

A wide banner image showing a scenic view of Idaho mountains under a blue sky with white clouds. The foreground features a line of green evergreen trees.

# Idaho State Tax Commission

## 2024 Budget and Levy Training School District Session

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



State Tax Commission

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# Today's Instructors

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- Tax Commission Web Page: [www.tax.idaho.gov](http://www.tax.idaho.gov)



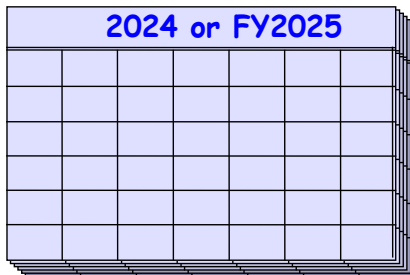
# Agenda

- General Overview
- 2023-2024 Legislative Changes
- School District Levy Information
- Break (10-15 mins)
- Required Forms
- Calculating Maximum Tort Fund
- L-2 Workbook



# What Year Are We Talking About?

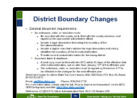
- Throughout this presentation, when we refer to a calendar year, we are referring to the year in which your property tax budget is being certified.



Now which year am I supposed to use?

# State Tax Commission Roles

1. Review and approve levy rates and property tax portion of budget to ensure limits not exceeded (10-28-2024)
2. Determine and apportion operating property values
  - Preliminary values in July
  - State Board of Equalization finalizes by 4<sup>th</sup> Monday in August
  - Final values in September (9-3-2024)
3. Provide technical support & assistance; develops administrative rules
4. Map boundaries of each taxing district and urban renewal revenue allocation areas
5. Distribute property tax replacement dollars
6. Distribute property tax relief except the School District Facilities Fund from Dept of Ed



# Limitations

- Focus is on revenue, not expenditures
  - State Tax Commission (STC) does **NOT** oversee or govern expenditures
  - Expenditure questions go to:
    - Dept of Education
    - Independent Auditors
    - Legal Advisors
    - IASBO
  - Carry over authority varies
- Assume compliance with budget hearing and other publication requirements (until challenged)



# County's Roles

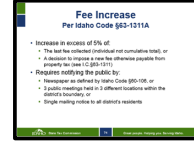
- **County Assessor:**
  1. Provides locally assessed property value information to county clerk
  2. Develops new construction roll
- **County Clerk:**
  1. Provides value & tax information to Taxing Districts
  2. Provides information to County Commissioners
  3. Provides information to STC
  4. Distributes tax receipts and other revenue to districts
- **County Treasurer:**
  1. Prepare tax notices & collect tax
  2. Notify county clerk of amounts to be distributed
- **County Commissioners:**
  1. Set levy rate
  2. Approve property tax portion of budget
  3. Submit levy & approved budget to STC (9-16-2024 or 9-23-2024 with extension)





# School District Budget & Levy Responsibilities

- Notify each County Clerk of budget hearing date and location
  - Written notification required (due April 30<sup>th</sup> each year)
- Set your budget
  - Provide required advertisements for budget hearing
    - Dates, location, times
    - Publication of proposed budget
- Certify budget to County Commissioners, make sure that you sign your L-2 form before you submit it to the county
  - Due by Sept 5<sup>th</sup>, 2024 unless a 7-working day extension is granted by the county (then Sept 16<sup>th</sup>)
  - School Emergency Funds – Sept 9<sup>th</sup> (2<sup>nd</sup> Monday of Sept)



Note: Includes Charter School Districts but not Charter Schools – which have no independent authority to levy property taxes



## Legislative Changes



# Previous Legislative Changes

## HB 292 – Property Tax Relief (2023)

- 1) School Facilities Fund reduces levying amounts for school districts
  - Property tax relief based on average daily attendance
- 2) Homeowner Property Tax Relief Account will provide reductions to eligible portions of property tax bills (not school levies) 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~~

2024



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10

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# 2024 Legislation

## HB 521 – School District Facilities Fund (SDFF):

- Removed August elections for schools
- Dept of Ed distributes funds directly to school districts by August 31 each year (I.C.§33-911)
  - Based on average daily attendance (in-person)
- Amounts subject to change annually
- Schools **MUST** deduct the amount received on their L-2 each year if they levy for a bond, temporary supplemental, or plant facilities fund



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11

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# 2024 Legislation

## HB 521 – School District Facilities Fund (SDFF):

- Order of priority for levy reductions described in I.C. §33-911(2):
  - Existing bonds
  - Temporary supplemental levies
  - **Plant facilities**
  - Construction, renovation, maintenance, new bonds, or saved in reserve account for future facility needs
- Amount saved in property tax must appear on each tax notice
  - To calculate this, a “hypothetical levy rate” is calculated based on the unreduced budget



# 2024 Legislation

## HB 521 – School Modernization Facilities Fund (SMFF):

- Allowable uses for funds depend on how the school opts to receive the payments (33-917):
  - 1) **Lump sum distribution** – used for school facility construction, renovation, or maintenance needs (no L-2 subtraction)
  - 2) **Annualized distribution** – used the same as SDFF (33-911) & requires levy reduction on L-2
    - Payment of existing bonds (required annual \$)
    - Payment of temporary supplemental levies
    - Payment of school plant facilities levies
    - Remaining amounts for: construction, renovation, maintenance, new bonds, and/or saved in reserve account for future facility needs



# 2024 Legislation

## HB 766

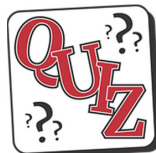
- Trailer bill to HB521
- Eliminates HB521's requirement for 5-day school week to receive School Facility Modernization Fund moneys
- Holds schools harmless for removal of Bond Levy Equalization Support Program if specific conditions are met (including bond levy for 2023 & 2024)
  - Dept of Education can provide information related to your district's situation



# 2024 Legislation

## HB 574

- Relating to the passage of new bonds (I.C. §34-913) and temporary supplementals (I.C. §34-914), restricts references to tax relief funds (SDFF)
- Ballot questions & official statements cannot include information about state tax relief funds unless a specific dollar amount is guaranteed
- If funds are guaranteed and included on a ballot, the expiration year of the tax relief funds must also be included
- Effective July 1, 2024





# School District Levy Information



## Non-Exempt School District Funds Subject to 3% Cap – I.C. §63-802

- The 3% cap applies to the sum of the funds listed below
- Tort/Liability Insurance: I.C. §6-927 – no levy rate limit; liability insurance premiums only
- Migrant Worker\*: I.C. §33-803 (limit = 0.001)
  - If the total M&O and Migrant Worker levy rate exceeds 0.0006, an election for this fund must be held; a majority of the voters must approve the fund

\*Never been used so 3% limit applies to tort fund


Note: School districts are not eligible to use/accrue forgone amounts



# School District Exempt Funds

- **Tuition:** (I.C.§33-1408) – no levy rate limit
- **Judgments:** (I.C.§33-802) – refer to code for details
- **Judgments:** (I.C.§63-1305)
  - When board of tax appeals or any court orders a refund of any property taxes imposed
- **Emergency:** (I.C.§33-805 & §63-805)
  - Levy rate limit = 0.0006
- **Supplemental (override):** (I.C.§33-802)
  - No levy rate limit
  - Can be permanent or temporary (2-year term)
    - Both require majority vote

# School District Exempt Funds

- **Plant Facilities:** (I.C.§33-804)
  - Up to 0.004 in the 1<sup>st</sup> year only (10-year term), then only capped based on ballot measure language
  - Varying election majority requirements 
- **Safe School Plant Facilities:** (I.C.§33-804A)
  - Same basic election rules as regular Plant Facilities levy except term is 20 years and must meet certain criteria (refer to code for details)
- **State-Authorized Plant Facilities:** (I.C.§33-909)
  - Fund authorized by Dept. of Education which certifies a levy rate **each year** to the county/counties of the school district.
  - We need a copy of this certification of levy rate (refer to code for details)



# School District Exempt Funds

- **Cooperative Service Agency (COESA):** (I.C. §33-317)
  - Levy rate limit = 0.001
  - Majority of voter approval, up to 10 years term
- **COESA Facilities Levy:** (I.C. §33-317)
  - Levy rate limit = 0.004
  - 66.67% voter approval, up to 10 years term
- **COESA Plant Facilities Levy:** (I.C. §33-317A)
  - Up to 0.004 each year based on prior year's value
  - Voter-approved for a period of 3 years
  - May have 33-804 Plant Facilities in addition
- **Supplemental Transfer from existing Plant Facilities:** (I.C. §33-804)
  - With voter approval, allows for a stated dollar amount from an existing Plant Facilities to be transferred to and levied as a supplemental (2 years)

# School District Exempt Funds

- **Bond (indebtedness):** (I.C. §33-1103)
  - Capacity based on total value including homeowner's exemption
- **Maintenance & Operation:** (I.C. §33-802)
  - Use the highest of the actual or adjusted prior year's market value multiplied by 0.00364167
  - **Boise School District #1 Only**

# School District Exempt Funds

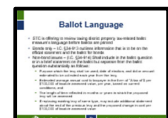
- **Budget Stabilization funds: (I.C. §33-802)**
  - School districts not receiving state equalization funds in fiscal year 2006 authorized a “Budget Stabilization Levy”
    - #61 Blaine – \$29,521,352
    - #92 Swan Valley – \$133,871
    - #394 Avery – \$117,520
    - #421 McCall-Donnelly – \$5,658,712
  - These amounts are maximum annual property tax amounts



# Election Dates – School Districts

- **Election Consolidation: (I.C. §34-106)**
  - Most elections handled by the county clerk. Final ballot wording to county 50 or 60 days before election.
    - Election dates:
      - 3<sup>rd</sup> Tuesday in May
      - Tuesday following the first Monday in November
  - 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.

Note: If joint, involve all county clerks.



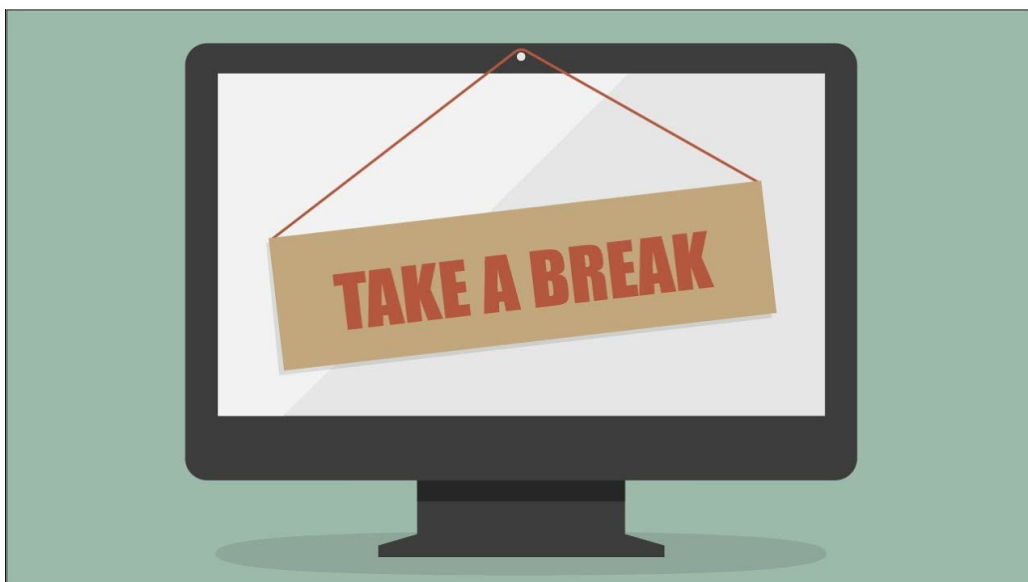
# Estimating Effects of New Voter-Approved Fund(s)

- Contact EACH county clerk to get the most current net taxable value information
  - Net taxable value excludes previously exempted personal property value
  - If district is located in a U/R area, also need the net increment value of any RAA in your district
  - Annual p-tax amount divided by the total net taxable value (including all U/R increment) produces a 9-digit levy rate

Computation: \$ 100,000 taxable value of property  
x 0.000821989 estimated levy rate  
\$ 82.20 estimated property taxes

## Break

Time for a 10-minute break



# What Information Do I Need & Where Can I Find It?



## Max Budget & Forgone Worksheet

- Changed again this year to make it easier to understand
- New PowerBI report stored on STC's "Reports & Statistics" page:
  - <https://tax.idaho.gov/governance/reports-and-statistics/>
- Amounts shown for schools indicate the tort fund before p-tax replacements have been subtracted
- 2022PP replacements added to property tax budgets starting in 2023 (first year they were subtracted on L-2s)
- Total replacements shown here must balance against what is shown in the L-2 (except solar farm tax)



Reset  
 County Name  
 Ada

## 2024 Maximum Budget & Forgone Amounts Worksheet (County & School Districts)

(Data last updated: 1/22/2024)

County and Road & Bridge (if applicable)	2021 Non-Exempt Budget	2022 Non-Exempt Budget	2023 Non-Exempt Budget	Highest of the Last 3 yrs Non-Exempt Budget Plus Replacements	Forgone Balance
Ada County	\$132,120,454	\$148,392,071	\$154,826,415	\$155,746,202	\$26,428,681
<b>Total</b>	<b>\$132,120,454</b>	<b>\$148,392,071</b>	<b>\$154,826,415</b>		<b>\$26,428,681</b>

Indigent Pub Def Reduction	2021	2022
Ada County	\$8,670,518	\$0

NOTE: HB735a required counties to reduce their property tax budgets by the amounts levied for indigent public defense. This table is designed to: 1) combine the county non-exempt budget with its Road & Bridge fund for that year (if applicable), 2) subtract the amount reported as levied for Indigent Public Defense, 3) subtract any forgone amounts recovered for Capital Projects, 4) add in relevant replacements for that year, and 5) identify the highest resulting value for the last 3 years.

### School Districts:

District Name	2021 Non-Exempt Budget	2022 Non-Exempt Budget	2023 Non-Exempt Budget	Highest of the Last 3 yrs Non-Exempt Budget Plus Replacements
Boise School #1	\$626,260	\$645,047	\$671,991	\$671,991
Kuna School #3	\$162,040	\$194,487	\$258,483	\$258,483
Melba School #136	\$55,629	\$0	\$66,185	\$66,185
West Ada School #2	\$866,374	\$929,935	\$999,268	\$999,268

NOTE: School districts' only non-exempt fund is the Tort fund, so this table is designed to: 1) identify each school district's levy amount for the tort fund in each of the last 3 years, 2) add in any property tax replacements that were used to reduce the tort fund's levy amount, and 3) identify the highest value for the last 3 years.

Next Page



Reset  
 County Name  
 Ada

Category Name  
 School

## 2024 Maximum Budget & Forgone Amounts Worksheet Replacements & Solar Farm Tax Revenue

(Data last updated: 1/22/2024)

District Name	Ag Equip Rep	2013 Personal Prop Rep	2022 Personal Prop Rep	2021 Recovered Homeowners	2022 Recovered Homeowners	2023 Recovered Homeowners	2022 Solar Farm Tax Revenue	2023 Solar Farm Tax Revenue	Sort#
Boise School #1	\$4,279	\$331,805	\$51,943	\$8,863	\$11,195	\$9,094	\$0	\$0	8
West Ada School #2	\$18,013	\$351,053	\$47,945	\$1,096	\$14,634	\$335	\$17,733	\$20,396	9
Kuna School #3	\$2,069	\$50,390	\$8,431	\$0	\$0	\$0	\$59,089	\$71,930	10
Melba School #136	\$35,300	\$6,414	\$1,275	\$0	\$0	\$0	\$28,970	\$0	11

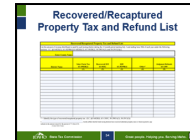
Previous Page

NOTE: The 2022 Personal Property Replacements were first deducted from districts' levying authority in tax year 2023, so these replacements should be added in to the 2023 budget but NOT budgets from prior years.  
 Solar Farm Tax Revenue is NOT added to non-exempt budget for annual increase calculations (NOT a form of replacements).



# Property Tax Replacements

- Money that is added in for determining the highest of the last 3 years
  - 3% growth includes replacement monies (NOT solar)
  - 2022 PP replacements now added to 2023 (not earlier)
- Agricultural Equipment Replacement
  - Unchanged amount since 2006
- Personal Property Reimbursement
  - Constant amounts since 2013
  - New personal property replacements paid in 2022 due to increased maximum exemption (also constant)
    - Transient personal property now exempt without replacements
- Recovered/Recaptured amounts (7/1/23 – 6/30/24)
  - Recovered Homeowner's Exemptions
  - Recaptured QIE



Category	Amount
Recovered Homeowner's Exemptions	
Recaptured QIE	

# Property Tax Replacements

## Amounts to be deducted each year

Agricultural Replacement dollars

Personal Property Reimbursement amounts (2013 & 2022)

## Amounts to be deducted in year received

Recovered Homeowner's Exemption

Recaptured QIE



# Solar Farm Tax

- NOT added in for determining the highest of last 3 years
  - 3% growth does not include solar farm tax
- Prior year (7/1/22 – 6/30/23) revenue received is added after the 3% growth calculation
- Current year (7/1/23 – 6/30/24) revenue received is subtracted to determine the maximum budget authority
- If applicable, will be included on the Recovered/Recaptured Property Tax and Refund List

# Recovered/Recaptured Property Tax and Refund List

- Applies to districts receiving solar farm tax or money from recovered homeowner's exemptions
- Will be sent by county clerk on or before Aug. 5<sup>th</sup>, 2024
  - 1<sup>st</sup> Monday of August each year
- These monies are treated as p-tax replacements for budget calculations in the L-2 form
  - Solar farm tax is different in that it is NOT included for 3% growth



# List of Property Tax Related Forms

- 2024 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 Forgone Amount Worksheet
- Voter-Approved Fund Tracker (if applicable)
- L-2 forms at this web address:
  - <https://tax.idaho.gov/taxes/property/property-tax-forms-guides-by-category/>

## State Tax Commission’s Website:

[tax.idaho.gov](https://tax.idaho.gov)

The screenshot shows the homepage of the Idaho State Tax Commission website. The header includes the logo and navigation links: Taxes, Resource Center, Forms and Guides (circled in red), Governance, About Us, and Contact Us. A search icon is also present. Below the header is a banner with the slogan "Great people. Helping you. Serving Idaho." The main content area is divided into three columns: Individual, Business, and Governance & Research. The Individual column lists services like Individual Income Tax, Doing Taxes for Free, Pay Options, etc. The Business column lists Getting Tax Permits, Building Contractors, Sales and Use Taxes, etc. The Governance & Research column lists Property Tax Oversight, Open Meetings, Laws, Rules, Decisions, Policy Documents, and Reports and Statistics (circled in red).

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**FORMS**

- General Forms
- Tax Professional Forms
- Individual Income Tax Forms
- Business Income Tax Forms
- Withholding Forms
- Sales and Use Tax Forms
- Travel & Convention Tax Forms
- Beer Tax Forms
- Wine Tax Forms
- Cigarette Tax Forms
- Tobacco Tax Forms
- Fuels Taxes and Fees Forms
- IFTA Licenses Forms
- Property Tax Forms
- Property Homeowners Forms

**GUIDES**

- General Guides
- Individual Income Tax Guides
- Business Income Tax Guides
- Withholding Guides
- Sales and Use Tax Guides
- Property Tax Forms & Guides**
- Property Homeowners Guides
- Property Appraisers Guides
- Counties Guides
- IFTA Licenses Guides
- Guides for Certain Individuals
- Guides for Certain Groups
- Guides for Certain Businesses
- Guides for Tax Professionals

**MOST-REQUESTED FORMS**

- Request for Copies of Idaho Tax Returns
- Power of Attorney
- Public Records Request
- Sales Tax Resale or Exemption Certificate
- Employee's Idaho Military Spouse Withholding Exemption Certificate
- Estimated Payment of Individual Income Tax



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38

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Home / Taxes / Property / **Property Tax Forms & Guides by Category**

Homeowners  
Estimate Property Taxes  
GIS  
Counties  
Education  
Appraisers  
Operating Property  
Policy  
Related links  
**Forms and Guides**  
Contact Property Tax

## Property Tax Forms & Guides

Please select a property tax category.

**Forms**

Show  entries

Form ID	Form Name		
	<a href="#">2023 L-2 - County with Road &amp; Bridge</a>	2023	
	<a href="#">2023 L-2 - General</a>	08-03-2023	✓

Dropdown menu items: All, Agriculture, Appraisal, **Budget & Levy** (selected), - Certification of levy rates L-1, Deferral Or Reduction, GIS, Homeowners, Operating Property, Policy, Timber & Forestland



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Open Meetings  
**Reports & Statistics**

**AGENCY GUIDANCE**  
Agency Guidance Documents  
Decisions  
Policy Documents

**LAWS & RULES**  
Statutes  
Rules  
Conformity to Federal Internal Revenue Code (IRC)

**Individual**  
Individual Income Tax  
Doing Taxes for Free  
Pay Options  
Where's My Refund?  
Verify Identity  
Taxes and Yard Sales, Other Sales  
Property Tax (Homes)  
Apply for Property Tax Relief

**Business**  
Getting Tax Permits  
Building Contractors  
Sales and Use Taxes  
Classes  
Withholding  
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**Governance & Research**  
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Home / Governance / Reports and Statistics

**Reports and Statistics**

The Idaho State Tax Commission collects data and prepares reports on a range of topics. Many of these reports are available to the public. Let us know if you have difficulty accessing any of these documents.

**Multi-tax Reports**

- Annual Report
- Comparative Statement
- Idaho's Tax Gap
- Tax Burden Study

**Deductions and Credits**

- FY2019 General Fund Revenue Book (GFRB)
- FY2019 GFRB - Revision of certain pages
- FY2019 Income Tax
- FY2019 Sales Tax

**On This Page**

- Multi-tax Reports
- Deductions and Credits
- Income Tax
- Product Taxes
- Sales and Use Taxes
- Travel & Convention Tax
- Property Tax - Policy
- Property Tax - Appraisal
- Property Tax - Budget & Levy**
- Property Tax - Personal Property
- Property Tax - Reduction (PTR)

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# L-2 Forms

- On the web page, there will be 2 types of L-2s:
  - School districts will use the “General” form on STC website
  - Spreadsheet adapts to the selected district/form type
  - Some values are auto-filled when a district is selected (e.g., prior year operating property), so be certain that you have the correct district!
    - Selecting “School” as the form type and “Blaine County” as the district name will NOT fill values for Blaine County School District
    - Scroll through the list of districts until you find the correct one (e.g., “Blaine School #61”), then verify the auto-filled values on the L-2 Worksheet




## Calculating the Maximum Tort Fund Property Tax Budget





# Calculating the Maximum Tort Fund Property Tax Budget

- Highest tort fund p-tax budget of the immediate prior 3 years (including any p-tax replacements except solar farm tax) increased by 3%
- New construction current year's value multiplied by the preliminary levy rate
  - Value of annexations, if applicable, also multiplied by its respective preliminary levy rate
  - New construction and annexation budget growth capped at 5%
- Expiring urban renewal increment value reduced to 80% and multiplied by the new construction preliminary levy rate 
  - Not subject to the same cap as new construction & annexations
- Sum of all above equals total tort fund p-tax budget
  - Not necessarily what can be levied
- **Minus** any current year's p-tax replacement revenue received
- Results in maximum tort fund p-tax that can be levied



## Example: Computing 3% Increase

Year	2021	2022	2023
Total tort fund p-tax amount levied	124,389	130,678	136,218
Agricultural Equipment Replacement Money	28	28	28
Personal Property Replacement Money	1,318	1,318	1,568
*Recovered Homeowner's Exemption	0	110	0
Total Property Tax Replacement monies	1,346	1,456	1,596
Total tort fund p-tax amount levied plus property tax replacements	125,735	132,134	137,814

$\begin{array}{r} \$ 137,814 \\ \times 0.03 \\ \hline \$ 4,134 \end{array}$	$\begin{array}{r} \$ 137,814 \\ + 4,134 \\ \hline \$ 141,948 \end{array}$ <p style="font-size: small;">(total plus 3% increase)</p>	$\begin{array}{r} \$137,814 \\ \times 1.03 \\ \hline \$141,948 \end{array}$
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\* = Total received by district between July 1<sup>st</sup> thru June 30<sup>th</sup> each year.



# Preliminary Levy Rates

- Provide budget increases for school districts' tort funds
- Multiplied by any applicable new construction, annexation, or terminating urban renewal values
- Increases from new construction & annexations subject to 8% cap
  - If district is taking 3% annual increase to tort budget, then increases from new construction & annexation limited to 5%
- Increases from terminating urban renewal allowed to exceed 8% cap



# Preliminary Levy Rates

For new construction:

- Highest of the last 3 years
  - Tort levy including replacements except solar farm tax
- Add 3%
- Divide that sum by 2024 locally assessed net taxable value plus prior year's operating property value

Base growth →  $100,000 \times 3\% = \underline{3,000}$

Then,

2024 net taxable + 2023 operating property →  $400,000,000 + 470,000$

Divide those figures →  $103,000 / 400,470,000$

New construction preliminary levy rate → .000257198



## Preliminary Levy Rates (Cont'd)

For new construction:

- Multiply the preliminary levy rate by the new construction value to determine tort budget increase allowed
- New construction value is required to be reduced to 90% value by the assessor
- Example:
  - NC preliminary levy rate = 0.000257198
  - NC roll value = \$19,435,000
  - NC budget increase =  $0.000257198 \times \$19,435,000 = \$4,999$
  - If budget was \$100,000, then increase <5% and no cap issues

## Preliminary Levy Rates (Cont'd)

New construction example:

- Highest of the last 3 years = \$30,000
  - Plus 3% growth = \$30,900
- 2024 locally assessed net taxable value = \$200,000,000
- 2023 operating property value = \$25,000,000
- 2024 new construction value = \$8,000,000
  - Already reduced to 90%
  - Do not include expiring urban renewal with new construction as it is not subject to the same limit
- Preliminary levy rate = 0.000137333
- Preliminary levy rate X new construction = \$1,099
- Cap on new construction ( $8\% - 3\% = 5\% \times 30,000$ ) = \$1,500

## Preliminary Levy Rates (Cont'd)

New construction example #2:

- Highest of the last 3 years = \$30,000
  - Plus 3% growth = \$30,900
- 2024 locally assessed net taxable value = \$200,000,000
- 2023 operating property value = \$25,000,000
- 2024 new construction value = **\$11,000,000**
  - Already reduced to 90%
  - Do not include expiring urban renewal with new construction as it is not subject to the same limit
- Preliminary levy rate = 0.000137333
- Preliminary levy rate X new construction = **\$1,511**
- Cap on new construction (8% - 3% = 5% X 30,000) = \$1,500
- Would only be allowed to increase tort by \$1,500 (capped)

## Preliminary Levy Rates (Cont'd)

- For annexations or boundary changes:
  - Calculate preliminary levy rate similar to new construction
  - Rare for school districts
  - If applicable, must be in contact with the county and STC to ensure statutory requirements are met & levies are set correctly



## 2024 L-2 DASHBOARD

User Type: Local District or County Official?	Local District
Select District/Form Type From Drop Down Menu:	School
Select County From Drop Down Menu:	Kootenai
Select District Name from Drop Down Menu:	Kootenai School #274
Name of County or Counties This District Resides In:	
County Name:	
	Kootenai
Multi-County District: YES	Benewah
More than two counties: NO	

<b>Percent Base Budget Growth Requested (max 3%)</b>		<b>3.0%</b>
Total 2024 Net Taxable Value + Estimated Sub-roll: (not including Operating Property)	Kootenai	
	Benewah	
Enter 2024 New Construction value: (reported by County Assessor at 90%)	Kootenai	
	Benewah	
Did this district have an annexation in 2024?		
Enter the amount of funds received from the School District Facilities Fund in tax year 2024, including any annualized payments from the School Modernization Facilities Fund (if applicable):		



### This Section Does Not Apply to School Districts

	\$ -

### Non-Exempt Budget Increase Calculation Summary

This section summarizes the allowable increases from the highest non-exempt property tax budget of the last 3 years (including replacements other than solar farm tax) (see 'L-2 worksheet' tab for calculation detail)		
Base budget increase selected (up to 3% selected above)	3.00%	\$ 5,357
New construction budget increase	6.81%	\$ 12,165
Effect of 8% cap on new construction & annexation increases	-1.81%	\$ (3,235)
Terminating Urban Renewal allowable increase	0.00%	\$ -
Effect of changing solar farm tax revenue	0.00%	\$ -
Other reductions to levying authority	-0.66%	\$ (1,174)
N/A (Only applies to cities)	0.00%	\$ -
<b>Total non-exempt budget increase</b>	<b>7.34%</b>	<b>\$ 13,113</b>





2024 L-2 Worksheet

District Name: Sample District

District Type: School

**Allowable Base Budget Calculation:**

Highest Non-Exempt P-Tax Budget + P-Tax Replacement (from the 'Maximum Budget & Forgone Amounts Worksheet')	(1)	\$	178,582
Selected Base Budget Growth (up to 3% of line 1)	(2)	\$	5,357

**New Construction, Annexation, & Expiring Urban Renewal Allowable Budget Increases Calculation:**

2023 Value of District's Operating Property from Each Applicable County:		Value	
Kootenai	(3a)	\$	390,671,680
Bonner	(3b)	\$	1,367,046
	(3c)		
	(3d)		
Total 2023 Operating Property Value (total of lines 3a thru 3d):	(3)	\$	392,038,726
2024 District's Net Taxable Value & Estimated Sub-roll from Each Applicable County:		Value	
Kootenai	(4a)	\$	4,746,715,955
Bonner	(4b)	\$	21,580,548
	(4c)	\$	-
	(4d)	\$	-
Total 2024 Net Taxable Value & Estimated Sub-roll (total of lines 4a thru 4d):	(4)	\$	4,768,296,503
Preliminary Levy Rate for New Construction:			
2024 New Construction Preliminary Levy Rate ((line 1 + line 2)/(line 3 + line 4))	(5)		0.000035645
2024 Value of District's New Construction Roll from Each Applicable County:		Value	
Kootenai	(6a)	\$	339,486,133
Bonner	(6b)	\$	1,786,245
	(6c)	\$	-
	(6d)	\$	-
Total New Construction Roll (NOT including expiring Urban Renewal) (total of lines 6a thru 6d)	(6)	\$	341,272,378
New Construction Roll Allowable Budget Increase (multiply line 5 by line 6)	(7)	\$	12,165
2024 Value of District's Annexed Property:			
2024 Full Taxable Value of Annexation from Property Assessed by County	(8)	\$	-
90% of Annexation Value Assessed by County	(9)	\$	-
Estimated Value of Annexed Operating Property (line 8 divided by line 4, then multiplied by line 3)	(10)	\$	-
2024 annexation preliminary levy rate ((line 1 + line 2)/(line 3 + line 4 + line 10))	(11)		0.000035645
Annexation allowable budget increase (multiply line 9 by line 11)	(12)	\$	-



**2024 Expiring Urban Renewal:**

Total expiring Urban Renewal value	(13)	\$	-
80% of expiring Urban Renewal value	(14)	\$	-
Expiring Urban Renewal budget increase (line 5 multiplied by line 14)	(15)	\$	-
Total Tort Fund Property Tax Budget (before P-tax Replacement and other deductions):			
Total uncapped budget growth potential (Add lines 1+2+7+12+15)	(16)	\$	196,104
Total capped growth (max 8%) (line 1 X 1.08 + line 15)	(17)	\$	192,869
Total tort fund allowed before replacements are subtracted (lesser of lines 16 and 17)	(18)	\$	192,869
Property Tax Replacements:			
Yearly amount of the agricultural equipment replacement money	(19)	\$	3,437
Yearly amount of the 2013 personal property replacement money	(20)	\$	60,540
Yearly amount of the 2022 personal property replacement money	(21)	\$	11,884
Additional revenues to be subtracted from levying authority:			
Recovered Homeowner's Exemption property tax	(22)	\$	1,174
Other reductions reported in columns 3 and 4 of the Recovered/Recaptured Property Tax list	(23)	\$	-
Total of lines 19 thru 23	(24)	\$	77,035
Solar Farm Tax:			
Solar Farm Tax received in the prior year (7/1/22 - 6/30/23)	(25)	\$	-
Solar Farm Tax received in the current year (7/1/23 - 6/30/24)	(26)	\$	-
Fire District Annexation (Cities Only):			
Not Applicable	(27)	\$	-
Forgone Amounts Section:			
Not Applicable to Schools	(28)	\$	-
Not Applicable to Schools	(29)	\$	-
Not Applicable to Schools	(30)	\$	-
Not Applicable to Schools	(31)	\$	-
Tort Fund Less Property Tax Replacement (Schools Only):			
If the total property tax replacements plus solar tax (Line 24 + Line 26) is less than or equal to the maximum tort fund (Line 18), the difference is shown here. This is the maximum amount of property tax that can be levied for the tort fund.	(32)		\$115,834
If the total property tax replacements plus solar tax (Line 24 + Line 26) is greater than or equal to the maximum tort fund (Line 18), the difference is shown here. The tort fund will be paid by the replacements (plus solar tax) and this is the minimum amount of property tax replacement that is to be subtracted from any other fund(s) levying property taxes.	(33)		



**2024 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: Example					
Fund Name	Total Approved Budget*	Cash Forward Balance & Other Revenue Not Shown in Columns 4 or 5	Revenue from School District Facilities Fund (IC§33-911) and annualized amounts paid under IC§33-914	Property Tax Replacement Plus Solar (Line 24 + Line 26 of 'L-2 Worksheet')	Balance to be levied Col. 2 minus (Cols. 3+4+5)
1	2	3	4	5	6
Tort	\$20,281			\$4,235	\$16,046
<b>NON-LEVIED FUNDS (must net zero)</b>					
Column Subtotal:	\$20,281			\$4,235	\$16,046
<b>Maximum Amount to be Levied for the Tort Fund:</b>					<b>\$16,046</b>
<b>Exempt Funds</b>					
<b>(Bonds, Supplementals, Plant Facilities, COSA, Tuition, Emergency, Budget Stabilization, &amp; Judgment Funds)</b>					
2023 Supplemental	\$1,000,000				\$1,000,000
2005 Bond	\$318,272		\$123,456		\$194,816
2009 Bond	\$617,822				\$617,822
2019 Plant Facility	\$1,146,520				\$1,146,520
Column Subtotal:	\$3,082,614		\$123,456		\$2,959,158
<b>Column Total:</b>	<b>\$3,102,895</b>		<b>\$123,456</b>	<b>\$4,235</b>	<b>\$2,975,204</b>
<b>Expected Totals (for balancing purposes)</b>			<b>\$123,456</b>	<b>\$4,235</b>	

Voter Approved Fund Tracker					
Attach to L-2 Form If Applicable					
District Name:					
Fund Name	Date of Election (If current year, attach copy of Ballot)	1st Calendar Year Levied	Term of Initiative	Annual Amount Authorized by Voters	
<b>Supplemental Funds</b>					
Temporary School Supplemental (IC §33-802(3))					
Permanent School Supplemental (IC §33-802(5))					
Plant Facilities to Transfer to Supplemental (IC §33-804)*					
<b>Plant Facilities &amp; COSA Funds</b>					
Plant Facilities (Maximum of 10 yrs)					
If voters approved an increase in the annual amount but did not change the term enter 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 enter 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)					

\*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% Explanation Required)	"YES" = Explanation Required
Current Year's Total Bond Fund (Reported on L-2 Col. 6):					\$	-	

Explanation (If Required):

Attach to your L-2 form and return to your County Clerk.

# What to Submit?

- 2024 Dollar Certification of Budget Request to Board of County Commissioners L-2 (Signed)
- Budget hearing publication
- Voter-approved fund tracker
- If new voter-approved fund:
  - Canvass of votes
  - Ballot language
- Also submit:
  - Excel L-2 file containing all completed documents for review
  - Greatly expedites review & approval

# Rule 803









- L-2 submitted to each county must be signed
  - Please submit the Excel doc with the signed version
  - County must have the signed version, STC will receive the Excel spreadsheet for efficient review
- Unless otherwise provided for in Idaho Code, budget requests for the property tax funded portions of the budget cannot exceed the amount published in the notice of budget hearing, if a budget hearing notice is required
- Subtract all replacement monies on the L-2 worksheet



## Q & A

What questions do you have for us?

## Appendix

-  ➤ Terminology
-  ➤ What is “New Construction”
-  ➤ School district exempt funds
-  ➤ Effects of boundary changes on bonds
-  ➤ Plant Facilities Election Information
-  ➤ Ballot Language Information
-  ➤ District Boundary Changes
-  ➤ Fee Increases

# 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 *tort 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 voter-approved levies, emergency funds, judgment funds)

# 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
  - For school districts, the only fund in this category is the tort fund
- **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
  - For school districts, the tort fund amount minus the replacements & revenue described above

# Terminology

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

## By the way, 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
  - Change of land use



# New Construction

## I.C.§63-301A & §63-802 & Rule 802

- Includes 90% of taxable property first on tax roll in the current year:
  - New structures and newly occupied residences
  - Additions/alterations to existing non-residential structures
  - Installation of new/used manufactured housing that did not previously exist within the county
  - Newly taxable as a result of loss of inventory exemption (63-602W)
  - Improvements/installation of equipment used in conjunction with generation of electricity (not associated with apportioned property)
  - Prior eligible new construction identified and reported to county assessor (5-year limit to look back)

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

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.

## Effects of Boundary Changes on Bonds

- I.C. §33-311
  - For school district consolidations, the debt shall remain an obligation of the property which incurred the indebtedness
- I.C. §33-308
  - For other boundary changes (annexations), bonded indebtedness remains tied to the district

## Plant Facilities Election Information (I.C. §33-804)

- Election has varying majorities required which are based on predicted levy rates including bonds (use prior year's values to estimate levy rate)
  - Levy rate < .002
    - 55% majority vote required
  - Levy rate  $\geq$  .002 and < .003
    - 60% majority vote required
  - Levy rate  $\geq$  .003
    - Two-thirds (66.67%) majority vote required

# Ballot Language

- STC is offering to review taxing district property tax-related ballot measure's language before ballots are printed
- Bonds only – I.C. §34-913 outlines information that is to be on the official statement and the ballot for bonds
- Non-bond issues – (I.C. §34-914) 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 from the levy;
  - 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
  - If replacing existing levy of same type, may include additional statement about the end of the previous levy and the proposed change in cost per \$100,000 of taxable assessed value

# District Boundary Changes

- General document requirements:
  - 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 10<sup>th</sup> of the effective year
    - The ordinance, order, or resolution must be signed by December 31<sup>st</sup> 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: [gis@tax.idaho.gov](mailto:gis@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: <https://tax.idaho.gov/gis/>

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

# Fee Increase

## Per Idaho Code §63-1311A

- Increase in excess of 5% of:
  - The last fee collected (individual not cumulative total), or
  - A decision to impose a new fee otherwise payable from property tax (see I.C. §63-1311)
- Requires notifying the public by:
  - Newspaper as defined by Idaho Code §60-106, or
  - 3 public meetings held in 3 different locations within the district's boundary, or
  - Single mailing notice to all district's residents

What do school districts do with the School District Facilities Funds (SDFF) in 2024?



SDFF must be shown on the L-2 to reduce the levies for any bonds, temporary supplementals, or plant facilities that would be levied (in that order!).

What about the new School Modernization Facilities Funds?

Depends on whether the district opts for lump sum or annualized payment. If opting for annual payment, funds must be used same as SDFF (subtracted on the L-2 form).

