

## 2023 Budget and Levy Training **County Session**

Benefit the people of Idaho with courteous customer service and education by providing fair, efficient, and effective revenue and tax administration.



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#### **Today's Instructors**

- Alan Dornfest: Property Tax Policy Bureau Chief
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- Ben Seloske: Principal Research Analyst
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#### **Agenda**

- General Topics
- 2023 Legislative Changes
- Urban Renewal
- Break (10-15 mins)
- Abstracts & Values
- L-2 Forms & Review Process
- Q&A

#### **Key Budget & Levy Dates**

- 5/15/23 (3<sup>rd</sup> Monday of May) (§63-3503B)
  - STC to notify counties of amounts to bill solar and other small energy producers
- 8/7/23 (1<sup>st</sup> Monday of August)
  - Notify districts of gross earnings tax on solar farms billed for the current year (also wind, geothermal, etc.)
- 9/5/23
  - STC provides list of districts out of compliance with SCO or STC Urban Renewal registry to counties (Note: SCO list subject to revision)



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#### **Due to STC – 4<sup>th</sup> Monday of May**

#### **Budget Hearing Notice Noncompliance List**

(If all taxing districts complied, submit this form indicating "None" below.)

I, the C	County Clerk of	County,
(County Clerk's Name)	(County Name)	-
hereby affirm that by April 30th the taxir	ng districts listed below did not notify me	e of the
date and location of their budget hearing	or that no budget hearing is required.	

District Name	District Name

I am submitting this form to the State Tax Commission in accordance with IDAPA 35.01.03.805 (Property Tax Rule 805) on \_\_\_\_\_\_\_\_\_.

(Date Submitted)

This document must be submitted even if all of your districts complied.

Link: <a href="https://tax.idaho.gov/taxes/property/property-tax-forms-guides-by-category/">https://tax.idaho.gov/taxes/property/property-tax-forms-guides-by-category/</a>

(Under "Guides")



## Recovered/Recaptured **Property Tax and Refund List**

	Recovered/Recaptured Property Tax and Refund List								
	List the amount of revenue distributed or paid by each taxing district during the 12 month period starting July 1 and ending June 30th of each								
year under the following sections: I.C. §63-602G(5), 63-3029B(4),63-602KK(7), 63-3502B(2), 50-2903A(3), and 50-2913(3)(c).									

Enter County Name:

District Name	Solar Farm Tax 63-3502B(2)	Recovered H/E 63-602G	QIE 63-3029B(4)	Other*
	(1)	(2)	(3)	(4)
•				

refunds in the amount stated for the period of 7/1 thru 6/30.



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## Recovered/Recaptured **Property Tax and Refund List**

- · Show the amount received for each taxing district for the period of July 1st, 2022 - June 30th, 2023
- Due to taxing districts by August 7<sup>th</sup> (1<sup>st</sup> Monday of August) and due to STC with L-2s
- Each code section provides that any recapture/refund be treated as property tax replacement
- Most are added back before computing the 3% increase
- Solar Farm is added back but does NOT get a 3% increase

Link: https://tax.idaho.gov/taxes/property/property-tax-forms-guides-bycategory/

(Under "Forms")



### **2023 Taxing District Calendar**

Date	Idaho Code or Rule	Description
3/27/2023	63-1312(1)	County auditor notifies each district, other than school districts, of the prior year's total taxable value within such district.
5/1/2023	63-802A	Each taxing district will notify each appropriate county clerk of the date and location of its budget hearing.
5/22/2023	Rule 805.03	County clerk to submit list of districts failing to notify regarding budget hearings as per 63-802A.
6/5/2023	50-2903A	URAs with an RAA formed after 7/1/2016 must attest to the STC if a modification of their plan has occurred or that no modification has occurred.
7/17/2023	27-120, 40-802, and 39-1332	County auditor shall provide to each highway, hospital, and cemetery district a statement showing the aggregate market value for assessment purposes of all property in the district. For highway district only: in addition, shall provide the same information for each city in the highway district.
7/24/2023	Rule 802.08	County auditor shall report to each taxing district the value of new construction and annexation.
8/7/2023	63-1312(2)	County auditor shall notify the STC and each taxing unit of the taxable valuation of all taxable property within that district from the current year's property roll, previous year operating property roll, and the prior year's actual or current year's estimated subsequent and missed property rolls.
8/7/2023	Rule 803.06.b	County auditor shall notify each taxing district or unit of the total property tax replacement monies and identify the type of replacement money (thru June 30).
8/7/2023	Rule 803.06.d	County auditor shall notify each taxing unit of the gross earnings tax on solar farms billed for the current year (thru June 30).
RAA = Revenue STC = State Tax		SCO = State Controller's Office URA = Urban Renewal Agency



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## **2023 Taxing District Calendar**

No later than	50-2913(3)(b)	STC shall notify appropriate board of county commissioners and city council of any urban			
September 1	30-2313(3)(0)	renewal agency that failed to register its plans with the STC registry.			
9/5/2023 Rule 805.04		STC will provide a list of taxing districts that are noncompliant with SCO's central registry			
9/3/2023	Kule 803.04	to county clerk(s).			
9/5/2023	63-410(1)	STC will certify operating property values to each county auditor.			
9/7/2023	63-803(3)	Taxing districts certify their property tax budgets (in whole dollars) to each county unless an extension of not more than 7 working days is granted by the county commissioners. For school emergency fund, the due date is before the 2 <sup>nd</sup> Monday of September.			
9/18/2023	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.			
9/18/2023	63-803(3)	Due date for taxing districts to certify their property tax budgets if granted an extension by the county commissioners.			
9/25/2023	63-808(2)	If an extension is granted by the county commissioners, due date for the clerk of the board to prepare 4 certified copies of the record of the levies and deliver one copy to the assessor, tax collector, state tax commission, and clerk's office.			
10/23/2023	63-809(1)	Deadline for STC to approve budget and levies.			
12/1/2023	67-1076	Before December 1 <sup>st</sup> , local governing entities must update registration information on the SCO's central registry. The STC and the county clerk of each county shall provide a list of all taxing districts & URAs within the state and county to the SCO.			
12/1/2023	50-2913(2)	URAs shall submit their plans to the STC central registry.			
12/31/2023	63-802(1)(f)	Resolutions to reserve forgone amounts must be completed and submitted to the STC.			
1/15/2024	67-1076(7)(b)	SCO notifies county commissioners and STC of every entity failing to provide required information.			
Prior to 2/15/2024	63-810(1)(b)	Last day of discovery of an erroneous levy due to clerical, mathematical, or electronic			

## **Property Tax Estimator**

- Each year the STC produces an estimation tool for property taxes
- Timed to sync with distribution of assessment notices
- When posted on the STC website, can be a valuable tool for taxpayers to understand relationship between value changes and their property taxes
  - STC will notify you when it is available



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Legislative Changes

#### 2023 Legislation

- HB 22aa Sales Tax
  - City/County govts refusing to enforce any Idaho felony will have sales and use tax distributions withheld
    - Distributions listed in I.C.§63-3638
  - 180 days from the withholding to repeal/rescind the official directive or funds will be returned to the state's general fund
  - Attorney General to notify STC of relevant districts
  - Effective immediately



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- HB 99 Sales Tax
  - Specifies when to update the property tax figures for the sales tax distribution for special purpose taxing districts
  - The annual update will be done for the quarter ending December 31<sup>st</sup> to prevent errors related to updating property tax budgets & forgone amounts in October
  - Sales tax distributions in October of each year will now be based on property tax amounts certified in the previous year

- HB 51 & HB 135 Assessment Notices
  - Requires the Tax Commission to prepare a standard valuation assessment notice form to be used by all counties
  - Must now include:
    - Market value for previous two years
    - Property taxes for previous two years
    - % change in tax for each taxing district for those two years
    - Date of each taxing district's budget hearing
    - Telephone number for each taxing district
  - Effective January 1, 2024



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- HB 286a Bond elections
  - Applies information requirements for bond ballot language to communications to 20+ voters or media for public viewing about proposed bond
  - Must include:
    - o Anticipated interest rate & max interest rate
    - Total amount to be repaid including principal & interest
    - Estimated average annual cost to taxpayer per \$100,000 of taxable assessed value
    - Length of time
    - Total existing indebtedness including interest accrued for district
  - Effective July 1, 2023



- HB 292 Property Tax Relief
  - 1) School Facilities Fund reduces levying amounts for school districts
    - Property tax relief based on average daily attendance
  - Homeowner Property Tax Relief Account will provide reductions to property tax bills for homeowners via payments from the Tax Commission to each county in December/June
  - 3) Additional property tax relief provided to all taxpayers based on taxes paid as a percentage of all property taxes paid in Idaho
    - > Additional tax bill reduction and payments to each county from the Tax Commission in December/June



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- HB 292 School Facilities Fund:
  - Dept of Ed distributes funds directly to school districts by August 31 each year
  - Schools MUST deduct the amount received from their levied bonds & temporary supplementals on their L-2 each year
    - Amounts subject to change annually
  - Spending priority described in I.C.§33-911(2):
    - Existing bonds
    - Temporary supplemental levies
    - Reserve account for future facility needs
    - For a new facilities bond
  - Amount saved in property tax must appear on each tax notice
    - o To calculate this, programming will have to calculate a "hypothetical levy rate" based on the unreduced budget and apply to each property



2023 Dollar Certification of Budget Request to Board of County Commissioners L-2 (the "L-2 Worksheet" and applicable "Voter Approved Fund Tracker" and budget publication must be attached)									
District Name:									
Fund Name	Total Approved Budget*	Cash Forward Balance & Other Revenue Not Shown in Columns 4 or 5	District Facilities Fund	Property Tax Replacement (Line 26 of 'L-2 Worksheet')	Balance to be levied Col. 2 minus (Cols. 3+4+5)				
1	2	3	4	5	6				
Tort	\$182,410			\$77,035	\$105,375				
NON-LEVIED FUNDS (must net zero)									
Column Subtotal:	\$182,410			\$77,035	\$105,375				
	Maximum	Allowable Non-Exen	npt Property Tax Ai	mount to be Levied:	\$105,378				
(Bonds, Sup	plementals, Plant Facili	Exempt Fu ties, COSA, Tuition, Emer		ation, & Judgment Funds	s)				
2023 Supplemental	\$1,000,000				\$1,000,000				
2003 Bond	\$318,272		\$12,345		\$305,927				
2005 Bond	\$617,822				\$617,822				
2017 Plant Facility	\$1,146,520				\$1,146,520				
Column Subtotal:	\$3,082,614		\$12,345		\$3,070,269				
Column Total:	\$3,265,024		\$12,345	\$77,035	\$3,175,644				
pected Totals (for balancing purposes, values from "L-2 Worksheet") \$12,345 \$77,035									



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District Name:	ksileet allu applicable	votel Approved rund I	iacker ai	id budget pui	olication must be attach	leuj
Fund Name	Total Approved Budget*	Cash Forward Balance 8 Other Revenue Not Shown in Columns 4 or 5	District F	acilities Fund	Property Tax Replacement (Line 26 of 'L-2 Worksheet')	Balance to be levied Col. 2 minus (Cols. 3+4+5)
1	2	3		4	5	6
Tort	\$182,410				\$77,035	\$105,375
NON-LEVIED FUNDS (must net zero)						
Column Subtotal:	\$182,410				\$77,035	\$105,375
	Maximum	Allowable Non-Exen	npt Prop	erty Tax An	nount to be Levied:	\$105,378
(Bonds, Sun	onlementals. Plant Facili	Exempt Fu		dget Stabiliza	tion. & Judgment Fund	s)
2023 Supplemental	\$1,000,000	laces, coort, raidon, emer	gene <b>y</b> , be	\$23,456	aon, a saagment rana	\$976,544
2003 Bond	\$100,000			\$100,000		
2017 Plant Facility	\$1,146,520					\$1,146,520
	1					
Column Subtotal:	\$2,246,520			\$123,456		\$2,123,064
Column Total:	\$2,428,930			\$123,456	\$77,035	\$2,228,439
Expected Totals (for balancing purpose	es, values from "L-2 Wo	rksheet")		\$123,456	\$77,035	

- HB 292 Homeowner Property Tax Relief:
  - Provides equal % tax relief for homeowners in Idaho
  - New Homeowner Property Tax Relief Roll created by each county assessor & sent to county auditor & STC by the 4th Monday of August
    - Those granted the Homeowner's exemption as of 2<sup>nd</sup> Monday of July
  - This roll will be "incomplete" until levy rates are approved for your county
  - Some funds/levies are ineligible for Homeowner relief:
    - All funds/levies for school districts
    - **Bonds**
    - Plant facilities (libraries)
    - Temporary overrides



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- HB 292 Homeowner Property Tax Relief:
  - Approved levy rates will be added by the county auditor by the 4th Monday of October
    - After budgets/levies approved by STC, which may take until the 4th Monday of October
    - Only for "eligible" funds
  - STC will compile completed Homeowner Property Tax Relief rolls for all counties and calculate the proportion of each homeowner's taxes paid by the relief account
    - Certified to the county auditor & treasurer by the 1st Monday in November
  - 1st half of this relief paid by STC to counties by Dec 20th
  - 2<sup>nd</sup> half paid by June 20<sup>th</sup>



- HB 292 General Property Tax Relief I.C.§57-810(2)
  - Equal % of each property taxpayer's bill
  - 50% of the general fund excess after \$50 million is allocated to the Homeowner Property Tax Relief Account
    - o After close of state fiscal year
  - All property taxes paid in each county must be calculated
    - Must include taxes paid to urban renewal areas
    - For these calculations, counties MUST report the amount of increment value in each taxing district for EACH RAA
  - Tax Commission will calculate all property taxes paid to all taxing districts and RAAs
  - The amount of money in this fund divided by the total property taxes calculated above will be the % of each property taxpayer's bill paid
  - Amounts known 1<sup>st</sup> Mon. of Nov.



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- HB 380 Trailer Bill Appropriations
  - Appropriates funds for the Public Defense Fund to be paid by the STC to counties based on 2021 expenditures
  - FY2024 appropriation to School District Facilities Fund
    - o \$20 million
  - Increases amounts paid in sales tax distributions to special purpose taxing districts by \$2 million in FY2024



- HB 673
  - Disqualifies land change of use from new construction roll
    - Beginning in tax year 2023
  - Reduces new construction budget increases



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## **Previous Legislative Changes**

- HB 735a Indigent Public Defense
  - Removed authority for counties to levy for indigent public defense
  - Reductions required for tax year 2023 for the amounts levied in the previous three years
  - These reductions have been shown on the Maximum Budget & Forgone Amounts worksheet on our website here:

https://tax.idaho.gov/taxes/property/property-tax-formsguides-by-category/



### **Previous Legislative Changes**

- HB 735a Indigent Public Defense
  - Reported amounts have been applied to the levied amounts for the last 3 years, reductions vary

District		Non-Exempt Property Tax Budgets*						
		2020		2021		2022		
Bannock County	\$	25,099,189	\$	25,465,477	\$	26,818,296		
County Road and Bridge	\$	2,668,006	\$	2,668,006	\$	2,516,329		
Indigent Public Defense Reduction Amount (HB735a)	\$	1,256,348	\$	1,569,943	\$	1,587,117		
County Total	\$	26,510,847	\$	26,563,540	\$	27,747,508		



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#### Example:

Taxing district sets its property tax budget:

 $\frac{\$1\ million\ property\ tax\ budget}{\$100\ million\ value\ including\ base} = 0.01\ levy\ rate$ 

- Base included to compute levy rate does not include increment (part that goes to Urban Renewal District and provides funds for URA)
  - If there is \$25 million in increment,
  - 0.01 X \$25 million = \$250,000 goes to Urban Renewal Agency
  - Total property tax raised is \$1,250,000 even though levy rate was set to raise \$1,000,000 (and that amount goes to the district)





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## Urban Renewal (I.C.§50-2908)

- When funds qualify, add increment value before setting levy rate and do NOT allocate funds to urban renewal agency for the following:
  - Based on date **passed** (after 12/31/2007):
    - Bonds
    - Older bonds in area served by new RAA or annexed into RAA
  - All:
    - Temporary Overrides
    - Temporary School Supplemental
    - School emergency and judgment funds (I.C.§63-1305 & §33-802(1))
    - o 10-year or shorter plant facilities levies





#### Urban Renewal (I.C.§50-2908)

- Bonds may have terms 20 years or more.
  - That means the election may have happened prior to 12/31/2007
  - You need to determine whether to add increment value to the net taxable value of the district
- For all the other funds listed in I.C.§50-2908 (see previous slide) automatically add the increment value to the district's net taxable value when you compute levies

Note: Refinancing of any old bond doesn't create a "new" bond



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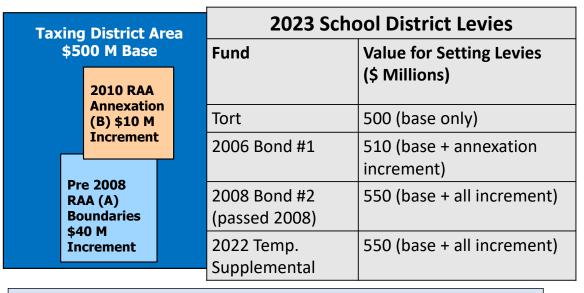


# Urban Renewal (I.C.§50-2908)

Information needed:

- When was the RAA formed?
- Did the RAA do an annexation?
  - If so, when?
- · When was the election for the bond?

### Urban Renewal (I.C.§50-2908)



Examples of this type are common and result in three different denominators being used to calculate levy rates for one taxing district.



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## Urban Renewal (I.C.§50-2908)

Example 1	Example 2	Example 3
RAA formed 2005	RAA formed 2005	RAA formed 2005
Bond election 2010	Bond election 2004	Bond Election 2008
Doesn't matter when RAA formed. Since bond election was after 2007. Add all increment.	Don't add any increment as both RAA and bond occurred prior to 2007.	Add increment as bond election held in 2008.

It doesn't matter how many RAAs/annexations or bonds/safe school plant facilities funds you have. The main issue is WHEN did it happen





### Urban Renewal (I.C.§50-2908)

Example 4	Example 5	Example 6
RAA #1 formed 2000	RAA #1 formed 2000	RAA #1 formed 2007
RAA #2 formed 2010	RAA #2 formed 2010	RAA #2 formed 2011
RAA #3 formed 2015	RAA #3 formed 2015	RAA #3 formed 2015
	RAA #1 annexed 2016	RAA #1 annexed 2016
Bond election 2006	Bond election 2003	Bond election 2001



For which RAA # or portion, if any, would you add increment value to the net taxable



value for setting levies?

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#### L-2 Worksheet & U/R

Market Value Area:		Please enter any U/R increment			Taxable Value plus Increment			
	Less U/R Increment		U/R Increment Valu	ies	raxable value plus increment			
County	(A) Net Taxable Market Value	(B) Total Net Increment Value	(C) Increment Value of Post-2007 RAAs	(D) Increment Value of Annexed Area Only	Net Value plus ALL Increment (A+B)	Net Value plus Post- 2007 RAA Increment Only (A+C)	Net Value plus Annexation Increment Only (A+D)	
Kootenai	\$5,095,782,290	\$77,727,431	\$4,434,940		\$5,173,509,721	\$5,100,217,230	\$5,095,782,290	
Bonner	\$23,476,230				\$23,476,230	\$23,476,230	\$23,476,230	
Total Value:	\$5,119,258,520	\$77,727,431	\$4,434,940		\$5,196,985,951	\$5,123,693,460	\$5,119,258,520	
					U/R Key Code: (1)	U/R Key Code: (2)	U/R Key Code: (3)	

	Levy Calculation Area													
Fund	Balance to be levied	*Select U/R Key Code from list:	Levy Rate	Maximum Levy Rate	"Over Max"									
Tort	\$93,425		0.000018250	N/A										
Subtotal	93,425		0.000018250											
	Exempt Funds													
2021 Temp Supplemental	\$9,520,000	1	0.001831831	N/A										
2003 Bond	\$318,272	2	0.000062118	N/A										
2005 Bond	\$617,822	2	0.000120581	N/A										
2017 Plant Facility	\$1,146,520	1	0.000220612											
Subtotal	11,602,614		0.002235142											
Total	11,696,039		0.002253392											

<sup>\*</sup>Leave Blank if No U/R Increment added; 1 = All increment added; 2 = Partial increment added; 3 = Annexation increment added

How do I determine when to include increment for levy calculations?



#### Break

Time for a 10-Minute break





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#### **Abstracts**

- Property Roll abstract due 4<sup>th</sup> Monday of July
  - County abstract
  - Abstract for each taxing district showing value for categories applicable to that district
- Sub & Missed Roll combined abstract due 1<sup>st</sup> Monday of March
  - County abstract
  - Taxing district abstract
- Rule signature requirements

#### **IDAPA** Rules

- Property Tax Rules being updated in 2023
- Budget & Levy subcommittee has liaisons from clerks, assessors, & treasurers
  - Doug Miller Valley County Clerk
  - Brian Stender Canyon County Assessor
  - Sabrina Young Washington County Treasurer
- Public meetings in June & July to finalize new rules before August
- New rules will be presented to the legislature in 2024
- Separately: temporary rule 810 created to administer HB292



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#### **IDAPA Rule 509.03**

#### Verification of abstracts:

For the purposes of this rule and meeting the requirements of Section 63-509, Idaho Code, the abstract of the property rolls prepared by the county auditor shall be considered duly verified provided that the auditor signs a document indicating:

- a. That the required summary information is based on the most current available information received from the assessor following the conclusion of the county board of equalization, and,
- b. That the assessor certifies to the auditor that all changes, corrections, additions, and exemptions entered on to the rolls as a result of the county board of equalization action have been duly entered.

#### **IDAPA** Rule 509.04

#### Nature of Verification Document:

The abstract verification document shall include the signatures of the county assessor and auditor or duly appointed representatives. The substance of the verbiage in the document shall be equivalent to that found in the following sample:

"(Name of county auditor), being first duly sworn, deposes and says that he/she is the duly qualified and acting auditor in and for the county of (Name), State of Idaho, and that the above and foregoing is a full, true and correct abstract of the valuation of all property entered on the property roll (alt: subsequent and missed property rolls) for the year (YEAR), as certified by the assessor to the auditor and equalized by the Board of County Commissioners of said county in session as a board of equalization."



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## Request by County to Re-open **County Board of Equalization**

- Information required in letter requesting extending county Board of Equalization (BOE)
  - How long is needed to finish BOE business
  - Why extension is needed
  - Specific parcels listed
  - When abstract is to be submitted
- Send to: Maria Young
  - Phone (208) 334-7500
  - Fax: (208) 334-7844
  - E-mail: maria.young@tax.idaho.gov
- Request must be sent before 7/10/23



## A-2 and A-2B Information Provided by County

- A-2 district values due to STC 1<sup>st</sup> Monday of August
  - Values used to set levies (except operating property)
    - 2023 property roll
    - 2023 estimated sub/missed rolls
- A-2B district values due to STC 1<sup>st</sup> Monday of March 2024
  - Calendar year 2023 all rolls, including operating property
- Used by STC to produce September & December Values worksheets



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#### What is "New Construction?"

- · A method of increasing budget levy authority for:
  - New taxable improvements
  - New mobile homes moved into county
- Does NOT give additional budget authority for:
  - Existing property that increases in value
  - Exempt improvements that become taxable (with exceptions)
  - Otherwise qualifying value increases within urban renewal RAAs
  - Land with higher value due to change of use



# New Construction & Annexation Issues

#### Do NOT count:

- Property not subject to taxation
  - Exempt overall
  - Exempt for specific district (i.e., operating property for most fire districts)
- Property that is taxable, but within Revenue Allocation Area of Urban Renewal District
  - When RAA dissolves or attests to modification the base resets, STC will provide difference between 2006 and prior year increment. If RAA formed after 2006, new construction value will equal amount of stated increment value
  - When part of RAA is de-annexed:
    - County Assessor determines difference between 2006 (or more current if RAA formed later) and prior year's increment for locally assessed
    - STC uses locally assessed proportions to allocate operating property increment



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# New Construction & Annexation Issues

#### Do not double-count:

- · New construction value in original area
- · Total taxable value in newly annexed area
  - Includes new construction value within new area
  - Refer to Rule 802



#### September Value Worksheet

#### 2022 Teton County September Values

District	Real & Personal	Estimated Sub-Roll	HB389 PP \$100K+ Exempt	Prelim Levy Rate Value	Operating Property	Op. Prop. HB389 \$100K+ Exempt	Levy Rate Calculation Value	Annexation (100%)	New Construction (90%)	Increment Value
Teton County	4,652,776,551	0	2,061,698	4,654,838,249	16,146,981	3,762	4,670,988,992	0	117,098,931	57,775,693
Driggs	652,008,203	0	944,293	652,952,496	926,054	0	653,878,550	15,437,887	46,835,809	36,328,898
Tetonia	39,335,395	0	0	39,335,395	177,405	0	39,512,800	0	333,595	0
Victor	487,500,976	0	503,616	488,004,592	2,462,065	0	490,466,657	0	5,061,987	21,446,795
Teton School #401	4,652,776,551	0	2,061,698	4,654,838,249	16,146,981	3,762	4,670,988,992	0	117,098,931	57,775,693
Bates Cemetery	159,436,859	0	0	159,436,859	974,707	0	160,411,566	0	3,589,161	0
Cache Clawson Cemetery	1,081,676,372	0	0	1,081,676,372	3,605,980	3,762	1,085,286,114	0	22,017,941	0
Driggs Darby Cemetery	1,329,420,346	0	1,302,576	1,330,722,922	2,894,940	0	1,333,617,862	0	54,837,518	36,328,898
Haden Cemetery	113,913,736	0	0	113,913,736	715,218	0	114,628,954	0	1,793,091	0
Victor-Cedron Cemetery	1,968,329,238	0	759,122	1,969,088,360	7,956,136	0	1,977,044,496	0	34,861,219	21,446,795
Teton County Fire	4,577,188,457	0	0	4,577,188,457	0	0	4,577,188,457	0	117,098,931	56,851,430
Teton Creek F/C #18	93,574,710	0	0	93,574,710	0	0	93,574,710	0	565,524	0
Teton Cnty Rd	4,652,776,551	0	2,061,698	4,654,838,249	16,146,981	3,762	4,670,988,992	0	117,098,931	57,775,693
Valley Of Tetons Library	4,652,776,551	0	2,061,698	4,654,838,249	16,146,981	3,762	4,670,988,992	0	117,098,931	57,775,693
Teton Abatement	4,652,776,551	0	2,061,698	4,654,838,249	16,146,981	3,762	4,670,988,992	0	117,098,931	57,775,693

- We use the information from the A-2 along with the operating property values to produce the net taxable value. Operating property values are not released until 1st Monday of September after State BOE
- In 2022, column 8 "Levy Rate Calculation Value" to set levies (add applicable increment)



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#### Teton County Increment Value Detail

DistName	RAA	Increment Value	Increment PP\$100K+	Operating Property Increment	Operating Property PP\$100K+	District's Total Increment Value Used For Levies
Teton County	Driggs Urban Renewal (2004)	32,808,358	71,034	66,979	-	32,946,371
Teton County	Victor RAA (2015)	21,318,399	123,137	5,259	-	21,446,795
Teton County	Front Street RAA (2016)	3,382,527	-		-	3,382,527
	Total:	57,509,284	194,171	72,238	-	57,775,693
City of Driggs		36,190,885	71,034	66,979	_	36,328,898
City of Dilbbs	Driggs Urban Renewal (2004) (All)	32,808,358	71,034	66,979	-	32,946,371
	Front Street RAA (2016) (All)	3,382,527	-	-	-	3,382,527
City of Victor	Victor RAA (2015) (All)	21,318,399	123,137	5,259	-	21,446,795
# 401 Teton County	All Urban Renewal	57,509,284	194,171	72,238	-	57,775,693
Driggs-Darby Cemetery		36,190,885	71,034	66,979		36,328,898
	Driggs Urban Renewal (2004) (All)	32,808,358	71,034	66,979	-	32,946,371
	Front Street RAA (2016) (All)	3,382,527	-		-	3,382,527
Victor-Cedron Cemetery	Victor RAA (2015) (All)	21,318,399	123,137	5,259	-	21,446,795
Teton County Fire (exempted prop) (NUG)	All Urban Renewal	57,509,284	194,171	72,238	-	57,775,693
Teton County Road & Bridge	All Urban Renewal	57,509,284	194,171	72,238	-	57,775,693
Valley of the Tetons Library	All Urban Renewal	57,509,284	194,171	72,238	-	57,775,693
Teton County Abatement	All Urban Renewal	57,509,284	194,171	72,238	-	57,775,693

- New partner worksheet for Sept Values shows detailed breakdown of increment value for each district
- Was not complete in 2022 for some districts due to incomplete data reporting
- With legislative changes in 2023, this information MUST be complete and correct





# Review of Value-Related Documentation

- All values <u>exclude</u> previously exempted personal property value, which is not required to be reported on the abstract
- Balancing A-2 to abstract:
  - County real and personal value reported on the A-2 must equal the county value reported on the abstract
  - Total of all school district values on the A-2 must equal the county value
  - Total of all highway district values (including County Road & Bridge fund) on the A-2 must equal the county value
  - In addition, any county-wide districts reported on the A-2 must equal the county values
  - All the above checks apply to each column reported on the A-2 by the county
- September/December Value Worksheets
  - Review all information for accuracy
  - Verify the data on the September Value Worksheet as soon as possible as these are the values used to determine levy rates



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#### **December Value Worksheet**

District	Main Roll Real & Personal	Sub-Roll Real & Personal	Total Homeowner Exemption	Operating Property	Total Increment (Main+Sub+OP)	Net Taxable Value
Teton County	4,652,776,551	0	326,322,168	16,146,981	57,581,522	4,668,923,532
Driggs	652,008,203	0	40,452,929	926,054	36,257,864	652,934,257
Tetonia	39,335,395	0	6,851,995	177,405	0	39,512,800
Victor	487,500,976	0	48,520,696	2,462,065	21,323,658	489,963,041
Teton School #401	4,652,776,551	0	326,322,168	16,146,981	57,581,522	4,668,923,532
Bates Cemetery	159,436,859	0	8,811,003	974,707	0	160,411,566
Cache Clawson Cemetery	1,081,676,372	0	70,279,115	3,605,980	0	1,085,282,352
Driggs Darby Cemetery	1,329,420,346	0	85,935,490	2,894,940	36,257,864	1,332,315,286
Haden Cemetery	113,913,736	0	8,295,323	715,218	0	114,628,954
Victor-Cedron Cemetery	1,968,329,238	0	153,001,237	7,956,136	21,323,658	1,976,285,374
Teton County Fire	4,577,188,457	0	326,322,168	0	56,851,430	4,577,188,457
Teton Creek F/C #18	93,574,710	0	3,875,000	0	0	93,574,710
Teton Cnty Rd	4,652,776,551	0	326,322,168	16,146,981	57,581,522	4,668,923,532
Valley Of Tetons Library	4,652,776,551	0	326,322,168	16,146,981	57,581,522	4,668,923,532
Teton Abatement	4,652,776,551	0	326,322,168	16,146,981	57,581,522	4,668,923,532

- December Value Worksheet produced after the sub/missed roll abstracts are submitted by county (1st Monday of March)
- Provides districts their year-end values





### **Maximum Budget & Forgone Amounts Worksheet**

District			mpt	Property Tax E	Budg				x Replace	_			Exc	empt	Homeo ions (R	HE)		ghest P-Tax Budget + Replacements + RHE	oregone Amount
	_	2020		2021		2022	Ag Equip 2013PP		_	2022PP	2	020	2021		_ 2	2022			
Bannock County	\$	25,099,189	\$	25,465,477	\$	26,818,296	\$	66,253	\$ 267,568	\$	88,984	\$	-	\$	-	\$	-		
County Road and Bridge	\$	2,668,006	\$	2,668,006	\$	2,516,329													
Indigent Public Defense Reduction Amount (HB735a)	l S	1,256,348	\$	1,569,943	\$	1,587,117													
County Total	\$	26,510,847	\$	26,563,540	\$	27,747,508	\$	66,253	\$ 267,568	\$	88,984	\$	-	\$	-	\$	-	\$ 28,081,329	\$ 3,112,141
Arimo	\$	42,505	\$	44,454	\$	45,794	\$	27	\$ 202	\$	173	\$	-	\$	-	\$	-	\$ 46,023	\$ -
Chubbuck	\$	6,251,915	\$	6,671,550	\$	7,014,354	\$	-	\$ 81,774	\$	15,726	\$	-	\$	-	\$	-	\$ 7,096,128	\$ 228,123
Downey	\$	151,416	\$	151,416	\$	156,080	\$	-	\$ 4,046	\$	674	\$	-	\$	-	\$	-	\$ 160,126	\$ 54,778
Inkom	\$	264,516	\$	280,899	\$	291,458	\$	-	\$ 1,805	\$	934	\$	-	\$	-	\$	-	\$ 293,263	\$ 8,474
Lava Hot Springs	\$	163,287	\$	163,287	\$	170,129	\$	-	\$ 1,773	\$	207	\$	-	\$	-	\$	-	\$ 171,902	\$ 71,387
McCammon	\$	243,945	\$	251,345	\$	258,795	\$	-	\$ 2,698	\$	1,616	\$	-	\$	-	\$	-	\$ 261,493	\$ 81,498
Pocatello	\$	30,246,569	\$	31,502,780	\$	31,988,263	\$	1,884	\$ 351,527	\$	99,431	\$	-	\$	-	\$	-	\$ 32,341,674	\$ 4,928,163
Marsh Valley School #21	\$	34,000	\$	34,000	\$	34,000	\$	12,094	\$ 9,579	\$	6,137	\$	-	\$	-	\$	-	\$ 34,000	
Pocatello School #25	\$	232,214	\$	240,065	\$	229,370	\$	8,954	\$ 220,416	\$	41,998	\$	-	\$	-	\$	-	\$ 240,065	
Grace School #148	\$	26,905	\$	28,080	\$	29,344	\$	10,294	\$ 2,895	\$	2,043	\$	-	\$	-	\$	-	\$ 29,344	
Preston School #201	\$	69,231	\$	69,231	\$	73,230	\$	12,121	\$ 15,019	\$	6,008	\$	-	\$	-	\$	-	\$ 73,230	
Westside School #202	\$	56,473	\$	58,167	\$	60,588	\$	9,825	\$ 2,157	\$	716	\$	-	\$	-	\$	-	\$ 60,588	

- Changed slightly from last year to reduce repetitive information
- Reductions of Indigent Public Defense levied amounts shown for each county for each of the last 3 years
- 2022 personal property replacements not included in the highest of the last 3 yrs including replacements



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### **Levy Review Process**

- Goal identify more ways to limit and identify errors
- Review values input into the L-2 form
- Check levy rate limits and make sure there are no violations
- Watch School District Tuition funds only the following school districts can levy for this fund
  - Swan Valley Elementary #92
  - Arbon School #383
  - Wallace School #394
- Watch for districts failing to report unexpired bonds & other voterapproved funds
- **NEW**: Watch for school districts failing to subtract proper amount received from the School District Facilities Fund from their bonds or temporary supplementals



#### **Canvass of Vote**

- For every new voter-approved fund, a canvass of votes must be submitted
- Must include:
  - District name
  - Type of fund (temporary override, bond, etc.)
  - Percent of vote in favor
  - May also include count of all votes for & against
  - Term length of the fund (years)
- Also be sure to complete the voter-approved fund tracker in the L-2 Excel spreadsheet



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Voter Approve	ed Fund Tracker												
Attach to L-2 Form If Applicable													
District Name:													
Fund Name	Date of Election (If current year,	1st Calendar Year Levied	Term of Initiative	Annual Amount Authorized by									
	attach copy of Ballot)	rear cerrea		Voters									
Supplemental Funds													
Temporary School Supplemental (IC §33-802(3))													
Permanent School Supplemental (IC §33-802(5))													
Plant Faciliites to Transfer to Supplemental (IC §33-804)*													
Plant Facilitie	s & COSA Funds												
Plant Facilities (Maximum of 10 yrs)													
If voters approved an increase in the annual amount but did not	change the term ente	er the amount of	increase here:										
Safe School Plant Facilities (Maximum of 20 yrs)													
If voters approved an increase in the annual amount but did not	change the term ente	er the amount of	increase here:										
COSA Funds (50% Voter Approval 10 year)													
COSA Maintenance (2/3 Voter Approval 10 year)													
COSA Plant Facilities (3 years)													

<sup>\*</sup>Cannot exceed annual amount of Plant Facilities approved by voters

	District Bond Initiative (Voter Approved Bonds)													
Date of Election (If current year attach copy of Ballot)	1st Calendar Year Levied	Term of Initiative	Amount Authorized by Voters	Prior Year P-Tax \$	Current Year P-Tax \$	% Change (+/- 20% Explan- ation Required)	"YES" = Explanation Required							
	Cı	urrent Year's Tot	al Bond Fund (Re	ported on L-2 Col. 6):	\$ -									

Explanation (If Required):

- When any change is made to a district's L-2 spreadsheet, you should document what was changed and why
- Notify the district via email and/or phone



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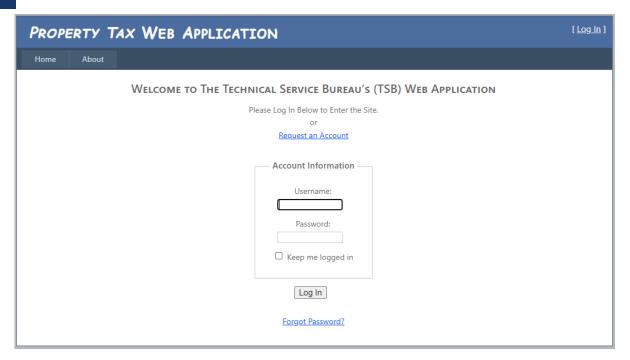
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#### Web-Based L-2 Forms

- All counties must use the Web L-2 for submitting their levies
  - Ensure the fund you select is the fund that is levying
  - New Excel L-2 spreadsheet is available now at: <a href="https://tax.idaho.gov/taxes/property/property-tax-forms-guides-by-category/">https://tax.idaho.gov/taxes/property/property-tax-forms-guides-by-category/</a>

#### Web-Based L-2 Forms



Link: https://tsb.tax.idaho.gov



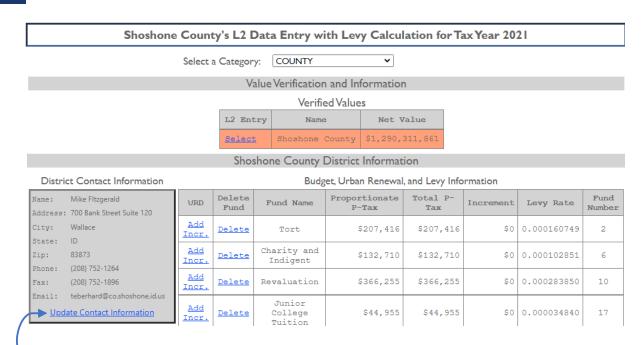
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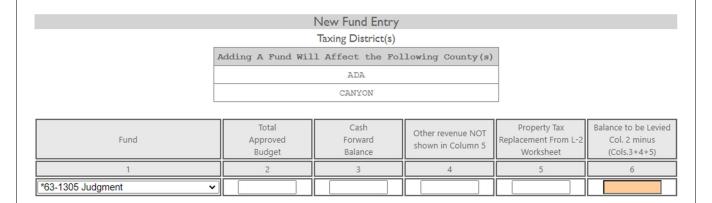
#### **Update Contact Information**



Review contact information on the Web L-2 and update accordingly



#### **Entering Funds**



When you select "Add New Fund," this drop-down menu shows up.

If the fund was levied last year, an asterisk (\*) will be to the left of the fund and it will show up at the top of the list.

Overrides must now be specified as temporary/permanent.

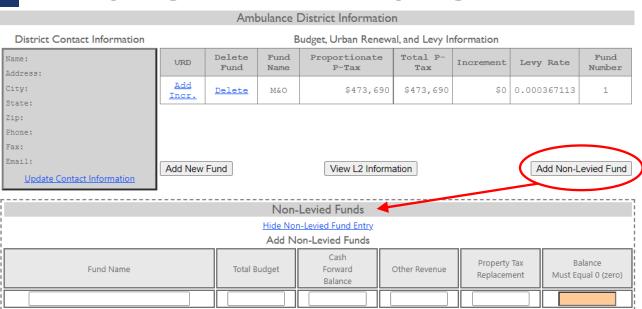


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## **Levying vs Non-Levying Funds**



Use the "Non-Levying" fund area to enter any fund with no property tax amount even if the fund has authority to levy property taxes



#### **Changes for School Districts**

New Fund Entry

Taxing District(s)

Adding A Fund Will Affect the Following County(s) GEM

Fund	Total Approved Budget	Cash Forward Balance	Other revenue NOT shown in Column 5	Replacement From	Net Revenue from School District Facilities Fund	Levied
1	2	3	4	5		6
Please Select						

#### Information pertaining to Revenue from School District Facilities Fund:

- This revenue must first be applied to reduce levies for any applicable bonds
- Remaining funds must then be applied to reduce levies for any applicable temporary supplementals
- Any excess funds must then be reported as reducing other levied funds until the full amount has been reported or the district's levying amount reaches zero
- If a district's levied amount reaches zero and it will be reserving funds for future facility needs, this can be reported by creating a non-levied fund labeled 'Facility Reserves' and inputting a negative cash forward balance equal to the amount of School District Facilities Fund revenue being reserved

Enter Fund Cancel

Beginning in 2023, school districts will need to report the amount received from the School District Facility Fund and show where it has been applied to reduce property tax or reserved.



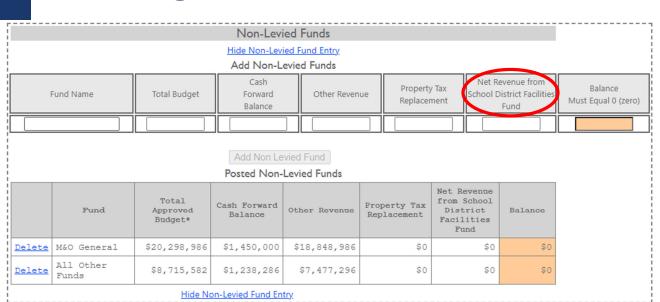
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#### **Changes for School Districts**



If nothing is being levied for bonds or temporary supplementals and not all School District Facility Fund revenue has been reported, may show the rest as a non-levied fund with negative cash forward balance (reserved)



#### Words of Caution...

- Make sure the county's value reported on the September Value Worksheet matches what is reported on the county abstract
- Also, check operating property report against September Value Worksheet to ensure district values assigned correctly
  - Especially watch for fire districts that have NUG values if reported with operating property
- County Road & Bridge is a fund of the county and cannot levy a tort fund
- Make sure that all property tax replacements listed on the L-2 worksheet are reported in column 5 of the L-2 form
  - If absent, we will assume that it has not been deducted
- Watch values of Fire and Ambulance districts
  - These districts can determine the type of property on which they will levy taxes



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#### Words of Caution...

- Flood, Levee, Infrastructure, Watershed Improvement, and Herd districts levy ONLY on real property (abstract required)
- For districts in an Urban Renewal (U/R) Revenue Allocation Area (RAA), be careful which value is used to set the levies
  - Remember only qualifying funds are subject to using the U/R increment value for levy-setting purposes
  - RAAs with annexations have special considerations
  - Possibility of using 3 separate values to set levies for one taxing district
- Watch levy limits, especially School Emergency fund
- Levy calculation sheet provides an area to show maximum levy rates and lets you know if a limit is exceeded



#### Words of Caution...

- For school districts:
  - The full amount received by the district from the School District Facilities Fund must be reported on the L-2
  - These funds must be applied first to any actively levying bonds
  - Remaining funds must then be applied to temporary supplementals
  - Any excess must be applied to other levied funds
  - Excess may be reserved for future facility needs



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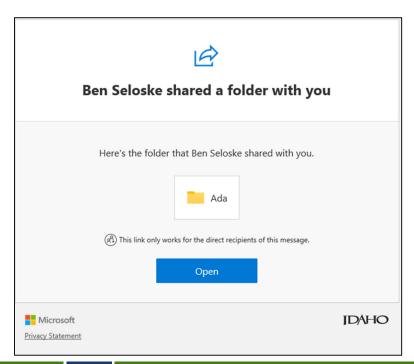
# Submitting 2023 L-2 Documentation

- Remember to include:
  - Excel L-2 Workbook
  - Budget Hearing Publications
  - If applicable:
    - Resolutions (Recovered/Reserved Forgone)
    - Canvass of Votes for new voter-approved funds
    - Recovered/Recaptured Property Tax & Refund List



## **Submitting 2023 L-2 Documentation**

 You will receive an email that looks like this:





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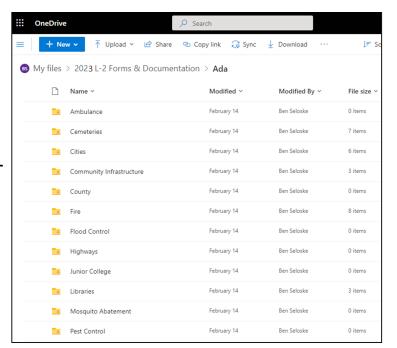
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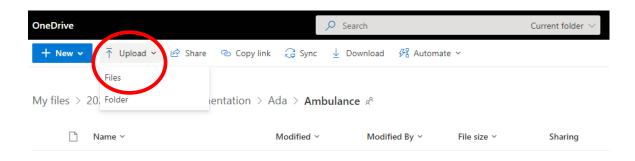


## Submitting 2023 L-2 **Documentation**

 The link brings you to a OneDrive folder



# Submitting 2023 L-2 Documentation





This folder is empty



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# Submitting 2023 L-2 Documentation

- Notify me (Ben) via email when you have finished uploading files for your county
  - CC Eric Wilson (<u>Eric.Wilson@tax.idaho.gov</u>)
- I will remove your ability to modify the OneDrive folder and we will begin our L-2 review
- Changes after that point can be sent via email



# **Q & A**

What questions do you have for us?



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#### **Appendix**

- Terminology
- Exempt Fund List
- Max Statutory Levy Rates
- > Effects of consolidation/boundary changes on bonds
- At Max Levy Issues
- Computation of Forgone Amounts
- 3-Year Budget Trap
- Special Situations
- Elections Dates Overrides
- > Fire/Ambulance District Exemptions
- City/Highway Split
- District Formations/Alterations
- Other Budget & Levy due dates
- Homeowner's Exemption Value loss
- Highway Districts & Urban Renewal

## **Terminology**

- **Net taxable market value** total value of property within the boundaries of a taxing district, less exemptions
- Budget for the purposes of this presentation, unless otherwise indicated, budget refers to the property tax portion of the 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%) bonds, overrides/supplemental (temporary & 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) p-tax budget by the district's net taxable market value
  - Sometimes includes urban renewal increment (e.g., new voterapproved levies)



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## **Terminology**

- Approved non-exempt property tax budget non-exempt property tax dollars as approved by the STC including agricultural equipment & other p-tax replacement/recovery monies
- Property tax replacement the sum of the agricultural equipment replacement & personal property replacement
- Recovered/Recaptured Property Tax and Refund List amount of revenue distributed for Solar Farm Tax, Recovered H/E, & QIE. Information provided by each county
- Non-exempt property tax to be levied certified property tax budget minus Property Tax Replacement and Recovered/Recaptured Property Tax and Refund List funds, including I.C.§63-1305C recoveries





- Locally assessed property -
  - Real & personal property
  - Assessed by each county
- Centrally assessed property -
  - Operating property utilities & railroads
  - Assessed by the State Tax Commission



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Fund	Statute
Temporary Supplemental	I.C. §33-802(3)
Permanent Supplemental	I.C. §33-802(5)
Emergency	I.C. §33-805\63-805
Judgment	I.C. §33-802(1)
Tuition: Eligible Schools #92, 383, and 394	I.C. §33-1408
Cooperative Service Agency (COSA)	I.C. §33-317(2): 2/3 voter approval 10 yr. limit.
State Authorized Plant Facilities	I.C. §33-909 (levied by county in area of school district)
Plant Facilities	I.C. §33-804: 10 year limit.
Safe Schools Plant Facilities	I.C. §33-804A: 20 year limit.
COSA Plant Facilities	I.C. §33-317A
Budget Stabilization: Eligible Schools #61, 92, 394, and 421	I.C. §33-802(2): Each has set maximum property tax budget.
Judgment	Refunds related to value appeals (ex. Board of Tax Appeals) See I.C. §63-1305 for details.

## Non-School Funds Exempt from 3% Annual Increase Cap (I.C. §63-802)

Fund	Description
Temporary Override	All taxing districts have authority. 2-year maximum duration; requires simple majority to pass. <u>Total of fund and override</u> <u>levy rate can't exceed the 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. <i>Total of fund and override levy rate can't exceed the fund's levy limit</i> .
Bond	Refer to authorizing statute for specific requirement, but all require 2/3 majority voter approval.
Plant Facilities	Available to Library and Community Colleges as well as schools. See I.C. §33-804 for details.
Judgment Funds	All taxing districts – based on judgments under §63-1305



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#### Max Statutory Levy Rates

Currently available on the STC's website here:

https://tax.idaho.gov/searchformspublications.cfm?ch=bl&t=p

#### **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.

AXING AUTHORITY	IDAHO CODE	MAX RATE		
COUNTY				
Airport		.0004		
Ambulance Service		.0002 (No new funds after – 7/1/20)		
Appraisal Program	63-314	.0004		
Armory Construction	46-722	.0002		
May jointly levy w/city. Total	l levy cannot exceed max levy.			
Bond Redemption	63-805, 31-1903	See Code		
Building Construction	31-1008	.0006		
Requires that a special election be and must pass with a 2/3 majority				
Ot Current Expense	62 905	.0026		
Or a levy sufficient to raise \$250.		.0020		
If there exists a Justice Fund, the				
0.002 or a levy sufficient to raise is greater.	\$250,000 whichever			
Justice	63-805	.002		
Or a levy sufficient to raise \$250,	000 whichever is greater.			
District Court	31-867	0004		

## **Consolidation/Boundary Changes & Bonds**

Territory Withdrawn From District			
Fire District: (I.C. §31-1437)	Shall 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 shall not 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 not 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 not become the obligation of the consolidated hospital district.		
School: (I.C. §33-311)	The debt shall remain an obligation of the property which incurred the indebtedness.		



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## **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 multiple property tax funds available (for example cities)



- If recovering forgone amounts:
  - L-2 worksheet: line 24 minus line 25 = next year's forgone balance
  - Assumes the district uses all the budget capacity requested
  - If you ask for \$100 but only budget for \$90, you recover \$90 in forgone amounts and the \$10 remains in the forgone balance
- If reserving forgone amounts:
  - L-2 worksheet: sum of 3% (line 2), new construction, annexation, and urban renewal budget increases (line 16 minus lines 1-3)
  - If levying less than the max allowable (line 28), then these increases may be reserved for the future



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## 3-year Budget Trap

In the example below, what is the highest budget of the last 3 years (including p-tax replacements and substitute funds) and what year did it occur?

2019	2020	2021
\$ 629,405	\$ 547,139	\$ 581,165

Answer: \$629,405 in 2019

Assuming this district levies \$545,000 in 2022, what will be the highest budget of the last 3 years and what year did it occur?

Answer is: **\$581,165 in 2021** 



## **Special Situations**

- **Newly created districts** those formed during 2021 or first eligible to levy property taxes in 2022. No district is eligible to levy in year of formation (I.C. §63-807). Property tax budget may equal statutory maximum levy rate multiplied by 2022 net taxable value.
- Districts which did not levy during 2019, 2020, and 2021 limited to the total non-exempt dollar amount of the district's last property tax budget, excluding any available forgone amount, provided this amount does not result in a levy which exceeds a statutory levy rate.
- Districts never levying property tax, exempt or non-exempt those formed before 2022 that have never levied any property taxes. Property tax budget may equal statutory maximum levy rate multiplied by 2022 net taxable value.



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#### **Elections & Dates**

- Election Consolidation (I.C. §34-106)
  - Most elections are handled by the county clerk. Provide ballot language as soon as you can, however, final ballot wording needs to be submitted to the county(ies) no later than 60 days on even number years and 50 days on odd number years before election

#### **District Election Dates**

3<sup>rd</sup> Tuesday in May

Tuesday following the 1st Monday in November

If joint, involve all county clerks.

#### **School Districts Additional Dates**

Last Tuesday in August



## 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
    - 2/3<sup>rd</sup> majority to pas (60% for qualifying cities)
    - Resets the non-exempt portion of a taxing district's property tax budget
    - Included in following year's 3% calculation
  - Both are fund-specific
  - Cannot exceed fund's levy limit (except highway district)
  - Schools have similar provisions for supplemental
  - A district's combined fund and override levy cannot exceed the fund's levy limit



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## Overriding the 3% Budget Cap

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't exceed the
  maximum levy rate of the M&O fund. In this example the maximum levy
  rate is 0.0024.
- Assumption: The 2022 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.



## Overriding the 3% Budget Cap

Reporting overrides on the L-2 form:

- This example reflects a permanent override
- To compute future increases, next year's highest of the last 3 year's nonexempt p-tax budget would be \$1,165,346

2022 Dollar Certification of Budget Request to Board of County Commissioners L-2 (the "L-2 Worksheet" and applicable "Voter Approved Fund Tracker" and budget publication must be attached)					
District Name:	FIRE DISTRICT				
Fund Name	Total Approved Budget*	Cash Forward Balance	Other revenue <u>NOT</u> shown in Column 5	Property Tax Replacement From Line 22 of the '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
NON-LEVIED FUNDS (must net zero)					
Column Subtotal:	\$1,416,743	\$200,000	\$45,604	\$5,793	\$1,165,346



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## **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 voterapproved 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 language as possible (I.C. §63-802)
  - Consider terms such as "exceed" or "override" rather than "serial" (not found in law)
  - Don't use "Advisory" vote if you mean to implement override



## **Ballot Language**

- STC is offering to review taxing district property tax-related ballot measure's language before ballots are printed
- Bonds only I.C. §34-439 outlines information that is to be on the official statement and the ballot for bonds
- Non-bond issues (I.C. §34-439A) Shall include in the ballot question or in a brief statement on the ballot but separate from the ballot question substantially as follows:
  - Purpose which the levy shall be used; date of election; and dollar amount estimated to be collected each year form the levy;
  - <u>HB-103 (2019)</u> Estimated average annual cost to taxpayer in the form of "A tax of \$ per \$100,000 of taxable assessed value, per year, based on current conditions; and
  - The length of time reflected in months or years in which the proposed levy will be assessed



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## **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% to 2/3
- Refer to I.C. §33-804 for details

# Fire & Ambulance District's **Discretionary Exemptions**

- Fire I.C.§31-1425(2)
- Ambulance I.C. §31-3908A
- The Board of County Commissioners, upon application, may, by an ordinance enacted no later than the 2<sup>nd</sup> 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



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# Rule 808 – Documentation by **Taxing Districts**

- If an Ambulance or Fire district 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





#### **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
- NUGs: Non-utility generators (e.g., small Hydros, and Anaerobic Digestors) pay property taxes to fire districts. No agreement required.



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# Fire District Budgets w/Utility Agreements (I.C.§63-802(2))

- · 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:

2023 value of consenting utility \$5,000,000

Fire district's 2022 non-exempt levy rate X 0.0018

Additional budget allowance \$9,000

(built into base for future 3% increases)



## Highway/City Fund Sharing

- I.C.§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 amounts: DO NOT deduct the amount anticipated for the cities
- No other property tax fund is shared with the cities
- 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



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



## **District Formation/Alterations**

General document requirements:

Applies to RAAs too!

- An ordinance, order, or resolution must:
  - Be recorded with the county clerk, filed with the county assessor, and signed by the appropriate authoritative official
  - Include a legal description describing the boundary of the formation/alteration
  - Include a legible map that matches the legal description and clearly identifies the boundary of the formation/alteration
  - Provide current contact information for the taxing district
- Important dates & deadlines:
  - A hard copy must be filed with the STC within 30 days of the effective date of formation/alteration, but no later than January 10th of the effective year
  - o The ordinance, order, or resolution must be signed by December 31st to be reflected in the changes for the next effective year

Send hard copies to:

Idaho State Tax Commission, Attn: GIS Dept, P.O. Box 36, Boise, ID 83722-0410

Email: qis@tax.idaho.gov Phone: 208-334-7718

For more information, please visit the link "How to Submit an Annexation" on the ISTC

GIS/Cartography website: <a href="https://tax.idaho.gov/gis/">https://tax.idaho.gov/gis/</a>

Reference: I.C.§63-215, Idaho Administrative Rule 35.01.03 Section 225



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## **Election to Create a New Taxing District**

- I.C.§63-802C
- County clerk where proposed taxing district is to be shall:
  - Mail notice of election to all residences/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





- I.C.§67-2321
  - Governing body of a taxing district must follow publication and hearing rules
  - Certified copy of the resolution must be filed with the STC and with the county recorder of each county in which the jurisdiction is situated



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## Other Budget & Levy Due Dates

Statute or Rule	What is Due to STC
805.03 (By 4 <sup>th</sup> Monday of May)	Notice of Budget Hearing Non- Compliance List.
63-509(1) (by 4 <sup>th</sup> Monday of July)	Abstract of Value (All districts)
63-1312(2) (Prior to 1st Monday August)	Provide taxable value by district (A-2)
63-808 (1) (on or before 3 <sup>rd</sup> Monday September)	Send certified copy of levies authorized and fixed by the county commissioners.
IDAPA 35.01.03.803 (by 1st Monday August)	Recovered/Recaptured Property Tax Substitute Funds List

Above is a list of some other due dates where the county is to submit information to the STC



#### **New Construction Value Loss to H/E**

 Taxing districts can choose to take the decrease in value resulting from the increase in the homeowner's exemption (from \$100K to \$125K) and subtract that value from their current year's new construction



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# Highway Districts & Urban Renewal

- In certain cases, all highway district generated tax on increment values go to the highway district
- · Conditions to be met:
  - The urban renewal RAA is formed or annexes on or after July 1, 2020
  - The urban renewal agency does <u>NOT</u> have responsibility for maintenance of roads/highways within the highway district
  - There is no agreement between the urban renewal agency and the highway district for an alternate allocation of property tax revenue
- Does NOT change levy rate calculations for highway districts
- If there are agreements, they must be submitted to the county clerk by Sept 1<sup>st</sup> to be in effect for budget and levy season (copies sent to STC)
- Money allocated to the highway district is not considered replacement dollars and will not be included in calculating budget limits





- New RAAs with Hwy districts:
  - Jerome, Twin Falls, & Cassia counties
- · Should check with UR agency whether agreement has been made or is in process
- Without agreement, tax generated by highway district levy on increment value in these new RAAs will go to the highway district



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## Urban Renewal (I.C.§50-2908)

Example 4	Example 5	Example 6
RAA #1 formed 2000	RAA #1 formed 2000	RAA #1 formed 2007
RAA #2 formed 2010	RAA #2 formed 2010	RAA #2 formed 2011
RAA #3 formed 2015	RAA #3 formed 2015	RAA #3 formed 2015
	RAA #1 annexed 2016	RAA #1 annexed 2016
Bond election 2006	Bond election 2003	Bond election 2001
Add increment for: RAAs #2 & #3	Add increment for: RAAs #2 & #3 as well as the annexed area of RAA #1	Add increment for: RAAs #2 & #3 as well as the annexed area of RAA #1

For which RAA # or portion, if any, would you add increment value to the net taxable value for setting levies?

