

A wide banner image showing a scenic view of the Idaho mountains. In the foreground, there are green evergreen trees. Behind them are rolling hills and then a range of rugged, rocky mountains with some snow patches. The sky is bright blue with scattered white clouds.

Idaho State Tax Commission

2024 Budget and Levy Training General 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

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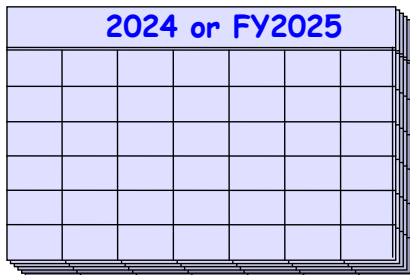
Agenda

- Property Tax Overview
 - Roles/Responsibilities
 - Key Terms & Concepts
- 1st Break (10-15 mins)
- Forgone Amounts
- 2023-2024 Legislative Changes
- Max Property Tax Budget Calculations
- 2nd Break (10-15 mins)
- Required Forms
- L-2 Examples & Demo



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?



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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 4th 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 sales tax revenue sharing and property tax replacement dollars
6. Calculate gross earnings tax and notify counties of amounts for solar, wind, geothermal, electrical and natural gas co-ops
7. Maintain registry of urban renewal plans
8. Certify homeowner tax relief amounts by the 3rd Monday of September



*Flood Control, Watershed, Herd, Levee, Infrastructure, and most Fire districts do not receive operating property values



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Limitations

- Focus is on revenue, not expenditures
 - State Tax Commission (STC) does **NOT** oversee or govern expenditures
 - Expenditure questions go to:
 - Associations of like districts
 - County (Idaho Association of Counties)
 - City (Association of Idaho Cities)
 - Highway Districts (Idaho Association of Highway Districts)
 - Fire Districts
 - Independent auditors
 - Legal advisors
 - 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)



Taxing District Budget & Levy Responsibilities

1. Notify each county clerk of budget hearing date and location
 - Written notification required (I.C. §63-802A – due April 30 each year)
2. Comply with central registry requirements (State Controller's Office; SCO)
3. Provide required advertisements for budget hearing (if required), dates, location, times and publication of proposed budget
4. If forgone amount is to be used in budget (recovered), must have a public hearing and define, by resolution, how much and for what purpose (with L-2)
5. To accrue/reserve additional forgone, need resolution specifying amount by end of the year
6. Certify budget to county commissioners
 - Sign your L-2 form before submitting it to the county
 - Due to county by 9-5-2024
 - Request a 7-working day extension from the county – new due date 9-16-2024



Property Tax Budget Hearing Notification

I.C. §63-802A. NOTICE OF BUDGET HEARING.

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

(Prohibits property tax budget increases from 3%, new construction, annexation, recaptured forgone, and generating additional forgone)

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

Tax Commission's web address for rules: <http://adminrules.idaho.gov/rules/current/35/350103.pdf>



Property Tax Budget Hearing Notification

- Include date, time, & location of budget hearing
- Shows both expenditures AND revenues
 - Specifically shows revenues from property taxes
- Levied amount on L-2 cannot exceed the published revenue from property taxes



Good Examples of Budget Hearing Publications

NOTICE OF PUBLIC HEARING BUDGET FOR FISCAL YEAR 2022-2023 RAFT RIVER HIGHWAY DISTRICT CASSIA COUNTY, IDAHO

Notice is hereby given that a budget hearing will be held at the regular meeting of the Raft River Highway District on the 10th day of August, 2022, at 4:30 p.m., in Malta, Idaho, at the District Office, 320 North Main Street. A copy of the Raft River Highway District Budget for the 2022-2023 year may be inspected at the above-named office prior to the hearing.

ESTIMATED EXPENDITURES:

Administration	50,500.00
Capital Improvements	25,000.00
Commissioners Salaries	7,800.00
Engineering/Professional Fees	35,000.00
Insurance	27,241.00
Road Maintenance & Construction	965,000.00
City Tax Allocations	5,200.00
Equipment Purchases	260,365.22
Supplies & Repairs	88,000.00
Gas, Oil & Diesel	100,000.00
TOTAL ESTIMATED EXPENDITURES	\$1,564,106.22

ESTIMATED REVENUE:

Property Tax Levies	339,288.72
Property Tax Replacement	25,991.00
Federal Forest	39,000.00
Sales Tax	106,678.00
Gross Earnings	60,000.00
Miscellaneous	3,000.00
Malta City Agreement	2,000.00
Highway Users Revenue	809,148.50
Equipment Rollover	179,000.00
TOTAL ESTIMATED REVENUE	\$1,564,106.22

Citizens are invited to attend the budget hearing concerning the entire budget. A copy of the proposed budget in detail is available at the Raft River Highway District office at 320 North Main Street, in the city of Malta, Idaho for inspection during the following hours: 9:00 a.m. to 1:00 p.m. Monday through Thursday.

At the hearing, the Board of Commissioners of the Raft River Highway District will explain the budget and hear any objections thereto.

Dated this 25th day of July 2022



Bad Examples of Budget Hearing Publications

██████ RURAL FIRE DISTRICT ████ PROPOSED 2023 BUDGET
The following is the proposed 2023 budget for the ██████ Rural Fire District ████:

Anticipated Expenditures:

Fire Calls	\$92,100
Wages for Station Duties	\$72,600
Payroll Taxes	\$13,000
Fuel	\$20,000
Repairs	\$24,000
Supplies	\$15,000
Utilities	\$18,000
Insurance	\$24,000
Fire School	\$300
SIRCOMM	\$4,000
Medical	\$3,000
Commissioner Expenses	\$3,500
Equipment & Facilities	\$30,500
New Equipment	\$32,000
New Fire Apparatus	\$180,000
	<hr/>
	\$532,000

A public hearing will be held Tuesday, August 9, 2022 at 6:00 p.m. at the ██████ Rural Fire Station, ██████, Idaho.
/s/ ██████ Secretary
PUB: 7/28/22 & 8/4/22



Bad Examples of Budget Hearing Publications

BUDGET FOR FISCAL YEAR 2022-2023
2022-2023 Budget
██████ Cemetery District
Proposed Expenditures

Wages/Personnel.Benefits	\$ 2,750.00
Utilities	\$ 1,300.00
Repairs-Maint-Equip/Grounds	\$ 15,000.00
Prof Services-Legal	\$ 300.00
Fuel	\$ 2,000.00
Insurance	\$ 550.00
Office Supplies/Software	\$ 250.00
Other Business Expenses	\$ 1,000.00
Total Budget	\$ 23,150.00



Taxing districts and code sites that require a public budget hearing and/or publication of budgets (available on [STC website](#))

Public Budget Hearing Requirements			
District	Code	Required?	Budget Publish Required?
County	31-1605	Y	31-1604
City	50-1002	Y	50-1002
School	33-801	Y	33-801
Ambulance	N/A	?	N/A
Auditorium	N/A	N	N/A
Cemetery	27-125	Only if proposed budget in excess of \$3,500	27-126
Pest Control	N/A	?	N/A
Fire	31-1422	Y	31-1422
Flood Control	42-3113	May be addressed at required monthly meetings.	N/A
Highway	40-1325	Y	40-1326
Hospital	39-1333	Public hearing required if M&O levy exceeds 0.04%.	No
Community Infrastructure	50-3114	Y	50-3114
Community College	N/A	N	N/A
Library	33-2725	Y	33-2725
Abatement	N/A	?	N/A
Port	70-1703	Y	70-1704
Recreation	31-4329	Y	31-4330
Sewer & Water	42-3228	Y	42-3229



Local Governing Entities Central Registry

SCO contact: (208) 334-3100 – registry@sco.idaho.gov

- Requires local entities, including all taxing and special districts **except school districts**, to register with the state registry. This includes urban renewal districts and entities that charge fees.
- Account information to be updated annually by December 1st (prior year information)
 - If unable to meet this deadline, contact SCO
 - SCO notifies counties and STC of noncompliant entities
- Penalties for noncompliance (I.C. §67-1076):
 - Frozen property tax
 - Withheld sales tax
 - Counties may charge fees





Property Tax Principles



Basic Property Tax

- Total budget minus non-property tax revenue equals property tax (P-tax) budget
 - Not affected by tax relief (HB292 / HB521)
- Levy rate computed by dividing the P-tax budget by the net taxable value of district
 - 9 decimal places

$$\frac{\$100,000 \text{ P-Tax}}{\$ 100,000,000 \text{ Net Taxable Value}} = 0.001$$



Effects of Market Value Changes on Levies

- Assuming the budget remains constant: the higher the taxable market value, the lower the levy rate becomes
 - (disregards urban renewal effects)

P-Tax Budget	Taxable Value	Levy Rate
55,000	137,500,000	0.0004
55,000	140,000,000	0.000392857
55,000	175,000,000	0.000314286



Budget vs. Levy Limit

- Idaho law provides limits for both P-tax budgets and levy rates
 - The stricter of the two limitations applies
- Levy limit cannot be exceeded without express statutory authority
- Scenario:
 - A taxing district's statutory M&O levy limit is 0.0004. Its maximum, non-exempt property tax potential budget is \$55,000 and its total net taxable market value is \$125 million.



Budget NOT Allowed
Because levy limit exceeded

$$\frac{\$55,000}{\$125,000,000} = 0.00044$$

Budget Allowed
Because levy limit not exceeded

$$\frac{\$50,000}{\$125,000,000} = 0.0004$$

Rollback = \$5,000



Adding New Funds

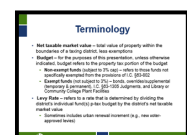
- County and City have multiple funds to choose from:
 - Assume that a county has a maximum property tax budget of \$200,000 and it wants to add a museum fund
 - The county can add funds as they need (except ambulance)
 - However, cannot exceed their maximum P-tax budget of \$200,000 (need to reallocate how funds are distributed)
 - The statutory levy limit of .0003 for museums doesn't allow a county to exceed its maximum allowable budget

Fund	Budget	Fund	Budget
M&O	100,000	M&O	100,000
Tort	50,000	Tort	50,000
Parks	50,000	Parks	50,000
		Museums	?????



Property Tax Budget Increases

- Highest non-exempt P-tax budget of the prior 3 years increased by 3%
 - Including P-tax replacement money except solar tax revenue
- New construction increases
- Annexation increases
- Expiring Urban Renewal increases (not capped)
- Minus** P-tax replacement monies
- Plus** forgone recovered into current year's budget
 - if any, resolution required



These budget increases cannot exceed 8%



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 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. <u>Total of fund and override levy rate can't exceed the fund's levy limit.</u>
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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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
Override Funds Available to All Districts				
2 Yr Override I.C. §63-802				
Permanent Override I.C. §63-802				
Plant Facilities Funds for Library, and Community College districts				
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:				

Voter-Approved Fund Tracker

Each voter-approved fund should be included on this page of the L-2 Excel spreadsheet

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.



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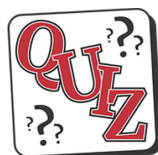
Property Tax Replacements

- Money that is added in for determining the highest of the last 3 years
 - 3% growth includes replacement monies (not solar)
- Agricultural Equipment Replacement
 - Unchanged amount since 2006
- Personal Property Reimbursement
 - Constant amounts from 2013 – 2021
 - 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



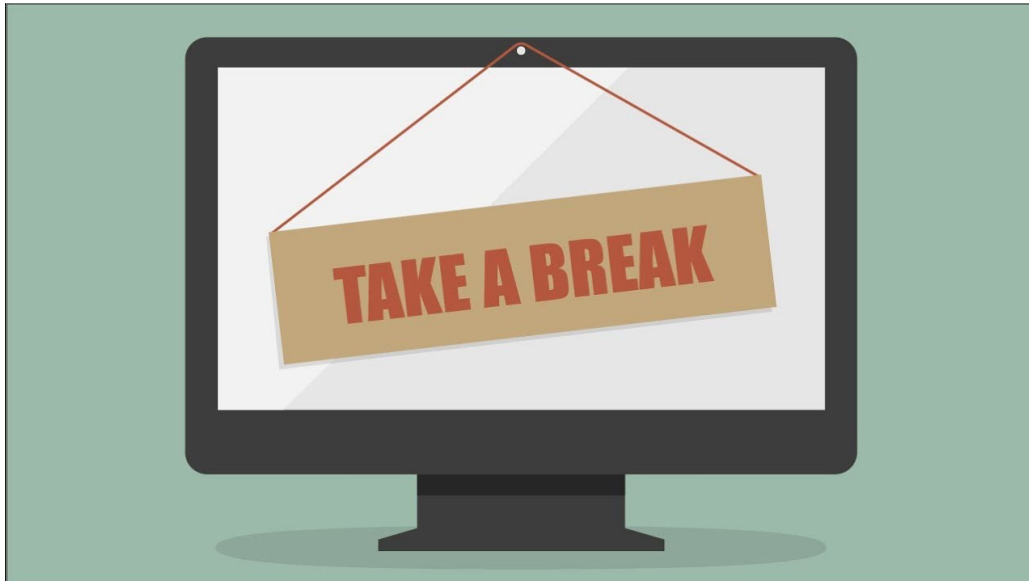
Solar Farm Tax

- 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



Break

Time for a 10-minute break



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Forgone Amounts

- Amount of a *previously allowable increase* in non-exempt property tax portion of budget that was NOT taken*
- Example:
 - After certifying in 2023, the highest non-exempt property tax budget of last 3 years was \$100,000
 - Including replacements but not solar farm tax
 - No new construction, annexation, or replacements
 - $\$100,000 \times 3\% = \$3,000 = \$103,000$ max for 2024
 - District certifies \$102,000 in 2024
 - Forgone amount available to reserve = \$1,000

*Does not take into consideration levy rate limits



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Forgone Amounts (Cont'd)

- Example #2 (reduced budget):
 - After certifying in 2023, the highest non-exempt property tax budget of last 3 years was \$100,000
 - No new construction, annexation, or replacements
 - $\$100,000 \times 3\% = \$3,000 = \$103,000$ max for 2024
 - District certifies **\$90,000** in 2024
 - Forgone amount available to reserve = \$3,000
 - NOT \$13,000



Forgone Amounts (Cont'd)

- Never expires
- Requires a resolution to reserve additional and/or recover
 - Resolution to recover due with L-2 form
 - Resolution to reserve due by year-end
- Can be recovered with limitations:
 - Extra 1% increase for general purposes
 - Adds to future budget capacity
 - 3% temporary increase for “capital projects”
 - Tracked separately and not added into base property tax budget
 - Does NOT add to ongoing budget capacity
- Forgone recovered into the budget is not subject to the 8% cap
 - Could increase 4% in addition to the 8% (plus expiring U/R)



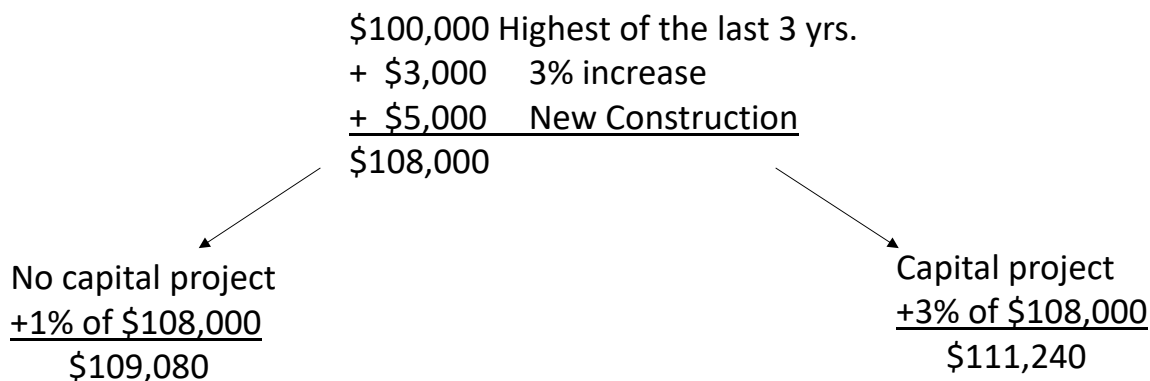
Capital Projects

- Defined in I.C. §63-802:
 - “The construction, expansion, renovation, or replacement of public facilities, including the acquisition of land and other site improvements;
 - The construction, expansion, or reconstruction of public works improvements, including roads, bridges, water systems, sewer systems, and broadband systems; and
 - The purchase of equipment with a useful life of ten (10) years or more.”



Forgone Amounts (Cont'd)

- Example #3:
 - Expanding budget capacity by recovering forgone amounts
 - \$5,000 forgone balance



For M&O and capital projects = up to 4%
 $\$108,000 \times 1.04 = \$112,320$



Forgone Amounts (Cont'd)

- A resolution is required to reserve forgone for future years

LIBRARY DISTRICT #1

RESOLUTION 1-2020

Statute requires the resolution specify a dollar amount or property taxes being reserved.

WHEREAS, Library District #1 intends to reserve its current year's forgone amount in the amount of \$500 and,

WHEREAS, the Library District #1 has met the notice and hearing requirements in Section 63-802, Idaho Code on reserve the current year's forgone amount,

NOW THEREFORE BE IT RESOLVED, by the majority vote taken by the Board of Library District #1 Trustees on August 5, 2020, that the above stated amount is to be included in its total forgone amount for use at a future date.

DATED this 5th day of August 2020

Required to hold annual budget hearing	Not required to hold annual budget hearing.
Public hearing requirement to reserve forgone may be in conjunction with annual budget hearing.	Must hold a public hearing in order to adopt resolution to reserve current year's forgone amount.



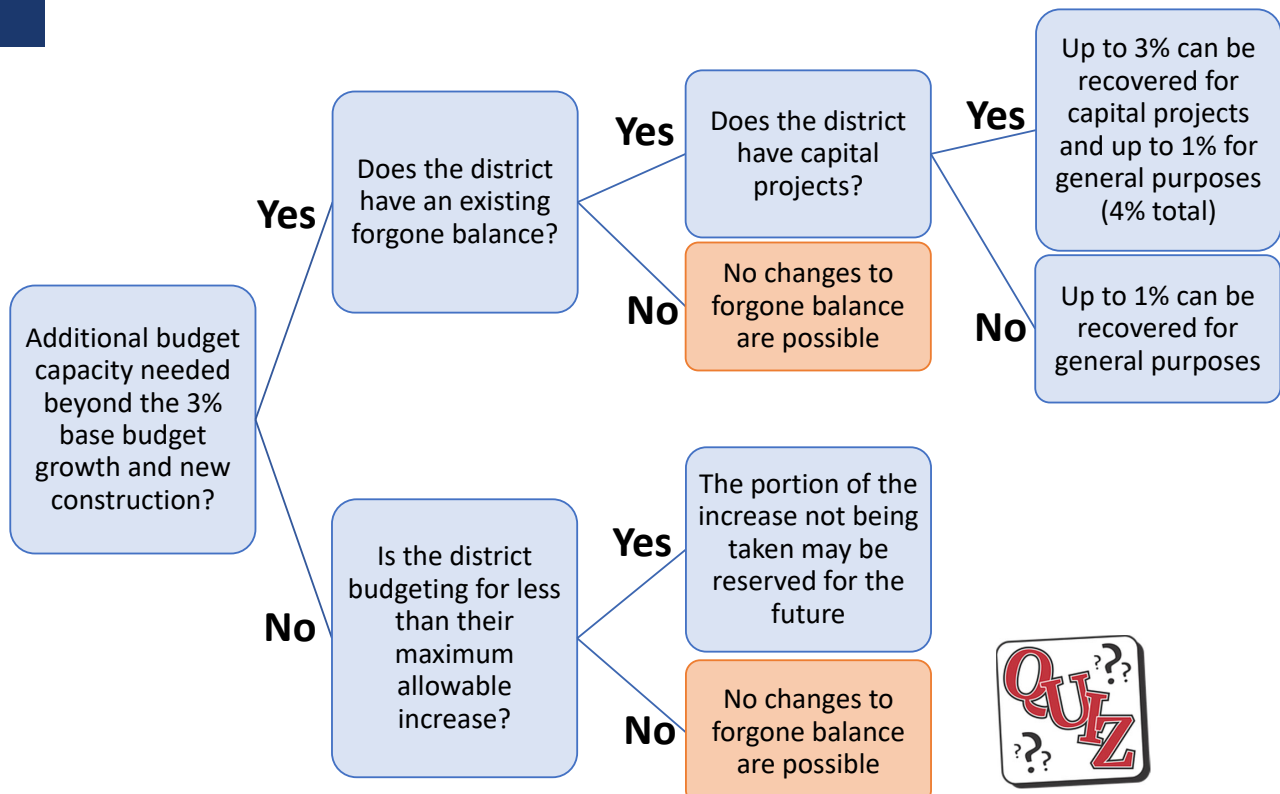
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Forgone: A Decision Tree



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Legislative Changes



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Previous Legislative Changes

- 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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Previous Legislative Changes

- HB 292 – Property Tax Relief (2023)
 - School District Facilities Fund reduces levying amounts for school districts
 - 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
 - ~~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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2024 Legislation

- HB 521
 - Removes August elections for schools
 - School District Facilities Funds (SDFF) must be used to reduce levies for plant facilities funds (after bonds & temp supplementals)
 - Homeowner Tax Relief (HTR) is appropriated to counties in Sept. using current year's values and prior year's eligible levy rates
 - Counties will calculate individual credits based on current eligible levies after they are certified (late Oct./early Nov.)
 - Relieves the timeline crunch of late Oct./early Nov. created by HB292



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2024 Legislation

- HB 574
 - Relating to the passage of new bonds and temporary overrides, restricts references to tax relief funds
 - 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 the ballot, the fund expiration year must also be included



Other Legislative Discussions

- Annexations/Consolidations:
 - No bills printed, but lots of discussion & language drafting
 - Especially for fire districts
 - Proposed language would have allowed consolidations by providing an exception to the 8% cap
 - Including annexations of “all territory of another district providing the same services”
 - Fire & cemetery district consolidations are currently treated as annexations (subject to 8% increase max)





Calculating the Maximum Non-Exempt Property Tax Budget



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Calculating Maximum Non-Exempt Property Tax Budget

- Highest non-exempt P-tax budget of the prior 3 years (including applicable P-tax replacement money) increased by 3%
- Add any solar farm tax received from the immediate prior year (doesn't get 3% increase)
 - Affects Ada, Elmore, Owyhee, & Power Counties (and their joint districts in other counties)
- New construction roll (90% of ordinary NC value) multiplied by the preliminary levy rate to generate budget increase from NC
- 90% of the annexation value multiplied by the annexation preliminary levy rate to generate budget increase from annexations
 - The above budget increases cannot exceed 8%
- 80% of increment from expired Urban Renewal multiplied by the NC preliminary levy rate to generate budget increase from Urban Renewal (not subject to 8% cap)
- **Minus** P-tax replacement revenue received, revenue received from Solar Farm tax, (from July 1, 2023 through June 30, 2024)
- **Plus** forgone recovered into current year's budget (if any; resolution required)
- Results in maximum non-exempt P-tax that can be levied



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Example: Computing 3% Increase

Year	2021	2022	2023
Total levied non-exempt p-tax budget	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 levied non-exempt property tax budget 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 \text{ (total plus 3\% increase)} \end{array} $	$ \begin{array}{r} \$137,814 \\ \times 1.03 \\ \hline \$141,948 \end{array} $
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* = Total received by district between July 1st thru June 30th each year.



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Preliminary Levy Rates

- Provide budget increases for taxing districts
 - Designed to estimate the district's levy rate and provide increases for new construction & annexation at that rate
- Multiplied by 90% of new construction & annexation values
 - Increases from new construction & annexations subject to 8% cap
 - If district is taking 3% annual budget increase, then increases from new construction & annexation limited to 5%
- Multiplied by 80% of terminating urban renewal increment values
 - Increases from terminating urban renewal allowed to exceed 8% cap



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Preliminary Levy Rates

For new construction:

- Highest of the last 3 years' non-exempt budgets
 - 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 → $1,000,000 \times 3\% = \underline{30,000}$

Then,

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

Divide those figures → $1,030,000 / 400,470,000$

New construction preliminary levy rate → .002571978



Preliminary Levy Rates (Cont'd)

For new construction:

- Multiply the preliminary levy rate by the new construction value to determine budget increase allowed
- New construction value is required to be reduced to 90% value by the assessor
- Example:
 - NC preliminary levy rate = 0.002571978
 - NC roll value = \$19,440,000
 - NC budget increase = $0.002571978 \times \$19,440,000 = \$49,999$
 - If budget was \$1,000,000, then increase <5% and no cap issues



Preliminary Levy Rates (Cont'd)

New construction example:

- Highest of the last 3 years including replacements = \$900,000
 - Plus 3% growth = \$927,000
- 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 = 0.004120000
- Preliminary levy rate X new construction = \$32,960
- Cap on new construction ($8\% - 3\% = 5\% \times 900,000$) = \$45,000



Preliminary Levy Rates (Cont'd)

- For annexations:
 - Highest of the last 3 years (including replacements) + 3%
 - Locally assessed annexed value divided by locally assessed net taxable value = locally assessed portion of value related to annexation
 - Multiply that by prior year's operating property
 - Estimates operating property value for annexed area
 - Divide the highest of the last 3 years and 3% growth by:
 - 2024 locally assessed net taxable value, plus
 - prior year's operating property value, plus
 - annexed operating property value



Preliminary Levy Rates (Cont'd)

- For annexations:
 - Multiply the annexation preliminary levy rate by 90% of the value of the annexed area
 - This determines budget growth from the annexation
 - Subject to 8% cap on budget growth (combined with 3% & new construction allowable increases)
 - High new construction growth may cause annexation budget growth to be capped



Preliminary Levy Rates (Cont'd)

Annexation example:

- Highest of the last 3 years including replacements = \$900,000
 - plus 3% growth = \$927,000
- 2023 operating property value = \$25,000,000
- 2024 locally assessed net taxable value = \$200,000,000
- 2024 new construction value = \$8,000,000
- 2024 locally assessed annexation value = \$3,000,000
- Annexed operating property value = $\left(\frac{3,000,000}{200,000,000} \times 25,000,000\right) = \$375,000$
- NC Preliminary levy rate = 0.004120000
- Annex. Preliminary levy rate = $\frac{927,000}{375,000 + 200,000,000 + 25,000,000} = 0.004113145$
- NC Preliminary levy rate X new construction = \$32,960
- Annex. Preliminary levy rate X 90% annexation
= $0.9 \times 3,000,000 \times 0.004113145 = \$11,105$
- Sum of NC & annexation budget growth = \$44,065
- Cap on NC & annexations (8% - 3% = 5% X \$900,000) = \$45,000



Preliminary Levy Rates

2024 L-2 Worksheet				
District Name: Sample District		District Type:		
Allowable Base Budget Calculation:				
Highest Non-Exempt P-Tax Budget + P-Tax Replacement (from the 'Maximum Budget & Forgone Amounts Worksheet')	(1)	\$	3,306,083	
Selected Base Budget Growth (up to 3% of line 1)	(2)	\$	99,182	
New Construction, Annexation, & Expiring Urban Renewal Allowable Budget Increases Calculation:				
2023 Value of District's Operating Property from Each Applicable County:		Value		
Ada	(3a)	\$	242,058,117	
	(3b)			
	(3c)			
	(3d)			
Total 2023 Operating Property Value (total of lines 3a thru 3d):	(3)	\$	242,058,117	
2024 District's Net Taxable Value & Estimated Sub-roll from Each Applicable County:		Value		
Ada	(4a)	\$	1,578,910,120	
	(4b)	\$	-	
	(4c)	\$	-	
	(4d)	\$	-	
Total 2024 Net Taxable Value & Estimated Sub-roll (total of lines 4a thru 4d):	(4)	\$	1,578,910,120	
Preliminary Levy Rate for New Construction:				
2024 New Construction Preliminary Levy Rate ((line 1 + line 2)/(line 3 + line 4))	(5)		0.001870030	
2024 Value of District's New Construction Roll from Each Applicable County:		Value		
Ada	(6a)	\$	88,396,300	
	(6b)	\$	-	
	(6c)	\$	-	
	(6d)	\$	-	
Total New Construction Roll (NOT including expiring Urban Renewal) (total of lines 6a thru 6d)	(6)	\$	88,396,300	
New Construction Roll Allowable Budget Increase (multiply line 5 by line 6)	(7)	\$	165,304	



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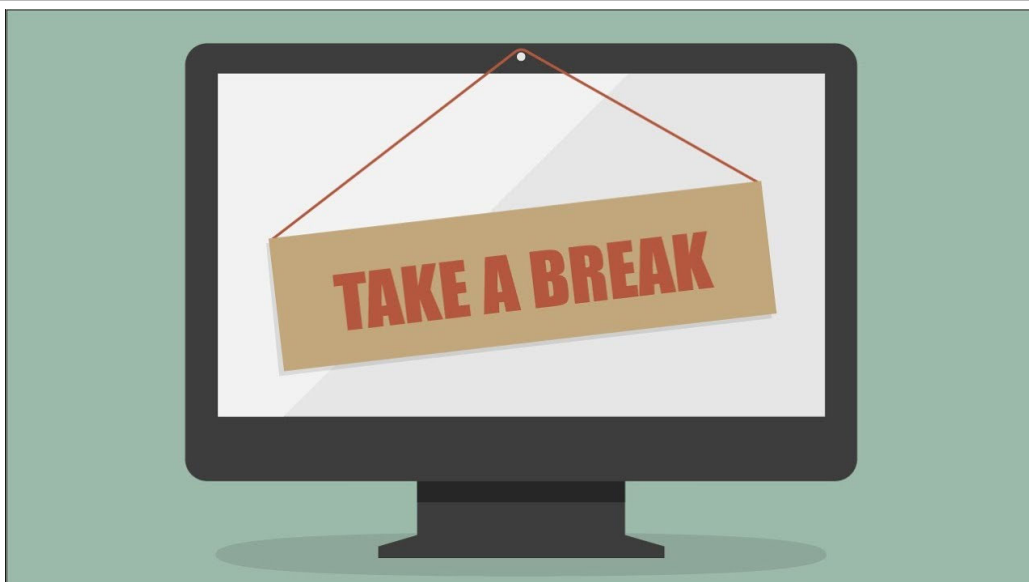
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Break

Time for a 10-minute break



State Tax Commission

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When is all this information available?

- Information available from the county clerk:
 - I.C. §63-802 property tax information is currently available and is on the STC's website. Look for the "Maximum Budget & Forgone Amounts Worksheet"
 - <https://tax.idaho.gov/governance/reports-and-statistics/>
 - New construction roll value – 4th Monday in July
 - Taxable value – 1st Monday in August
 - Locally assessed current year, estimated sub roll, & prior year operating property
 - Annexation values –
 - Real & personal (locally assessed) – 1st Monday in August
 - Operating property (assessed by STC) – 1st Monday in Sept.



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)
- Voter-Approved Fund Tracker (if applicable)
- Capital Projects Tracker (if applicable)
- L-2 forms at this web address:
 - <https://tax.idaho.gov/taxes/property/property-tax-forms-guides-by-category/?property-tax-category=budget-and-levy>
- Maximum Budget and Forgone Amount Worksheet
 - New [PowerBI report](#)



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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
- Business Income Tax
- Filing Income Taxes
- Income Tax Forms

Governance & Research

- Property Tax Oversight
- Open Meetings
- Laws
- Rules
- Decisions
- Policy Documents
- Reports and Statistics**

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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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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		
	2023 L-2 - County with Road & Bridge	2023	
	2023 L-2 - General	08-03-2023	✓

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



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GENERAL

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
Business Income Tax
Filing Income Taxes
Income Tax Forms

Governance & Research

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The screenshot shows the Idaho State Tax Commission website. The header includes the IDAHO logo and navigation links: Taxes, Online Services, Forms & Guides, Governance, About Us, Contact Us, and Employment. A search icon is also present. The breadcrumb trail reads: Home / Governance / Reports and Statistics. The left sidebar lists: About Us, Open Meetings, Rules, Reports and Statistics (highlighted), Policy Documents, Decisions, and Statutes. The main content area is titled 'Reports and Statistics' and contains the following text: '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.' Below this are two sections: 'Multi-tax Reports' with a bulleted list (Annual Report, Comparative Statement, Idaho's Tax Gap, Tax Burden Study) and 'Deductions and Credits' with a bulleted list (FY2019 General Fund Revenue Book (GFRB), FY2019 GFRB - Revision of certain pages, FY2019 Income Tax, FY2019 Sales Tax). On the right, an 'On This Page' sidebar lists: 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 (circled in red), Property Tax - Personal Property, and Property Tax - Reduction (PTR). The footer contains the IDAHO logo, 'State Tax Commission', the page number '58', and the slogan 'Great people. Helping you. Serving Idaho.' with a small document icon.

L-2 Forms

- On the web page, there will be 2 types of L-2 Excel workbooks:
 - General
 - 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 “Ambulance” as the form type and “Ada County” as the district name will NOT fill values for Ada County Ambulance
 - Scroll through the list of districts until you find the correct one (e.g., “Ada County Ambulance”), then verify the auto-filled values on the L-2 Worksheet
 - County with County Road & Bridge (NOT county-wide)
 - Sufficiently different to warrant a different form

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 needs a version that can be quickly/easily reviewed (Excel)
- 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



Let's Look at the L-2 Workbook Together



Recovery of Forgone Amounts:

District's Existing Forgone Balance:	\$ 5,517,990
Will the district use its forgone balance to increase this year's budget?	Yes
Max Forgone Allowed to Recover for Maintenance & Operations (up to 1%):	\$ 339,858
Enter Amount of Forgone to be Recovered for Maintenance & Operations:	\$ 339,000
Max Forgone Allowed to Recover for Capital Projects (up to 3%):	\$ 1,019,573
Enter Amount of Forgone to be Recovered for Capital Projects:	\$ 1,000,000
Please complete and submit a resolution to recover forgone	

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%	\$ 988,963
New construction budget increase	0.10%	\$ 31,383
Effect of 8% cap on new construction & annexation increases	0.00%	\$ -
Terminating Urban Renewal allowable increase	0.00%	\$ -
Effect of changing solar farm tax revenue	0.00%	\$ -
Other reductions to levying authority	0.00%	\$ -
Budget reduction if city annexed into fire district	0.00%	\$ -
Extra increase to the maximum budget from forgone amounts (Maintenance & Operations)	1.00%	\$ 339,000
Extra increase to the maximum budget from forgone amounts (Capital Projects)	2.94%	\$ 1,000,000
Total non-exempt budget increase	7.16%	\$ 2,359,346



2024 L-2 DASHBOARD

User Type: Local District or County Official?	Local District
Select District/Form Type From Drop Down Menu:	City
Select County From Drop Down Menu:	Power
Select District Name from Drop Down Menu:	City of Pocatello
Name of County or Counties This District Resides In:	
County Name:	Power
Multi-County District: YES	Bannock
More than two counties: NO	

Percent Base Budget Growth Requested (max 3%)	3.0%
Total 2024 Net Taxable Value + Estimated Sub-roll: (not including Operating Property)	Power \$ 12,345,678 Bannock \$ 1,234,567,891
Enter 2024 New Construction value: (reported by County Assessor at 90%)	Power \$ 1,234 Bannock \$ 1,234,567
Did this district have an annexation in 2024?	No
Does this district have expiring Urban Renewal?	No
Was this city annexed into a fire district this year?	No

"Recovered/Recaptured Property Tax and Refund List" form data	
Does this district receive Solar Farm Tax?	No
Did this district receive income from recovered homeowner's exemptions?	No
Does the "Recovered/Recaptured Property Tax and Refund List" form have any amounts in columns 3 or 4 for this district? (Other reductions)	No



2024 L-2 Worksheet

District Name: Sample District

District Type: City

Allowable Base Budget Calculation:

Highest Non-Exempt P-Tax Budget + P-Tax Replacement (from the 'Maximum Budget & Forgone Amounts Worksheet')	(1)	\$	32,965,423
Selected Base Budget Growth (up to 3% of line 1)	(2)	\$	988,963

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

2023 Value of District's Operating Property from Each Applicable County:		Value			
Power	(3a)	\$	347,087		
Bannock	(3b)	\$	89,816,013		
	(3c)				
	(3d)				
Total 2023 Operating Property Value (total of lines 3a thru 3d):	(3)	\$	90,163,100		
2024 District's Net Taxable Value & Estimated Sub-roll from Each Applicable County:		Value			
Power	(4a)	\$	12,345,678		
Bannock	(4b)	\$	1,234,567,891		
	(4c)	\$	-		
	(4d)	\$	-		
Total 2024 Net Taxable Value & Estimated Sub-roll (total of lines 4a thru 4d):	(4)	\$	1,246,913,569		
Preliminary Levy Rate for New Construction:					
2024 New Construction Preliminary Levy Rate ((line 1 + line 2)/(line 3 + line 4))	(5)		0.025394494		
2024 Value of District's New Construction Roll from Each Applicable County:		Value			
Power	(6a)	\$	1,234		
Bannock	(6b)	\$	1,234,567		
	(6c)	\$	-		
	(6d)	\$	-		
Total New Construction Roll (NOT including expiring Urban Renewal) (total of lines 6a thru 6d)	(6)	\$	1,235,801		
New Construction Roll Allowable Budget Increase (multiply line 5 by line 6)				(7)	\$ 31,383
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)		0.025394494		
Annexation allowable budget increase (multiply line 9 by line 11)				(12)	\$ -



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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 Non-Exempt Allowable Budget (before P-tax Replacement and other deductions):					
Total uncapped budget growth potential (Add lines 1+2+7+12+15)	(16)	\$	33,985,769		
Total capped growth (max 8%) (line 1 X 1.08 + line 15)	(17)	\$	35,602,657		
Total non-exempt budget allowed (lesser of lines 16 and 17)				(18)	\$ 33,985,769
Property Tax Replacements:					
Yearly amount of the agricultural equipment replacement money	(19)	\$	1,884		
Yearly amount of the 2013 personal property replacement money	(20)	\$	351,527		
Yearly amount of the 2022 personal property replacement money	(21)	\$	99,431		
Additional revenues to be subtracted from levying authority:					
Recovered Homeowner's Exemption property tax	(22)	\$	-		
Other reductions reported in columns 3 and 4 of the Recovered/Recaptured Property Tax list	(23)	\$	-		
Total of lines 19 thru 23				(24)	\$ 452,842
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):					
If annexed by a fire district, enter the amount spent on fire services in the prior year				(27)	\$ -
Forgone Amounts Section:					
Total forgone amount reported on the 'Maximum Budget and Forgone Amount Worksheet'	(28)	\$	5,517,990		
Forgone amount to be recovered in your budget for Maintenance & Operations (up to 1% of line 18).	(29)	\$	339,000		
Forgone amount to be recovered in your budget for Capital Projects (up to 3% of line 18).	(30)	\$	1,000,000		
Total forgone amount to be recovered in your budget (sum of lines 29 & 30; can't exceed what is reported on the attached				(31)	\$ 1,339,000
Tort Fund Less Property Tax Replacement (Schools Only):					
Not Applicable				(32)	
Not Applicable				(33)	
Maximum Allowable Non-Exempt Property Tax That Can Be Levied (Including Forgone Amount):					
Maximum non-exempt property tax budget including forgone amount (lines 18-24+25-26-27+31)				(34)	\$ 34,871,927



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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:

Fund Name	Total Approved Budget*	Cash Forward Balance	Other revenue NOT shown in Column 5	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
M&O	\$36,367			\$2,213	\$34,154
NON-LEVIED FUNDS (must net zero)					
Column Subtotal:	\$36,367			\$2,213	\$34,154

Maximum Allowable Non-Exempt Property Tax Amount to be Levied: \$34,554

Exempt Funds

(Bonds, Overrides, Judgment Funds, & Plant Facilities)

Column Subtotal:					
Column Total:	\$36,367			\$2,213	\$34,154

Expected Totals (for balancing purposes, values from 'L-2 Worksheet')

\$2,213

I, the undersigned, attest that a public hearing was held and a resolution was adopted to:

Max Reserved Forgone: \$400

RESERVE the current year's forgone amount, OR

Reserved Forgone:

RECOVER forgone amounts (line 29 of the 'L-2 Worksheet')

Recovered Forgone:

I have attached the adopted and signed resolution indicating the amount of forgone to be reserved or recovered.

I have attached the Capital Project Worksheet for additional forgone (if applicable).

Initials:



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Exempt Funds

(Bonds, Overrides, Judgment Funds, & Plant Facilities)

Column Subtotal:					
Column Total:	\$36,367			\$2,213	\$34,154

Expected Totals (for balancing purposes, values from 'L-2 Worksheet')

\$2,213

I, the undersigned, attest that a public hearing was held and a resolution was adopted to:

Max Reserved Forgone: \$400

RESERVE the current year's forgone amount, OR

Reserved Forgone:

RECOVER forgone amounts (line 29 of the 'L-2 Worksheet')

Recovered Forgone:

I have attached the adopted and signed resolution indicating the amount of forgone to be reserved or recovered.

I have attached the Capital Project Worksheet for additional forgone (if applicable).

Initials:

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

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

Printed Name	Signature of District Representative	Title	Date

Contact Name and Mailing Address	Email Address

Phone Number (###) ###-### EXT ###	Fax Number (###) ###-###

*Do not include revenue allocated to urban renewal agencies



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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
- Capital projects worksheet (if applicable)
- Also submit:
 - Excel L-2 file containing all completed documents for review
 - Greatly expedites review & approval



Q & A

What questions do you have for us?



Appendix

-  ➤ Terminology
-  ➤ School District Exempt Fund List
-  ➤ 2024 Taxing District Calendar
-  ➤ Max Statutory Levy Rates
-  ➤ At Max Levy Issues
-  ➤ Fee Increases
-  ➤ What is New Construction?
-  ➤ Effects of consolidation or boundary changes on bonds
-  ➤ Computation of Forgone Amounts
-  ➤ 3-Year Budget Trap
-  ➤ Special Situations
-  ➤ Elections & Dates
-  ➤ Overriding the 3% Budget Cap
-  ➤ Plant Facilities Fund Notes
-  ➤ Fire/Ambulance District Exemptions
-  ➤ City/Highway Split
-  ➤ District Formations/Alterations
-  ➤ Property Tax Legislative Timeline



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 voter-approved levies)



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, PP, 1305C refund/recapture, and U/R penalties. 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



Terminology

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



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.



2024 Taxing District Calendar

Date	Idaho Code or Rule	Description
3/25/2024	63-1312(1)	County auditor notifies each district, other than school districts, of the prior year's total taxable value within such district.
4/30/2024	63-802A	Each taxing district will notify each appropriate county clerk of the date and location of its budget hearing.
5/27/2024	Rule 805.03	County clerk to submit list of districts failing to notify regarding budget hearings as per 63-802A.
6/3/2024	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.
7/15/2024	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.
7/22/2024	Rule 802.08	County auditor shall report to each taxing district the value of new construction and annexation.
8/5/2024	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.
8/5/2024	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).
8/5/2024	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).
No later than September 1	50-2913(3)(b)	STC shall notify appropriate board of county commissioners and city council of any urban renewal agency that failed to register its plans with the STC registry.
RAA = Revenue Allocation Area		SCO = State Controller's Office
STC = State Tax Commission		URA = Urban Renewal Agency



2024 Taxing District Calendar

Date	Idaho Code or Rule	Description
9/3/2024	Rule 805.04	STC will provide a list of taxing districts that are noncompliant with SCO's central registry to county clerk(s).
9/3/2024	63-410(1)	STC will certify operating property values to each county auditor.
9/5/2024	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 nd Monday of September.
9/5/2024	Rule 810.01	STC will notify county clerks of the amounts distributed to each school district from the School District Facilities Fund. Levied amounts for each school district will be required to be reduced by these amounts.
9/16/2024	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.
9/16/2024	63-803(3)	Due date for taxing districts to certify their property tax budgets if granted an extension by the county commissioners.
9/23/2024	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.
10/28/2024	63-809(1)	Deadline for STC to approve budget and levies.
12/1/2024	67-1076	Before December 1 st , 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.
12/1/2024	50-2913(2)	URAs shall submit their plans to the STC central registry.
12/31/2024	63-802(1)(f)	Resolutions to reserve forgone amounts must be completed and submitted to the STC.
1/15/2025	67-1076(7)(b)	SCO notifies county commissioners and STC of every entity failing to provide required information.
Prior to 2/15/2025	63-810(1)(b)	Last day of discovery of an erroneous levy due to clerical, mathematical, or electronic error. If discovered after this date, no correction is allowed.
RAA = Revenue Allocation Area STC = State Tax Commission		SCO = State Controller's Office URA = Urban Renewal Agency



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Max Statutory Levy Rates

MAXIMUM STATUTORY LEVY RATES

This sheet is intended as an aid to help find maximum statutory limits of funds for all taxing districts. Where there is no specific decimal amount, refer to code section to insure correct application of law. (Revised: 5/11/22)

TAXING AUTHORITY	IDAHO CODE	MAX RATE
COUNTY		
Airport.....	21-404	.0004
For building and maintenance.		
Ambulance Service.....	31-3901	.0002 (No new funds after - 7/1/20)
Appraisal Program	63-314	.0004
Armory Construction	46-722	.0002
May jointly levy w/city. Total levy cannot exceed max levy.		
Bond Redemption	63-805, 31-1903	See Code
Building Construction	31-1008	.0006
Requires that a special election be held to create this fund and must pass with a 2/3 majority.		
Current Expense	63-805	.0026
Or a levy sufficient to raise \$250,000 whichever is greater.		
If there exists a Justice Fund, the maximum levy rate is 0.002 or a levy sufficient to raise \$250,000 whichever is greater.		
Justice	63-805	.002
Or a levy sufficient to raise \$250,000 whichever is greater.		
District Court.....	31-867	.0004

Currently available on the STC's website here:

https://tax.idaho.gov/wp-content/uploads/pubs/EPB00092/EPB00092_05-11-2022.pdf



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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)



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





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)



Consolidation/Boundary Changes & Bonds

Territory Withdrawn From District	
Fire District: (I.C. §31-1437)	<u>Shall</u> continue to be subject to taxation for the payment of the principal of and interest on any indebtedness.
Cities: (I.C. §50-225)	Such alteration <u>shall not</u> relieve any territory excluded from the limits of a city from its liability on account of any outstanding bonded or other indebtedness of such city.
Consolidation of District	
Library: (I.C. §33-2710(4))	Existing bonded debt of any district or districts <u>shall not</u> become the obligation of the consolidated library district. The debt shall remain an obligation of the property which incurred the indebtedness.
Hospital: (I.C. §39-1356)	Existing bonded debt of any district or districts <u>shall not</u> 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.



Computation of Forgone Amounts

- If recovering forgone amounts:
 - L-2 worksheet: line 28 minus line 31 = next year's forgone balance
 - Assumes the district uses all the budget capacity requested
- If reserving forgone amounts:
 - L-2 worksheet: sum of 3% (line 2), new construction (line 7), annexation (line 12), and urban renewal budget increases (line 15)
 - May be capped at 8%, except for UR
 - If levying less than the max allowable (line 34), then these increases may be reserved for the future

Note: line #s different for special "County w/R&B" form



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?

2021	2022	2023
\$ 629,405	\$ 547,139	\$ 581,165

Answer: **\$629,405 in 2021**

Assuming this district levies \$545,000 in 2024, what will be the highest budget of the last 3 years and what year did it occur?

Answer is: **\$581,165 in 2023**



Special Situations

- **Newly created districts** – those formed during 2023 or first eligible to levy property taxes in 2024. 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 2024 net taxable value.
- **Districts which did not levy during 2021, 2022, and 2023** – 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 2024 that have never levied any property taxes. Property tax budget may equal statutory maximum levy rate multiplied by 2024 net taxable value.



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 rd Tuesday in May
Tuesday following the 1 st Monday in November

If joint, involve all county clerks.



Overriding the 3% Budget Cap

- Available to all types of taxing districts
 - Two (2) year override –
 - Simple majority to pass
 - Temporary – expires in 2 years
 - Not allowed a 3% increase
 - Permanent override –
 - 2/3rd majority to pass (60% for qualifying cities)
 - Resets the non-exempt portion of a taxing 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



Overriding the 3% Budget Cap

Estimating the maximum amount of an override:

- A district's combined fund and override levy cannot exceed the fund's levy limit
- Below is one way to estimate the maximum p-tax amount of the override
- This example is based on a fire district wishing to use an override for its general fund (M&O; max levy rate = 0.0024)
- The district's maximum non-exempt p-tax budget (less replacements) is \$748,603



Overriding the 3% Budget Cap

Computation of Estimated Override

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

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

***Exact amount cannot be determined until September 2024 when values for setting levies are known**



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 2024 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 non-exempt p-tax budget would be \$4,187,831

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 Fire District					
Fund Name	Total Approved Budget*	Cash Forward Balance	Other revenue NOT shown in Column 5	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
M&O	\$4,092,102	\$300,000	\$1,120	\$18,151	\$3,772,831
NON-LEVIED FUNDS (must net zero)					
Column Subtotal:	\$4,092,102	\$300,000	\$1,120	\$18,151	\$3,772,831
Maximum Allowable Non-Exempt Property Tax Amount to be Levied:					\$3,772,831
Exempt Funds (Bonds, Overrides, Judgment Funds, & Plant Facilities)					
Permanent Override	\$415,000				\$415,000
Column Subtotal:	\$415,000				\$415,000
Column Total:	\$4,507,102	\$300,000	\$1,120	\$18,151	\$4,187,831
Expected Totals (for balancing purposes, values from 'L-2 Worksheet')				\$18,151	



Override Cautions

- Advise against including levy rates as part of ballot question
 - If voters approve the rate on the ballot and the values drop, the voter-approved levy rate would NOT generate the amount of money the district expected
 - In a permanent override, the binding effect of the rate could prevent future budget increases or even raising the same amount
 - Levy rate may be used as part of an example for demonstrating effects on taxpayers
- Use as much statutory 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. §34-913 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





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 2nd Monday in July, exempt all or a portion of the unimproved real property within the district from taxation, and may exempt all or a portion of the taxable personal property within the district from taxation. Note: Formation ballot language can make this option moot
- Any ordinance must provide that each category of property is treated uniformly
- Notice of intent to adopt an ordinance which exempts unimproved real property shall be provided to property owners of record in same manner as required in I.C. §67-6511(2)(b) (zoning district boundary change)
- Documentation required if option is used





Rule 808 – Documentation by Taxing Districts

- If 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



Fire District Exemptions I.C. §31-1425(1)

Utility Agreements:

- All public utilities shall be exempt from taxation by fire districts
- The board of fire protection commissioners may enter into an agreement with a public utility for the purpose of affording protection provided by the fire district to all, or such portion, of the property of the public utility as may be agreed upon. Any such agreement must be signed by both the fire district and the public utility.
- Copies of any agreement must be filed with the county clerk and the State Tax Commission. Considered in effect until cancelled by either party
- NUGs: Non-utility generators (e.g., small Hydros, and Anaerobic Digestors) pay property taxes to fire districts. No agreement required.



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:

2024 value of consenting utility	\$ 5,000,000
Fire district's 2023 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



Example of City/Highway I.C.§40-801(1)(a) Split Computation

Computation of City/Highway M&O Split

Enter the Highway District's Net Taxable Value Below:

201,609,913

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

0.001478221

= \$298,024 Total P-Tax levied

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

- This example multiplies the §40-801(1)(a) fund's levy rate by the city's net taxable value and divides the result by 2
- This is the estimated amount that will be distributed to the city from the total property tax collection of the fund
- Note: The highway district should certify \$298,024 for its property tax budget.
 - It will receive \$49,947 less



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District Formation/Alterations

- 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 10th of the effective year
 - 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: 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



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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



Changing Name of Taxing District

- 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



Idaho Property Tax Policy Timeline

New construction/annexation increases calculated using prior year's non-exempt levy rate (uncapped)

Tax relief via School District Facility Funds and Homeowner Tax Relief Account



HB 389

New construction/annexation increases calculated with a preliminary levy rate from current year values (except operating property); only allowed 90% of new construction/annexation values; increases capped at 8% (except terminating urban renewal & forgone increases)



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How is a levy rate calculated?

Property tax budget divided by net taxable value

Does the 8% cap on annual budget increases include the 3% base budget increase?

Yes! If a district chooses to take the full 3% base budget increase, then other increases from new construction and annexations cannot exceed 5%



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True or False?



#1: Forgone amounts can allow a district to increase its non-exempt budget more than 8%.

TRUE! The 8% cap applies to the following increases: base 3%, new construction, & annexations.

#2: A resolution must be completed & submitted to preserve my district's forgone balance every year.

FALSE! Forgone amounts are preserved when not used; resolutions are needed to reserve new forgone amounts for the future or recover past forgone amounts into the current budget.

