.C. §67-450E – Provides for a central registry and reporting portal on Legislative Services Office website.
 - (LSO contact: Jim Combo – 334-4840 email: jcombo@lso.idaho.gov)
- Requires local entities including all taxing and special districts, except school districts, to register with the state registry. This includes urban renewals and entities that charge fees.
- For calendar year 2015 submission of required information to LSO prior to March 1, 2015 in the form and format required by Legislative Services office. Contact LSO not STC for questions. No additional submission required by Dec 1, 2015 unless changes.
- County may provide assistance, county may bill the entity for all reasonable fees, costs and other expenses.
- Governor signed 3/26/2014. In effect 1/1/2015 (1st potential penalty in 2015).

HB560 – Central Registry (Governing Entity)

- Local entities must submit the following information to LSO using the on-line portal:
 - Administrative,
 - Financial,
 - Bonds or other debt obligation,
 - Audits required by I.C. §67-450B will be submitted to the on-line portal.
- Updates if reported information changes.
- County may charge for assistance.

HB560 – Central Registry

Penalties for Non-Compliance

- When STC is notified by LSO of a non-compliant entity that levies property taxes:
 - Non-Exempt Property Tax Budget frozen at last year's amount.
 - Sales tax base and excess revenue distribution withheld until in compliance.
- When County is notified by LSO of a non-compliant entity that **does not** levy property taxes:
 - Board of County Commissioners to determine appropriate compliance measures including, but not limited to:
 - Meet with board of non-compliant entity;
 - Assess a non-compliant fee not to exceed \$5,000. Such fees may be deducted from any distribution of taxes, fees, or assessment collected by the county,
 - Cause a special audit to be conducted on the entity at the cost of the entity.

HB560 – Central Registry (County and State)

- Dates:
 - STC and districts must submit required information prior to March 1, 2015.
 - After March 1, 2015 and before December 1 of each year;
 - STC submits a list to LSO of all taxing districts; and
 - County Clerk submits a list to LSO of all taxing districts and any other local governing entities that are authorized to impose fees, assessments or receive property tax money.

HB560 – Central Registry

Notification by LSO

- LSO notifies entities of non-compliance. Entity has 30 days from date of notice to comply.
- By Sept 1 each year, LSO will notify Board of County Commissioners and STC of entity's failure to comply. Upon receipt the Board of County Commissioners shall:
 - Place a public notice in paper of entity's non-compliance.
 - Shall assess the entity the cost of public notice such costs may be deducted from any distribution of taxes, fees, or assessments collected.
- County to notify non-complying taxing districts by September 3rd.

THIS SLIDE NOT IN PACKET

Sales Tax Distribution Cities

- Revenue Sharing:
 - ½ based on population
 - ½ based on prior calendar year end value.
 - Includes homeowner's exemption, and urban renewal increment values.
 - Include exempted personal property value?
 - Temporary Rule 995 includes exempted pp value as part of the year end value used to distribute ½ of the city revenue share amount.

THIS SLIDE NOT IN YOUR PACKET

Report shows who would gain and who would lose if Rule 995 is implemented.

	Current Rule		Proposed Rule		
City 4/29/2014	2013 Year End Value excluding PP Exempted Val.	Revenue Sharing Distribution	2013 Year End Value including PP Exempted Val.	Revenue Sharing Distribution	Difference if Proposed Rule Implemented
Aberdeen	83,080,622	15,082.01	84,281,056	15,102.60	20.59
Acequia	5,523,395	964.46	5,957,592	989.30	24.84
Albion	14,900,831	2,302.91	15,152,294	2,308.99	6.08
American Falls	157,227,040	31,901.96	160,609,329	32,014.46	112.50
Ammon	906,353,397	129,320.79	914,377,079	129,209.60	(111.19)
Arco	30,231,771	6,578.70	31,627,566	6,649.69	70.99
Arimo	14,359,944	2,701.96	14,419,783	2,695.74	(6.22)
Ashton	49,634,834	8,597.73	50,647,789	8,629.62	31.89
Athol	34,247,380	5,648.08	35,625,867	5,715.07	66.99
Atomic City	778,604	192.36	780,373	191.93	(0.43)
Bancroft	12,467,614	2,614.01	12,715,775	2,621.61	7.60
Basalt	11,863,740	2,689.67	11,879,241	2,682.28	(7.39)
Bellevue	191,195,838	23,825.95	193,297,525	23,829.58	3.63
Blackfoot	524,369,591	92,408.10	534,976,768	92,738.73	330.63
Bliss	6,783,601	1,957.98	7,318,352	1,988.58	30.60
Bloomington	15,307,435	2,025.44	15,510,576	2,028.04	2.60
Boise	18,657,546,277	2,275,279.99	18,809,559,777	2,272,119.74	(3,160.25)

Property Taxes and the 3% Cap



Property Tax Budget and Levy Limits Defined in Idaho Code

Property Tax Budget Limit - 3% Cap

Section 63-802, I.C. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES -- EXCEPTIONS.

(1) No taxing district shall certify a budget request for an amount of property tax revenues to finance an annual budget that exceeds the greater of:...(3% language)

Levy Rate Limit (Example) Cemetery District Law I.C. §27-121

Tighter Constraint Prevails

27-121. LEVIES BY CEMETERY MAINTENANCE BOARD COMMISSIONERS.

(1) At the last regular meeting of the cemetery maintenance board prior to the second Monday of September in each year, the cemetery board of each cemetery maintenance district may levy for cemetery purposes a property tax in each cemetery maintenance district of not more than four hundredths of one percent (.04%) of the market value for assessment purposes on all taxable property within the cemetery maintenance district.

Budget vs. Levy Limit

Scenario:

A taxing district's statutory M&O levy limit is 0.0004. It's maximum, non-exempt property tax potential budget is \$ 55,000 and its total net taxable market value is \$125 million.

$$\begin{array}{l} \text{Budget Not Allowed} \\ \text{Because levy limit exceeded} \\ \frac{\$55,000}{\$125,000,000} = 0.00044 \end{array}$$

$$\begin{array}{l} \text{Budget Allowed} \\ \text{Because levy limit not exceeded} \\ \frac{\$50,000}{\$125,000,000} = 0.0004 \end{array}$$

Rollback = \$5,000

Levy limit can not be exceeded without express statutory authority.

Terminology

- **Net taxable market value** = total value of property within the boundaries of a taxing district, less exemptions and applicable urban renewal increment value.
- **Budget** = for the purposes of this presentation, unless otherwise indicated, budget refers to the property tax (p-tax) portion of your budget.
 - **Non-exempt funds (subject to 3% cap)**: Refers to those funds not specifically exempted from the provisions of I.C. § 63-802.
 - **Exempt funds (not subject to 3% cap)**: Bonds, Overrides (temporary and permanent), I.C. § 63-1305 Judgments, and Library or Community College Plant Facilities.
- **Levy Rate** = refers to a rate that is determined by dividing the district's individual fund(s) property tax budget by the district's net taxable market value.
 - Sometimes includes urban renewal increment - e.g. new voter approved levies.
- See other terms found in the appendix.

$\$100,000 \text{ p-tax} / \$250,000,000 \text{ taxable value} = 0.0004 \text{ levy rate} = 0.04\%$

$\$50,000 \text{ taxable value property} \times 0.0004 \text{ levy rate} = \20 tax

Computing Your Maximum Non-Exempt Property Tax Budget



Computing Your Maximum Non-Exempt Property Tax

- Highest non-exempt p-tax budget of the immediate prior 3 years (including any p-tax replacement money except the county interest bearing trust) increased by 3%.
- New Construction and/or Annexation current year's value multiplied by the immediate prior year's total non-exempt levy rate.
- Total foregone amount currently on the books.
- Sum of all above equals total Non-Exempt P-tax Budget (not necessarily what can be levied).
- **Minus** any current year's p-tax replacement revenue received.
- Results in maximum non-exempt property tax that can be levied.

Foregone Amount

- Amount of a previously allowable increase in non-exempt property tax portion of budget that was not taken (certified to be levied).

Example:

After certifying in 2013, the highest non-exempt property tax budget of last 3 years was \$100,000.

No new construction or annexation;

No replacement monies;

$\$100,000 \times 3\% = \$3,000 = \$103,000$ max. for 2014;

District certifies \$102,000 in 2014

Foregone amount available in 2015 = \$1,000

Never expires and once taken, becomes part of base for future 3% calculations.
A more detailed explanation is provided with example calculations in the appendix.

Property Tax Replacement

- Agricultural Equipment Replacement monies:
 - Agricultural equipment exempted in 2001.
 - 2000 tax plus one time 6% inflation calculation.
 - School districts' replacement monies reduced in 2006.
- Personal Property Reimbursement (I.C. §63-602KK(2)):
 - Total annual amount received 2013-2014.
 - 2nd half payment due to counties June 20, 2014.
- Recovery:
 - Improperly claimed homeowner's exemption and/or personal property exemption.
 - Available after June 30th each year.
- Recapture:
 - Property tax exemption in lieu of Investment Tax Credit (QIE).
 - Available after June 30th each year.
- Property Tax Relief Fund:
 - County Local Option Sales Tax
 - Interest Bearing Trust Amount (applied to county indigent fund only)
- Total of all
 - Added back (except Interest Bearing Trust Amount) to total non-exempt property taxes to compute 3% increase and future foregone amounts.
 - Subtracted from property taxes before computing levies.

Property Tax Replacement

Amounts to be deducted each year

Agricultural Replacement dollars – amounts remained unchanged except for schools which changed in 2006.

Personal Property Reimbursement amount – 2014 first year for subtraction.

Amounts to be deducted in year received

Recovered Homeowner's Exemption – Improperly claimed H/E.

Recaptured QIE - Property tax exemption in lieu of Investment Tax Credit (QIE)

Recovered personal property reimbursement – Improperly granted PP Exemption

Property Tax Relief Fund – Local Option Sales Tax - County Only

Interest Bearing Trust Amount (applied to county indigent fund only)

Total of all of the above items are to be subtracted when computing your maximum allowable non-exempt property tax budget.

However, for the purposes of computing the highest of the last 3 years and foregone amounts you add them back, except the Interest Bearing Trust Amount.

Example: Computing 3% Portion of Increase

Year	2011	2012	2013
Total levied non-exempt p-tax budget	647,932	675,930	711,599
Agricultural Replacement Money	520	520	520
*Recovered Homeowner's Exemption	348	275	687
Total Property Tax Replacement monies	868	795	1,207
Total levied non-exempt property tax budget plus property tax replacements	648,800	676,725	712,806

NOTE: Since there was no subtraction of personal property reimbursement made in 2013 there is nothing to add back for the purposes of this computation.

Computation of 3% increase:

$$\begin{array}{rcl}
 \$ 712,806 & & \$ 712,806 \\
 \times 0.03 & & + 21,384 \\
 \hline
 \$ 21,384 & \leftarrow & \$ 734,190 \text{ (total plus 3\% increase)}
 \end{array}$$

* = Reported as of June 30 each year.

Example: New Construction Roll

2013 total non-exempt levy rate = 0.001379710

(does not include bonds etc.)

2014 New Construction Roll Value = \$ 11,720,965

(qualifying new construction first taxable or allowable in 2013)

Multiply the 2014 New Construction Roll Value
by the 2013 non-exempt levy rate:

$$\begin{array}{r} \$11,720,965 \\ \times 0.001379710 \\ \hline \$ 16,172 \end{array} \text{ Additional budget allowance} \\ \text{(above 3\% increase)}$$

New Construction Roll

Idaho Code §63-301A & §63-802 & Rule 802

- Includes taxable property first on tax roll in 2014:
 1. New structures and newly occupied residences.
 2. Additions or alterations to existing non-residential structures.
 3. Installation of new or used manufactured housing that did not previously exist within the county.
 4. Change of land use classification (i.e. agricultural to commercial)
 5. Newly taxable as a result of loss of inventory exemption (63-602W).
 6. Improvements or installation of equipment used in conjunction with generation of electricity.
 7. Increase in increment value for dissolved Revenue Allocation Areas (RAA) – increase measured in comparison to Dec. 2006 increment value.
 - a. Excludes new construction in Revenue Allocation Areas (RAAs) within Urban Renewal Districts during life of RAA.
 - b. Excludes change of land use classification in RAAs-never recaptured.
 8. Prior eligible new construction identified and reported to county assessor.
(5 Yr look back limit)
- Deducts certain previously included value. (5 year limit to look back)
- A new construction value will be available for each district by late July, but is subject to correction until first Monday in September.

Deductions Made To New Construction

Roll I.C. §63-301A(1)(f)

- When previous new construction roll included property but,
 - Board of tax appeals or district court ordered lower values
 - Double or erroneous assessments discovered
 - Land use changed to lower value category
 - Value lower due to site improvement exemption
 - ✓ could produce net negative new construction values.

Annexation Example

2013 total non-exempt levy rate = 0.001379710
(does not include bonds etc.)

2014 Annexation* Value = \$ 2,923,873
(annexation occurred between 1/1/2013 and 12/31/2013)

Multiply the 2014 Annexation Value by the 2013
non-exempt levy rate:

	\$ 2,923,873	
X	<u>0.001379710</u>	
	\$ 4,034	Additional budget allowance (above 3% increase)

* Stated annexation value includes taxable real, personal and operating property values.

L-2 Worksheet (must be attached to the L-2 form)

District Name: Sample L-2 Calculation District	Enter Year:	2014
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Computation of 3% budget increase:

Enter the "Highest Non-Exempt P-Tax Budget plus P-Tax Replacement \$" from the "Maximum Budget and Foregone Amount Worksheet".			(1)	712,806
Multiply line 1 by 3%.			(2)	21,384

New Construction & Annexation budget increases:

Enter the 2014 value of district's new construction roll from each applicable county below:				
County Name		Value		
County A	(A)	11,720,965		
	(B)			
	(C)			
	(D)			
Total of New Construction Roll Value for the District:	(3)	11,720,965		
Enter the 2014 value of annexation from property assessed by the county.	(A)	2,923,873		
Enter the 2014 value of annexation from Operating Property .	(B)			
Total Annexation Value:	(4)	2,923,873		
Enter the total 2013 approved non-exempt levy rate.	(5)	0.001379710		
New Construction Roll budget increase (multiply line 3 by line 5).			(6)	16,172
Annexation budget increase (multiply line 4 by line 5).			(7)	4,034

Foregone Amount:

Enter the total available foregone amount here.			(8)	
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Maximum Allowable Non-exempt Property Tax Budget:

Add lines 1+2+6+7+8.			(9)	754,396
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Property Tax Replacement:

Enter yearly amount of the agricultural equipment replacement money.	(10)	520		
Enter yearly amount of the personal property replacement money.	(11)	5,273		
Enter recovered Homeowner's Exemption property tax.	(12)			
Enter recaptured Qualified Investment Exemption.	(13)			
Enter the total of lines 10, 11, and 12: (Must match col. 5 budget total of L-2).			(14)	5,793

Maximum Allowable Non-exempt Property Tax to be Levied:

Subtract line 14 from line 9.			(15)	748,603
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This is the first year to deduct your personal property reimbursement amount.

No Recovered H/E or QIE reported for 2014 (lines 12 and 13)

Maximum Budget and Foregone Amount Worksheet

District Name	Highest of the last 3 years approved non-exempt Property Tax Budget			Highest non-exempt P-Tax Budget + P-Tax Replacements	3% Increase (Highest P-Tax \$ plus Total P-Tax Replacement x 3%)	Non-Exempt Approved Levy Rate Total	Foregone Amount
	2011	2012	2013				
Teton County	3,257,543	3,626,693	3,785,311			0.002893557	
County Road & Bridge	190,000						
Total County Budget Information:	3,447,543	3,626,693	3,785,311	3,810,254	114,308		
Cities:							
Driggs	357,418	383,089	398,062	398,354	11,951	0.002395588	
Tetonia	22,811	24,050	24,777	24,975	749	0.002007410	
Victor	325,657	341,505	341,505				
Schools:							
School districts only use the Tort, Migrant Worker Funds.							
Teton #401	24,723	26,267	27,634	32,755	983	0.000025038	
Ambulance:							
Teton County Ambulance	558,636	525,631	498,434	558,636	16,759	0.000400000	205,909
Cemetery:							
Bates Cemetery	4,350	4,342	4,651	4,669	140	0.000098416	
Cache Clawson Cemetery	16,961	17,834	18,610	18,736	562	0.000096639	
Driggs Darby Cemetery	27,466	24,890	29,944	30,065	902	0.000077606	121
Haden Cemetery	6,771	6,927	7,257	7,413	222	0.000196744	
Victor Cedron Cemetery	78,636	82,885	86,610	86,672	2,600	0.000161021	
Fire:							
Teton Fire	1,845,053	2,088,567	1,970,063	2,088,567	62,657	0.001595954	301,733
Library:							
Valley of the Tetons Library	200,450	210,866	220,088	221,538	6,646	0.000168239	
Abatement:							
Teton Abatement	301,170	275,008	261,637	301,170	9,035	0.000200000	79,481

"Highest of the last 3 years" not necessarily the immediate prior year.

Web address: <http://www.tax.idaho.gov/search-formspublications.cfm?ch=bl&t=pt>

When Is All This Information Available?

Information available from the County Clerk:

I.C. §63-802 property tax information is currently available and is on the State Tax Commission's web page look for the
“Maximum Budget and Foregone Amount Worksheet”

New Construction Roll Value - late July

Taxable value (locally assessed current and prior year operating property) 1st Monday in August

Annexation Values:

Real and personal (locally assessed) – 1st Monday August

Operating property (assessed by STC) – 1st Monday September

Personal Property exemption replacement monies 1st Monday of August.

Common Funds Exempt From 3% Annual Increase Cap I.C. §63-802

Bond	Refer to authorizing statute for specific requirements, but all require 2/3 majority voter approval.
Temporary Override	All taxing districts have authority. 2 years maximum duration; requires simple majority to pass. <u>Can not exceed fund's levy limit.</u>
Permanent Override	All taxing districts have authority. Most need a 2/3 majority to pass. Qualifying cities have additional version that requires only 60% voter approval to pass. <u>Can not exceed fund's levy limit.</u>
I.C. §63-1305 Judgment	Assessed value appeals: relates to any Court or Board of Tax Appeals valuation decisions.
I.C. §63-1305A Judgment	Court ordered and needs simple majority election.
Plant Facilities	Available to School, Library, and Community Colleges. See I.C. §33-804 for details.

Exempt School District Funds

- Same as previous page plus:
 - Emergency
 - Judgment (I.C. §33-802)
 - Tuition
 - Cooperative Service Agency (COSA)

I.C. §63-1305 Judgments

Rule 939

- Valuation appeal to Board of Tax Appeals or any Court.
- If appeal successful and a refund ordered then a district may levy for the amount of the ordered refund.
- Levy must be within the two years immediately following the order. Any amount certified and not levied within that 2 year period is lost. If less than \$100 remaining to be levied in second year, the amount remaining will be lost.

2010 – 2013 PacifiCorp Judgment

Affected Counties: Ada, Bannock, Bear Lake, Bingham, Bonneville, Butte, Canyon, Caribou, Cassia, Clark, Elmore, Franklin, Fremont, Gooding, Jefferson, Jerome, Lemhi, Lincoln, Madison, Oneida, Owyhee, Power, Teton, Twin Falls.

I.C. §63-1305 PacifiCorp Judgment

- County to refund based on District Court settlement relating to 2010 - 2013 tax year
 - County Commissioners may either refund taxes or apply the amount to be refunded as a credit against taxes due from the taxpayer in the following year. May use a combination of both.
- No interest due.
- Counties have been provided amounts. Districts can check with counties.
- STC has compiled totals for each taxing district and have posted this information on the STC's web page.
- Some districts have remaining judgment amounts from the 2008 – 2009 PacifiCorp judgment. Below is the link.
 - If not levied this year any remaining will be lost and not recoverable.
- <http://www.tax.idaho.gov/search-formspublications.cfm?ch=bl&t=pt>

I.C. §63-1305 PacifiCorp 2010 – 2013 Judgment District's Responsibilities

District may levy for the total amount of the refund or credit in 2014 and 2015.

If 2 year option chosen the remainder for the 2nd year **must** be in excess of \$100.

Amount of the refund/credit must be included in district's budget.

L-2 for 2014 and 2015:

Fund name is 63-1305 Judgment Levy: Show the amount to be levied in whole dollars.

Not part of your 3% budget cap,

No maximum levy limit,

After 2nd year, any remaining amount not levied will be lost.

2008 – 2009 PacifiCorp Judgment.

L-2 Example

- Taxing district was notified by county that their share of the judgment was \$1,000.
 - They could levy the entire \$1,000 this year or,
 - Choose to levy, all or a part, over a 2 year period.
 - **WARNING**: In order to use the 2 year method the amount remaining to be levied in the 2nd year must exceed \$100.

2014 Dollar Certification of Budget Request to Board of County Commissioners L-2 (the L-2 worksheet and applicable "Voter Approved Fund Tracker" must be attached)					
District or Taxing Unit's Name:					
Fund	Total Approved Budget*	Cash Forward Balance	Other revenue <i>NOT</i> shown in Column 5	Property Tax Replacement From Line 13 of L-2 Worksheet	Balance to be levied Col. 2 minus (Cols. 3+4+ 5)
1	2	3	4	5	6
63-1305 Judgment	500				500
Column Total					

The above L-2 shows the district is levying ½ of their total judgment this year. Presumably they will levy the remaining \$500 next year. Any remainder not levied in year 2 will be lost.

Rule 803T

- L-2 submitted to the each county MUST be signed.
- Unless otherwise provided for in Idaho Code budget requests for the property tax funded portions of the budget shall not exceed the amount published in the notice of budget hearing if a budget hearing notice is required in Idaho Code for the district.
- The levy approved by the State Tax Commission shall not exceed the levy computed on the amount shown in the notice of budget hearing.
- Subtract all replacement monies on the L-2 worksheet, exception for charter school district with M&O levy.

Break

Time for a 15 minute break



District Formation or Alterations

- STC must receive the following within 30 days following the effective date or organization or alteration, or by January 10 of following year if effective date is near year end:
 - Recorded ordinance, order, or resolution from the taxing authority establishing the formation or alteration.
 - Legal description describing the boundary of the formation or alteration.
 - Legible map that matches the description, and clearly designates the boundary of formation or alteration.
 - Contact information that is current and identifies an individual associated with the taxing district.
 - Digital or scanned copies may be submitted but must be legible.
 - Faxed copies, or copies of a fax are not recommended.
- Mail copies to: Idaho Tax Commission, Attn: Craig Johnson, 800 Park Blvd Plaza IV, Po Box 36, Boise, Id 83722.
- Phone: 208-334-7721 – Fax: 208-334-7629
Email: craig.johnson@tax.idaho.gov

Special Cases Related to Property Taxes

- Taxing District Situations
 - Newly created taxing district
 - District that levied last more than 3 years ago.
 - Established district that never levied
- Overrides
- Plant Facilities
- Fire Districts
- Effect of Boundary changes on bonds
- City/Highway fund sharing
- Districts not levying on all taxable property categories.

Property Tax Budgets

Special Situations

Newly created districts:

Defined as those formed during 2013 or first eligible to levy property taxes in 2014. No district eligible to levy in year of formation (I.C. §63-807) except recreation districts formed prior to June 1 (I.C. §31-4314).

Property tax budget may equal statutory maximum levy rate multiplied by 2014 net taxable value.

Districts which did not levy during 2011, 2012, and 2013:

Limited to the total non-exempt dollar amount of the district's last property tax budget, provided this amount does not result in a levy which exceeds a statutory levy rate.

Districts never levying property tax, exempt or non-exempt:

Defined as those formed before 2014 that have never levied any property taxes. Property tax budget may equal statutory maximum levy rate multiplied by 2014 net taxable value.

Note: Base = \$ 0 if the only levy was for an exempt fund such as a bond.

Overriding the 3% Budget Cap

- Available to all types of taxing districts.
 - **Two (2) year override** – Simple majority to pass
 - Temporary – expires in 2 years.
 - Not allowed a 3% increase
 - **Permanent override** –
 - 2/3rd majority to pass (60% for qualifying cities)
 - Resets the non-exempt portion of a taxing districts property tax budget.
 - Included in following year's 3% calculation
 - Both are fund specific
 - Can not exceed fund's levy limit
 - Except Highway District

Estimating the Maximum Amount of an Override

A district's combined fund and override levy cannot exceed the fund's levy limit. Below is one way to estimate the maximum P-Tax amount of the override.

This example is based on a fire district wishing to use an override for its General (M&O) fund (max. levy rate 0.0024). The district's maximum non-exempt p-tax budget (less p-tax replacement) is \$748,603.

Computation of Estimated Override

Net taxable market value from December Value Worksheet.	\$ 485,560,701
M&O fund's maximum levy rate limit.	0.0024
Net taxable market value times maximum levy rate.	\$ 1,165,346
Maximum M&O property tax budget. (w/o Override \$)	\$ 748,603
*Estimated annual amount of the override.	\$ 416,743

* Exact amount cannot be determined until September 2014 when values for setting levies are known.

Reporting Overrides on the L-2 Form

An override is fund specific, usually overrides the M&O or General fund. The combined override and M&O fund levy rates can not exceed the maximum levy rate of the M&O fund. In this example the maximum levy rate is 0.0024.

Assumption: The 2014 Net Taxable Market value is \$495,600,000. The levy rate for the M&O is 0.001510498 and the Permanent Override levy is 0.000840886 which totals 0.002351384. The total is less than the M&O maximum levy rate.

2014 Dollar Certification of Budget Request to Board of County Commissioners L-2 (the L-2 worksheet and applicable "Voter Approved Fund Tracker" must be attached)					
District or Taxing Unit's N	Fire District				
Fund	Total Approved Budget*	Cash Forward Balance	Other revenue <i>NOT</i> shown in Column 5	Property Tax Replacement From Line 13 of L-2 Worksheet	Balance to be levied Col. 2 minus (Cols. 3+4+5)
1	2	3	4	5	6
M&O	1,000,000	200,000	45,604	5,793	748,603
Permanent Override	416,743				416,743
Column Total:	1,416,743	200,000	45,604	5,793	1,165,346

This examples reflects a permanent override.

To compute future increases next year's highest of the last 3 year's non-exempt p-tax budget would now be \$ 1,165,346.

Override Cautions

- Advise against including levy rates as part of ballot question:
 - If voters approve the rate on the ballot and the values drop the voter approved levy rate would not generate the amount of money the district expected.
 - In a permanent override, the binding effect of the rate could prevent future budget increases or even raising the same amount.
 - Levy rate may be used as part of an example for demonstrating effects on taxpayers.
- Use as much statutory (63-802) language as possible — consider terms such as “exceed” or “override” rather than “serial” (not found in law)

CEMETERY MAINTENANCE DISTRICT
SPECIAL LEVY ELECTION
MAY 25, 2010

INSTRUCTIONS TO VOTERS: To vote on the foregoing proposition, please make a cross (X) in the space to the right of the words "IN FAVOR OF increasing the District Levy" or "AGAINST increasing the District levy" according to the way you desire to vote on the question. If you, by mistake or accident, mark, tear, deface, or otherwise mutilate the ballot, please return it to the election judge and obtain another ballot.

SHALL THE BOARD OF COMMISSIONERS OF THE CEMETERY MAINTENANCE DISTRICT INCREASE THE DISTRICT LEVY, BUT NOT ABOVE SEVEN THOUSANDTHS OF ONE PERCENT (.00007%) OF MARKET VALUE FOR ASSESSMENT PURPOSES ON ALL THE TAXABLE PROPERTY WITHIN THE DISTRICT'S BOUNDARIES. IN ORDER TO RAISE AN ADDITIONAL BUDGET AMOUNT OF APPROXIMATELY FOUR THOUSAND SEVEN HUNDRED TWENTY THREE DOLLARS (\$4,723.00) TO DEFRAY THE COST OF EQUIPPING AND MAINTAINING THE DISTRICT, WHICH BUDGET AMOUNT THE BOARD MAY INCLUDE IN EACH SUCCEEDING ANNUAL BUDGET, AS AUTHORIZED BY SECTION 31-1420, IDAHO CODE?

IN FAVOR OF increasing the District Levy

☐

AGAINST increasing the District Levy

☐

Due to the levy restriction language on the ballot this district was \$500 short of their goal of \$4,723. Ballot indicates levy not to exceed 7 thousandths of one percent but the ballot shows (0.00007%).

Advise against using "levy" in any ballot language. If values drop you are restricted by the self imposed levy.

Example of Successful Ballot

OFFICIAL BALLOT

May 25, 2010

**TO AUTHORIZE AND EMPOWER
THE [REDACTED] AMBULANCE DISTRICT,
[REDACTED], IDAHO,
TO LEVY A TAX OVERRIDE**

QUESTION:

"Shall the [REDACTED] Ambulance District [REDACTED], Idaho, be authorized and empowered to levy a tax override, as permitted by Idaho Code §63-802(3), in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00) each year, above the current year's budget to be levied during each of the next two years (2011 and 2012) for a total of Two Hundred Fifty Thousand Dollars (\$250,000.00), to be used for maintenance and operation expenses and for the purchase of new equipment for the [REDACTED] Ambulance District?"

ANSWER: (Mark One – YES or NO)

Approve \$125,000.00 override YES []

Approve \$125,000.00 override NO []

This ballot clearly states how much the district wants for each year and the total, and what the extra money will be used for.

Passed with 72% approval

Ballot Language

- STC is offering to review taxing district property tax related ballot measures language before ballots are printed.

Plant Facilities Fund Notes

School, Library, and Community Colleges are the only taxing districts with authority to have this type of fund.

Various election majorities required (from 55% - 2/3).

Refer to Idaho Code § 33-804 for details

Election Dates

- **Election Consolidation: I.C. §34-106**
 - Most elections handled by the county clerk. Final ballot wording to county 45 days before election.
 - Election Dates – Non-School districts
 - 3rd Tuesday in May
 - Tuesday following the first Monday in November
 - School Districts have 2 other dates:
 - 2nd Tuesday in March
 - Last Tuesday in August
 - In addition an emergency election may be called upon motion of the governing board of a political subdivision. An emergency exists when great calamity such as, extraordinary fire, flood, storm, epidemic, or other disaster, or if it is necessary to do emergency work to prepare for national or local defense or to safeguard life, health, or property.

* = If joint, involve all county clerks.

Fire (I.C. §31-1425(2)) and Ambulance (I.C. §31-3908A) Districts

Discretionary Exemptions

- The Board of County Commissioners, upon application, may, by an ordinance enacted no later than the 2nd Monday in July, exempt all or a portion of the unimproved real property within the district from taxation, and may exempt all or a portion of the taxable personal property within the district from taxation. Note: Formation ballot language can make this option moot.
- Any ordinance must provide that each category of property is treated uniformly.
- Notice of intent to adopt an ordinance which exempts unimproved real property shall be provided to property owners of record in same manner as required in I.C. §67-6511(2)(b) (zoning district boundary change).
- Documentation required if option is used.

Rule 808 – Documentation by Taxing Districts

- If a taxing district (Ambulance or Fire) elects the property categories to be taxed, documentation of such election must be provided to **each** county clerk. No documentation required if taxable categories limited by statute (i.e. Flood Control cannot levy on personal property).
- County clerk must provide documentation to STC by the 1st Monday of August each year (8-4-14).

Fire District Exemptions

Idaho Code §31-1425 (1)

Utility Agreements:

All public utilities shall be exempt from taxation by fire districts.

The board of fire protection commissioners may enter into an agreement with a public utility for the purpose of affording protection provided by the fire district to all, or such portion, of the property of the public utility as may be agreed upon. Any such agreement must be signed by both the fire district and the public utility.

Copies of any agreement must be filed with the county clerk and the state tax commission. Considered in effect until cancelled by either party.

Fire District Budgets

A one time budget increase is allowed. The same utility property cannot be double counted if an agreement lapses and is replaced with a new agreement.

Example:

2014 Value of consenting Utility	\$ 5,000,000
---	---------------------

Fire District's 2013 non-exempt levy rate X 0.0018

Additional budget allowance.	\$ 9,000 (built into base for future 3% increases)
-------------------------------------	---

Effect of Boundary Changes on Existing Bonds

Territory Withdrawn From District

Fire District: (I.C. §31-1437)	<u>shall</u> continue to be subject to taxation for the payment of the principal of and interest on any indebtedness
Cities: (I.C. §50-225)	Such alteration <u>shall not</u> relieve any territory excluded from the limits of a city from its liability on account of any outstanding bonded or other indebtedness of such city

Consolidation of District

Library: (I.C. §33-2710(4))	existing bonded debt of any district or districts shall <u>not</u> become the obligation of the consolidated library district. The debt shall remain an obligation of the property which incurred the indebtedness.
Hospital: (I.C. §39-1356)	existing bonded debt of any district or districts shall <u>not</u> become the obligation of the consolidated hospital district.

Highway/City Fund Sharing

- Idaho Code §40-801(1)(a) states that any levy made shall be proportionately apportioned (50% of this fund's levy applied to taxable property within cities in the districts) to all cities within the highway district boundary.
 - On the L-2 show the entire amount: DO NOT deduct the amount anticipated for the cities.
- No other property tax fund is shared with the cities (special levy 0.00084, tort etc.).
- If the highway district certifies a levy as “M&O” or “General” it is assumed to be I.C. 40-801(1)(a) levy and revenue is split with the cities in the district.

Example of City/Highway

I.C. §40-801(1)(a) Split Computation

Computation of City/Highway M&O Split

Enter the Highway District's Net Taxable Value Below:

201,609,913

Enter the Highway District's 40-801 (1)(a) levy rate:

0.001478221

= \$ 298,024 Total P-Tax levied

Enter City Name below:	Enter the Net Taxable Value for the City	Estimated Hwy M&O Split For Each City
City A	33,665,425	24,882.47
City B	20,225,223	14,948.67
City C	13,686,965	10,116.18
		0.00
		0.00
		0.00
		0.00
Total to cities:	67,577,613	49,947.32

This example multiplies the 40-801(1)(a) fund's levy rate by the City's Net Taxable Value and divides the result by 2.

This is the estimated amount that will be distributed to the city from the total property tax collection of the fund only.

Copies of this spreadsheet are available upon request.

Note: The highway district should certify \$298,024 for its property tax budget. It will receive \$49,947 less.

2014 Dollar Certification of Budget Request to Board of County Commissioners L-2

Highway District Only (the L-2 worksheet and applicable "Voter Approved Fund Tracker" must be attached)

District or Taxing Unit's Name:

Fund	Total Approved Budget*	Cash Forward Balance	Other revenue <u>NOT</u> shown in Column 5	Property Tax Replacement From Line 14 of L-2 Worksheet	Balance to be levied Col. 2 minus (Cols. 3+4+ 5)
1	2	3	4	5	6
I.C. §40-801(1)(a)					
A proportionate share of the property tax portion of this fund is shared with each city within your district.					
I.C. §40-801(1)(b)					
This fund is not shared with the cities within your district.					
Tort					
This fund is not shared with the cities within your district.					
Column Total:	-	-	-	-	-

When filling out this form DO NOT subtract budgeted city sharing amount.

Effect of Reduction of Market Value on Property Tax Budgets and Levy Rates

- Property tax budget (\$100,000) is divided by net taxable market value (\$100 million) to determine levy rate.

$$\frac{\$100,000}{\$100,000,000} = 0.001$$

- Options if value declines:

— Same budget \$; higher levy rate } $\frac{\$100,000}{\$80,000,000} = 0.00125$

— Lower budget \$; same levy rate } $\frac{\$80,000}{\$80,000,000} = 0.001$

At Maximum Levy Rate?

- All districts have the availability to levy for comprehensive liability plan; it is called a Tort fund and it has no levy limit.
 - It is part of your 3% property tax budget limit.
- Some districts have other property tax funds available (for example cities).

Why Show Separate Funds?

District Information

Net taxable market value	\$ 125,000,000
Maximum allowable property tax budget	\$ 55,000
M&O Levy limit	0.0004

District Submitted its L-2

M&O property tax budget	\$ 55,000
Computed levy rate ($\$55,000 / \$125,000,000$)	0.00044

Results of review of L-2

Computed levy rate exceeds maximum levy limit so property tax budget reduced to	\$ 50,000
The amount of reduction may qualify for foregone amount and be available next year.	\$ 5,000

**This district will not receive the \$55,000 it budgeted for.
How could this have been prevented? (see next slide)**

Why Show Separate Funds?

District Information

Net taxable market value	\$ 125,000,000
Maximum allowable property tax budget	\$ 55,000
M&O Levy limit	0.0004

District Submitted its L-2

M&O fund property tax budget	\$ 50,000
Computed levy rate ($\$50,000/\$125,000,000$)	0.0004
Tort fund property tax budget (has no levy limit)	\$ 5,000
Computed levy rate ($\$5,000/\$125,000,000$)	0.00004
Total computed levy rate of	0.00044
Total approved property tax budget	\$ 55,000

In this example the district is able to receive the entire \$55,000 by putting some of its budget authority into another fund that can levy property taxes.

However district must have legitimate need for the tort fund.

Property Tax Forms



List of Property Tax Related Forms

- Below is a list of the forms we will be reviewing.
 - 2014 Dollar Certification of Budget Request to Board of County Commissioners L-2. (L-2 for short)
 - L-2 Worksheet (must be attached to the L-2 form)
 - Maximum Budget and Foregone Amount Worksheet
 - Voter Approved Fund Tracker (as required)
- (Web address: <http://www.tax.idaho.gov/search-formspublications.cfm?ch=bl&t=pt>)

State Tax Commission's Web Page: tax.idaho.gov

The screenshot shows the homepage of the Idaho State Tax Commission. At the top is a black navigation bar with 'IDAHO.GOV', 'SITEMAP', and 'NEWSROOM' in white. Below this is a banner with the 'IDAHO State Tax Commission' logo. A secondary navigation bar contains links: 'HOME', 'TAX TYPES', 'ONLINE SERVICES', 'FORMS/PUBS', 'TAX PROS', 'GOVERNANCE', and 'CONTACT US'. The 'FORMS/PUBS' link is highlighted with a blue callout box that contains the text: 'To find the Budget and Levy form etc. Click on the "Forms/Pubs" button.' Below the navigation bar, the 'Our mission' section features a quote: 'To provide courteous, quality services and to administer the state's tax laws in a just, timely and cost-effective manner to benefit Idaho citizens.' This is followed by a 'Retirees' section with a photo of an elderly woman and the text 'Information on retirement benefits [and more.](#)'. The 'Latest News' section lists three articles with dates: '04-26-2013 Decisions added to the web.', '04-22-2013 Missed last week's income tax deadline? Here's what to do', and '04-17-2013 New Idaho law allows property tax exemption for \$100,000 in personal property value for businesses'. The 'Stay informed' section includes icons for Twitter, YouTube, and RSS. The 'Quick Picks' section lists two items: 'NEW! May 1: Personal Property Exemption Location application form due' and 'New Idaho law allows businesses to'. On the right side, there is a 'NEED HELP' section with a photo of a woman and the text 'FILING OR PAYING?'. At the bottom right, there is a logo for 'e-file'.

IDAHO.GOV SITEMAP NEWSROOM

IDAHO State Tax Commission

HOME TAX TYPES ONLINE SERVICES **FORMS/PUBS** TAX PROS GOVERNANCE CONTACT US

Our mission

To provide courteous, quality services and to administer the state's tax laws in a just, timely and cost-effective manner to benefit Idaho citizens.

Retirees
Information on retirement benefits [and more.](#)

Latest News

04-26-2013
[Decisions added to the web.](#)

04-22-2013
[Missed last week's income tax deadline? Here's what to do](#)

04-17-2013
[New Idaho law allows property tax exemption for \\$100,000 in personal property value for businesses](#)

04-15-2013

Stay informed

Twitter YouTube RSS

Quick Picks

- NEW!** [May 1: Personal Property Exemption Location application form due](#)
- [New Idaho law allows businesses to](#)

NEED HELP
FILING OR PAYING?

e-file

IDAHO State Tax Commission

HOME

TAX TYPES

ONLINE SERVICES

FORMS/PUBS

TAX PROS

GOVERNANCE

CONTACT US

Forms and Other Public



This page provides several ways to find tax publications online. We also have a page listing [reports](#) and publications from the IRS for federal tax publications at [the IRS website](#).

Sales tax, income tax withholding, and other tax **are not available on our website**. We can only mail these documents to the owner (or designated [Power of Attorney](#)) because of [IRS rules](#). [Contact us](#) if you need a replacement sent, or [file a request](#).

Our most-requested documents

- [Power of Attorney - POA](#) (01-07-2012)
- [Request for Copies of Tax Returns](#) (01-07-2012)
- [Sales Tax Resale or Exemption Certificate](#) (01-07-2012)
- [Employee's Idaho Military Spouse Withholding Certificate](#) (04-27-2012)
- [Guide to Idaho Income Tax Withholding](#) (06-21-2012)
- [Withholding Brackets and Tables](#) (03-28-2013)

Lists of forms and publications by TAX TYPE:

- Find [beer tax documents](#) or visit the [beer tax page](#)
- Find [cigarette tax documents](#) or visit the [cigarette tax page](#)

Beer/Wine Taxes

Cigarette/Tobacco Taxes

Fuels / Motor Fuels Taxes

Income Tax (current business)

Income Tax (current individual)

Prior year income tax returns

Property Tax

Reports & Statistics

Sales & Use Taxes

Withholding

Select Language ▼

Stay informed. [Get updates](#) »



Go to information:

- [for Individuals](#)
- [for Businesses](#)
- [about Property Tax](#)
- [on Employment](#)

Select "Property Tax"

Events and due dates:



Find PROPERTY TAX forms and publications by category

- [Appraisal](#) documents
- [Budget and levy](#) documents
- [GIS](#) documents
- [Homeowners](#) documents
- [Operating property](#) documents
- [Policy](#) documents
- [Property tax reduction or deferral](#) documents
- [Timber & forestland](#) documents

Visit more [property tax pages](#) for additional information. Many [reports and statistics](#) are also available.

Now Select “Budget and Levy” documents

Technical support documents for COUNTIES

AS/400 Program Documentation for:

- [Ag Land \[AG\]](#)
- [Deferred Forestland \[DF\]](#)
- [Forest Protection \[FP\]](#)
- [Resd/Comm Land \[LD\]](#)
- [Manufactured Homes \[MH\]](#)
- [Miscellaneous \[MS\]](#)
- [Parcel Master \[PM\]](#)
- [Personal Property \[PP\]](#)
- [ProVal \[PV\]](#)
- [Residential \[RC\]](#)
- [Sales \[SL\]](#)
- [Tax \[TX\]](#)

IDAHO State Tax Commission

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Your requested list of forms and other publications

Google™ Custom Search

Search

X

Group: **BUDGET AND LEVY**



[« Select again »](#)

(Date in parentheses is date the document was published or last revised. **F** indicates a fill-in (and print, but not save) form. Learn more.

View [Budget & Levy Reports](#) »

Agricultural Replacement, PacifiCorp Judgment Amounts click this link. Future date the personal property reimbursement will be posted here.

Forms and form instructions

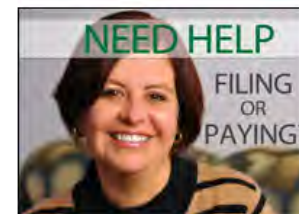
» [Idaho Business Registration \(IBR\) online application](#) »

- [Budget Hearing Notice Noncompliance List](#) (02-26-2014)
- [L-2 County Only](#) (03-21-2013)
- [L-2 County w/Road and Bridge](#) (03-21-2013)
- [L-2 General](#) (03-21-2013)
- [L-2 General](#) (03-21-2013)
- [L-2 Highway District](#) (03-21-2013)
- [L-2 Highway District](#) (03-21-2013)
- [L-2 Hospital](#) (03-21-2013)
- [L-2 Hospital](#) (03-21-2013)
- [L-2 School](#) (03-21-2013)
- [L-2 School](#) (03-21-2013)
- [L-2 School Worksheet](#) (06-11-2013)
- [L-2 Worksheet](#) (06-11-2013)
- [Maximum Budget & Foregone Amount Worksheet](#) (03-20-2014)
- [Maximum Statutory Levy Rates](#) (03-21-2013)
- [Public Budget Hearing Requirements](#) (06-07-2012)
- [Recovered / Recaptured Property Tax Substitute Funds List](#) (03-20-2012)
- [Recovered / Recaptured Property Tax Substitute Funds List](#) (03-20-2012)

Go to information:

- [on Taxpayer Rights](#)
- [for Individuals](#)
- [for Businesses](#)

Here are all of the L-2s
PDF- Print and fill in by hand.
Excel – Save on your computer and fill.
Other - Maximum Budget and Foregone Amount worksheets, and the Maximum Levy Rate list.



2014 Dollar Certification of Budget Request to Board of County Commissioners L-2

(the L-2 worksheet and applicable "Voter Approved Fund Tracker" must be attached)

District or Taxing Unit's Name:

Fund	Total Approved Budget [±]	Cash Forward Balance	Other revenue <u>NOT</u> shown in Column 5	Property Tax Replacement From Line 14 of L-2 Worksheet	Balance to be levied Col. 2 minus (Cols. 3+4+ 5)
1	2	3	4	5	6
Column Total:	-	-	-	-	-

I certify that the amounts shown above accurately reflect the budget being certified in accordance with the provisions of I.C. §63-803.

To the best of my knowledge, this district has established and adopted this budget in accordance with all provisions of Idaho Law.

Signature of District Representative

Title:

Date:

Please print above: Contact Name and Mailing Address

Email Address:

Phone Number: ()

Fax Number: ()

* = Do not include revenue allocated to urban renewal agencies.

Please fill in contact information completely.

L-2 Worksheet (must be attached to the L-2 form)

District Name:

Enter Year:

Computation of 3% budget increase:

Enter the amount from the "Highest Non-Exempt P-Tax Budget + P-Tax Replacement" column from the "Maximum Budget and Foregone Amount Worksheet".

(1)

Multiply line 1 by 3%.

(2)

-

New Construction & Annexation budget increases:

Enter the 2014 value of district's new construction roll from each applicable county below:

County Name

Value

(A)

May include negative values.

(B)

(C)

(D)

Total of New Construction Roll Value for the District:

(3)

-

Enter the 2014 value of annexation from property assessed by the county.

(A)

Enter the 2014 value of annexation from **Operating Property**.

(B)

Total Annexation Value:

(4)

-

Enter the total 2013 approved non-exempt levy rate.

(5)

New Construction Roll budget increase (multiply line 3 by line 5).

(6)

-

Annexation budget increase (multiply line 4 by line 5).

(7)

-

Foregone Amount:

Enter the total available foregone amount here.

(8)

Maximum Allowable Non-exempt Property Tax Budget:

Add lines 1+2+6+7+8.

(9)

-

Property Tax Replacement:

Enter yearly amount of the agricultural equipment replacement money.

(10)

Enter yearly amount of the personal property replacement money.

(11)

Enter recovered Homeowner's Exemption property tax.

(12)

Enter recaptured Qualified Investment Exemption.

(13)

Enter the total of lines 10 through 13: (Must match col. 5 budget total of L-2).

(14)

-

Maximum Allowable Non-exempt Property Tax to be Levied:

Subtract line 14 from line 9.

(15)

-

Maximum Budget and Foregone Amount Worksheet (on STC web page)

<http://www.tax.idaho.gov/search-formspublications.cfm?ch=bl&t=pt>

District Name	Highest of the last 3 years approved non-exempt Property Tax Budget			Highest non-exempt P-Tax Budget + P-Tax Replacements	3% Increase (Highest P-Tax \$ plus Total P-Tax Replacement x 3%)	Non-Exempt Approved Levy Rate Total	Foregone Amount
	2011	2012	2013				
Boundary County	4,248,952	4,415,295	4,596,914			0.005568891	
County Road & Bridge							
Total County Budget Information:	4,248,952	4,415,295	4,596,914	4,645,686	139,371		
Cities:							
Bonniers Ferry	517,478	533,016	549,388	549,835	16,495	0.004411030	
Moyie Springs	49,739	51,411	53,112	53,199	1,596	0.001797318	
Schools:							
School districts only use the Tort Fund.							
Boundary #101	80,562	83,761	86,275	88,367	2,651	0.000107051	
Ambulance							
Boundary County Ambulance			330,185	330,185	9,906	0.000400000	
Fire:							
Paradise Valley Fire	115,870	119,280	119,280	119,280	3,578	0.001106694	20,399
South Boundary	140,231	144,289	150,113	150,113	4,503	0.001574928	
Library:							
Boundary County Library	275,325	286,060	297,812	300,474	9,014	0.000360782	

This figure goes on Line 1 of the L-2 worksheet.

This figure goes on Line 2 of the L-2 worksheet.

This figure goes on Line 5 of the L-2 worksheet.

This figure goes on Line 8 of the L-2 worksheet.

Voter Approved Fund Tracker
Attach to L-2 Form If Applicable

District Name:

Fund	Date of Election (If current year attach copy of Ballot)	Term of Initiative		Annual Amount Authorized by Voters	1st Calendar Year Levied
------	--	-----------------------	--	---------------------------------------	-----------------------------

Override Funds Available to All Districts

2 Yr Override I.C. §63-802 (All Districts)					
Permanent Override I.C. §63-802 (All Districts)					

School District Funds

Supplemental Funds

Temporary School Supplemental I.C. §33-802(3)					
Permanent School Supplemental I.C. §33-802(5)					
Plant Facilities Transfer to Supplemental I.C. §33-804					

(Total Plant Facilities and Transfer to Supplemental can not exceed the annual Plant Facilities approved by voter)

Cosa Funds

COSA Funds (50% Voter Approval 10 yr)					
COSA Maintenance (2/3 Voter Approval 10 yr)					
COSA Plant Facilities (3 yrs)					

Plant Facilities Funds

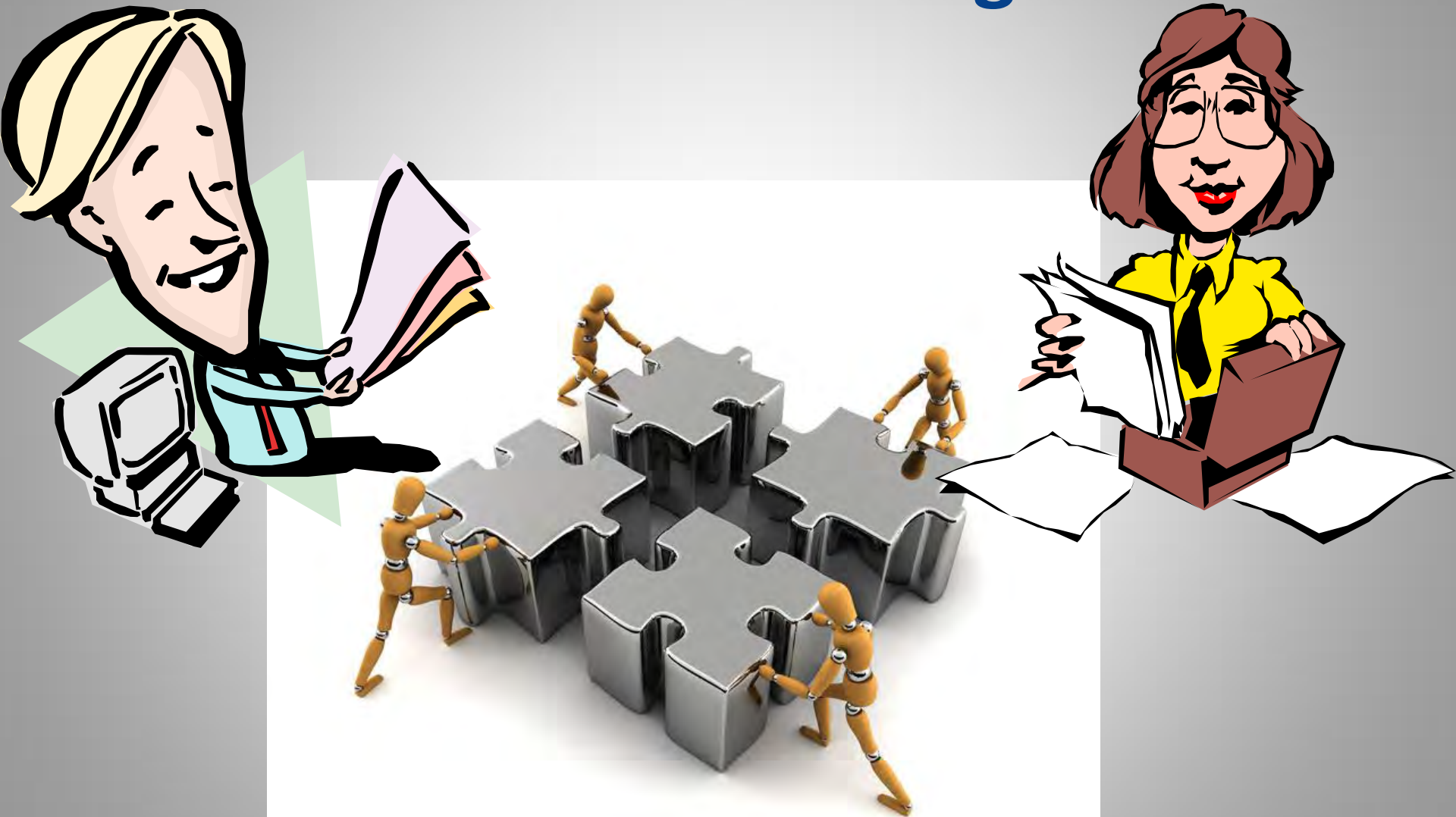
Plant Facilities (10 yrs)					
If voters approved an increase in the annual amount but did not change the term enter the					
Safe School Plant Facilities (20 yrs)					
If voters approved an increase in the annual amount but did not change the term enter the					

District Bond Fund(s) (refer to district code for specifics)

	Date of Election	Term of Bond	Refinanced √ = Yes	Expiration Date	Current Property Tax Request
Bond (1)					
Bond (2)					
Bond (3)					
Bond (4)					

If existing bond has been refinanced then check the box and provide the new expiration date of the bond.

Let's Fill in an L-2 Together



Here is the Information You Will Need

- District name is North Idaho Cemetery.
- Provided by County A
 - 2014 Net Taxable Market Value for your cemetery district is \$1,422,182,764.
 - 2014 New Construction Roll value is \$30,905,710.
- See Next Page for Remaining Information.

Example of: Maximum Budget and Foregone Amount Worksheet

District Name	Highest of the last 3 years approved non-exempt Property Tax Budget			Highest non-exempt P-Tax Budget + P-Tax Replacements	3% Increase (Highest P-Tax \$ plus Total P-Tax Replacement x 3%)	Non-Exempt Approved Levy Rate Total	Foregone Amount
	2011	2012	2013				
County A	2,933,550	3,100,500	3,376,009			0.003213722	282,918
County A Road & Bridge	27,779	32,036	33,381			0.001999996	
Total County Budget Information:	2,961,329	3,132,536	3,409,390	3,409,390	102,282		
Cities:							
City A	15,487	16,899	19,836	19,836	595	0.002041508	101
City B	1,316,958	1,375,366	1,432,119	1,432,119	42,964	0.004585756	50
Schools:							
School districts only use the Tort, Migrant Worker Funds.						Levy	
School A	0	0	0	124,665	3,740	0.000123272	
Cemetery:							
North Idaho Cemetery	73,134	78,271	82,241	82,341	2,470	0.000057898	40
Library:							
Library A	10,685	11,182	11,580	11,580	347	0.000105277	

“Highest non-exempt P-Tax budget + P-Tax Replacements” column includes all property tax replacement monies.

Agricultural equipment replacement for the North Idaho Cemetery is \$100 and there is no other replacement money.

North Idaho Cemetery Budget

- Total FY2015 Budget is \$87,400
 - Requesting M&O funding only.
 - Money coming from your current bank account is \$2,000.
 - Anticipated revenue from fees and other income is \$2,500.
 - Property Tax Replacement:
 - Agricultural equipment replacement money is \$100
 - Personal Property reimbursement is \$300
 - I.C. §63-1305 judgment amount of \$500.

- Answer sheet next slide.

L-2 Worksheet (must be attached to the L-2 form)				
District Name: North Idaho Cemetery		Enter Year:	2014	
Computation of 3% budget increase:				
Enter the "Highest Non-Exempt P-Tax Budget plus P-Tax Replacement \$" from the "Maximum Budget and Foregone Amount Worksheet".			(1)	82,341
Multiply line 1 by 3%.			(2)	2,470
New Construction & Annexation budget increases:				
Enter the 2014 value of district's new construction roll from each applicable county below:				
County Name		Value		
County A	(A)	30,905,710		
	(B)			
	(C)			
	(D)			
Total of New Construction Roll Value for the District:	(3)	30,905,710		
Enter the 2014 value of annexation from property assessed by the county.	(A)			
Enter the 2014 value of annexation from Operating Property .	(B)			
Total Annexation Value:	(4)	-		
Enter the total 2013 approved non-exempt levy rate.	(5)	0.000057898		
New Construction Roll budget increase (multiply line 3 by line 5).			(6)	1,789
Annexation budget increase (multiply line 4 by line 5).			(7)	-
Foregone Amount:				
Enter the total available foregone amount here.			(8)	40
Maximum Allowable Non-exempt Property Tax Budget:				
Add lines 1+2+6+7+8.			(9)	86,640
Property Tax Replacement:				
Enter yearly amount of the agricultural equipment replacement money.	(10)	100		
Enter yearly amount of the personal property replacement money.	(11)	300		
Enter recovered Homeowner's Exemption property tax.	(12)			
Enter recaptured Qualified Investment Exemption.	(13)			
Enter the total of lines 10, 11, and 12: (Must match col. 5 budget total of L-2).			(14)	400
Maximum Allowable Non-exempt Property Tax to be Levied:				
Subtract line 14 from line 9.		EPB00708_04-30-2014	(15)	86,240

2014 Dollar Certification of Budget Request to Board of County Commissioners L-2

(the L-2 worksheet and applicable "Voter Approved Fund Tracker" and copy of published budget must be attached)

District or Taxing Unit's
Name:

North Idaho Cemetery

Fund	Total Approved Budget*	Cash Forward Balance	Other revenue <i>NOT</i> shown in Column 5	Property Tax Replacement From Line 14 of L-2 Worksheet	Balance to be levied Col. 2 minus (Cols. 3+4+ 5)
1	2	3	4	5	6
M & O	86,900	2,000	2,500	400	82,000
I.C. §63-1305 Judgment	500				500
Column Total:	87,400	2,000	2,500	400	82,500

I certify that the amounts shown above accurately reflect the budget being certified in accordance with the provisions of I.C. §63-803.

To the best of my knowledge, this district has established and adopted this budget in accordance with all provisions of Idaho Law.

Needs to be signed here

Cemetery Commissioner

8/7/2014

Signature of District Representative

Title:

Date:

Please print above: Contact Name and Mailing Address

Email Address:

Phone Number: ()

Fax Number: ()

What to Send with L-2s

- The 2014 L-2 form with all pertinent information filled in.
- The 2014 L-2 worksheet.
- Voter approved fund tracker if applicable
 - If new voter approved fund (first time levied), copy of the ballot and canvass of the vote required.
- Newly formed recreation district-copy of the formation petition – showing voter approved levy limit.
- Plus any other information requested by the County. (i.e. copy of published budget)

APPENDIX

2014 Taxing District Calendar	i
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2014 Taxing District Calendar

1/22/2014

Date	Idaho Code or Rule	Description
03/24/14	63-1312(1)	Prior year's value notification to each district.
04/30/14	63-802A	No later than April 30th each taxing district shall set and notify the county clerk of the date and location set for the budget hearing of the district. If district boundaries are in multiple counties must notify each county clerk.
06/02/14	63-301A(2)	New Construction Roll certified to county auditor. (preliminary)
07/21/14	27-120, 40-802, and 39-1332	County auditor notifies each cemetery, and hospital district a statement showing aggregate valuation of all taxable property. Each highway district within the county is given a statement showing the aggregate market value for assessment purposes of all the taxable property in the district, and showing separately the aggregate market value for assessment purposes of all the taxable property within each included city in each district
07/28/14	63-301A(2) and Rule 800.08	County auditor notifies each district of new construction roll value.
07/28/14	Rule 803.06.a	The State Tax Commission shall notify each appropriate County Clerk the total amount of property tax replacement monies for each taxing district or unit if changed.
08/04/14	63-1312 and Rule 803.06.b	Each County Clerk shall notify each appropriate taxing district or unit of the total value and property tax replacement monies that will be received.
09/04/14	63-803(3)	Taxing districts certify their budgets (in dollars) to the County. County shall then make tax levy in each district. An extension of not more than 7 working days may be granted by the County Commissioners 63-803(3).
09/15/14	63-803(3)	Budgets for taxing districts granted an extension are due.
09/15/14	63-808(1)	Clerk of the board must prepare 4 certified copies of the record of levies and deliver one copy to the assessor, tax collector, state tax commission, and clerk's office.
10/27/14	63-809(1)	State Tax Commission shall notify the County Commissioners of the approval of all previously certified levies. Also notify all taxing districts if certification exceeds any maximum limits.
10/27/14	63-809(2)	Last day the State Tax Commission can act upon levies that have been fixed unlawfully or are in excess of the maximum provided by law.
Prior to 2/15/2015	63-810(1)(B)	Last day of discovery of an erroneous levy due to clerical, mathematical, or electronic error. If discovered the levy can be corrected; after this date no correction to levy allowed.



Fee Increase

Per Idaho Code §63-1311A

- ✓ **Increase in excess of 5% of:**
 - a. The last fee collected, (individual not cumulative total) or;**
 - b. A decision to impose a new fee.**

- ✓ **Requires notifying the public by:**
 - a. Newspaper as defined by Idaho Code §60-106, or;**
 - b. 3 Public meeting held in 3 different locations within the district's boundary, or;**
 - c. Single mailing notice to all district's residents.**

Maximum Budget and Foregone Amount Worksheet

District Name	Highest of the last 3 years approved non-exempt Property Tax Budget			Highest non- exempt P-Tax Budget + P-Tax Replacements	3% Increase (Highest P-Tax \$ plus Total P-Tax Replacement x 3%)	Non-Exempt Approved Levy Rate Total	Foregone Amount
	2011	2012	2013				
Boundary County	4,248,952	4,415,295	4,596,914			0.005568891	
County Road & Bridge							
Total County Budget Information:	4,248,952	4,415,295	4,596,914	4,645,686	139,371		
Cities:							
Bonniers Ferry	517,478	533,016	549,388	549,835	16,495	0.004411030	
Moyie Springs	49,739	51,411	53,112	53,199	1,596	0.001797318	
Schools:							
School districts only use the Tort Fund.							
Boundary #101	80,562	83,761	86,275	88,367	2,651	0.000107051	
Ambulance							
Boundary County Ambulance			330,185	330,185	9,906	0.000400000	
Fire:							
Paradise Valley Fire	115,870	119,280	119,280	119,280	3,578	0.001106694	20,399
South Boundary	140,231	144,289	150,113	150,113	4,503	0.001574928	
Library:							
Boundary County Library	275,325	286,060	297,812	300,474	9,014	0.000360782	

Web address: <http://www.tax.idaho.gov/search-formspublications.cfm?ch=bl&t=pt>

New 2014 also includes the amount of property tax replacement for each year for each district.

Amount of Foregone Increase



Idaho Code §63-802(1)(e)

Example of Foregone Amount Calculation

2014 total approved non-exempt property tax budget (sum of non-exempt funds column 6 and total column 5 of L-2 form):	\$ 505,000
Maximum allowable 2014 non-exempt property tax budget (line 9 of the L-2 worksheet):	\$ 508,573
Highest approved (2011, 2012, 2013) non-exempt property tax budget for the last 3 years (line 1 of the L-2 worksheet):	\$ 451,880

Computation	
\$ 508,573	Maximum non-exempt p-tax budget
<\$505,000>	Approved 2014 non-exempt budget
\$ 3,573	Forgone amount available in 2015.

In this example the total 2014 approved non-exempt property tax budget, including all property tax replacement monies (\$505,000), is greater than the highest property tax budget of the immediate prior 3 years (\$451,880). In this example you would simply subtract the maximum allowable non-exempt p-tax budget from the total approved non-exempt p-tax budget, including all property tax replacement monies.

Foregone Amount Scenario 2

2014 total approved non-exempt property tax budget (sum of non-exempt funds from column 5 and 6 of L-2 form):	\$ 400,000
Maximum allowable 2014 non-exempt property tax budget (line 9 of the L-2 worksheet):	\$ 508,573
Highest approved (2011, 2012, 2013) non-exempt property tax budget for the last 3 years (line 1 of the L-2 worksheet):	\$ 451,880

Computation	
\$ 508,573	Maximum non-exempt p-tax budget.
<\$451,880>	Highest of the Last 3 Years Budget.
\$ 56,693	Foregone amount available in 2015.

In this example the total 2014 approved non-exempt property tax budget, including all property tax replacement monies (\$400,000), is less than the highest property tax budget of the immediate prior 3 years (\$451,880). In this example you would subtract the maximum allowable non-exempt p-tax budget from the highest property tax budget of the immediate prior 3 years from line 1 of the L-2 worksheet.

The 3 Year Budget Trap!

In the example below; What is the highest budget of the last 3 years and what year did it occur?

Answer is?: \$13,100 in 2011

2011	2012	2013
\$ 13,100	\$ 13,000	\$ 11,000

Assuming this district levies \$12,000 in 2014, what will be the highest budget of the last 3 years and what year did it occur?

Answer: \$ 13,000 in 2012

Definition of Terms

Non-exempt funds (subject to 3% cap): Refers to those funds not specifically exempted from the provisions of I.C. § 63-802.

Exempt funds (not subject to 3% cap): Bonds, Overrides (temporary and permanent), I.C. § 63-1305 Judgments, and Library or Community College Plant Facilities.

Approved non-exempt property tax budget: Non-exempt property tax dollars as approved by the State Tax Commission including agricultural equipment & other P-Tax replacement/recovery monies.

Non-exempt property tax to be levied: Certified property tax budget minus agricultural equipment & other P-Tax replacement monies.
(recovered H/E, recaptured QIE, recovered PP exemption, County P-Tax relief, and Interest Bearing Trust amount)

Property Tax Replacement: Is the sum of the agricultural equipment replacement, personal property reimbursement revenue received, recovered homeowner's exemption, recovered PP exemption, recaptured QIE, County Property Tax Relief fund monies.

Also, Interest Bearing Trust \$ transferred to county indigent (**not added** back when computing maximum).

MAXIMUM STATUTORY LEVY RATES

This sheet is intended as an aid to help find maximum statutory limits of funds for all taxing districts. Where there is no specific decimal amount, refer to code section to insure correct application of law. (Revised: 12/7/2010).

<u>TAXING AUTHORITY</u>	<u>IDAHO CODE</u>	<u>MAX RATE</u>
COUNTY		
Airport.....	21-404	.0004
For building and/or maintenance.		
Ambulance Service	31-3901	.0002
Appraisal Program	63-314	.0004
Armory Construction	46-722	.0002
Must jointly levy w/city. Total levy cannot exceed max levy.		
Bond Redemption	63-805, 31-1903	See Code
Building Construction	31-1008	.0006
Requires that a special election be held to create this fund and must pass with a 2/3 majority.		
Charities & Indigent.....	31-863	.001
Current Expense	63-805	.0026
Or a levy sufficient to raise \$250,000 whichever is greater. If there exists a Justice Fund, the maximum levy rate becomes .002 or a levy sufficient to raise \$250,000 whichever is greater.		
Justice	63-805	.002
Or a levy sufficient to raise \$250,000 whichever is greater.		
District Court.....	31-867	.0004

Complete set is
currently available on
the STC's web page.

Election to Create a New Taxing District

- Section I.C. §63-802C
- County clerk where proposed taxing district is to be shall:
 - Mail notice of election to all residences or residents who are eligible to vote.
 - Notice to be mailed not less than 14 days prior to day of election.
 - Shall state with specificity purpose of election
 - Date of election
 - Polling places
 - Time the polls will be open
 - Aggregate amount of taxes that will be raised in the proposed district and the increase that will occur per \$100,000 of taxable value of property, above any exemptions, of residential property, commercial property, industrial property, land actively devoted to agriculture and operating property.
 - County clerk may bill the proposed taxing district for replacement of costs of administering this section.
- Compliance with this section shall satisfy any notice or publication requirement as may be provided by law.

Economy and its Effect on Sales Tax Revenue

Fiscal Year	Total Sales Taxes Distributed	% Change
2013	111,495,630	4.73%
2014	116,763,838	

Based on the immediate prior 3 quarters of each fiscal year.

The table below 2014 info is incorrect in handouts. Web page version is correct.

Fiscal Year	City or County Total Revenue Sharing Amount	% Change
2013	31,441,769	4.73%
2014	32,927,402	

Based on the immediate prior 3 quarters of each fiscal year.

Total amount of sales tax collected that was distributed to local taxing authorities based on the formula in I.C. §63-3638 (10).

Revenue Sharing Sales tax distributed to City or County based on the formula in I.C. §63-3638 (10). Since both the City and County receive the same amount.

Fiscal Year	Total Excess Sales Taxes Distributed	% Change
2013	14,400,536	13.88%
2014	16,398,931	

Based on the immediate prior 3 quarters of each fiscal year.

Excess Distribution of sales tax distributed to Cities, Counties, and Special Purpose Taxing Districts based on the formulas in I.C. §63-3638 (10).

Actual effects may vary because the percentages of the total distribution that is base or excess differs between districts. Overall effect is better than last year.

Census population for counties updated March 2013 distribution. Population for cities have not yet been updated, last population estimate update as of July 2012.