

COUNTY REVENUES



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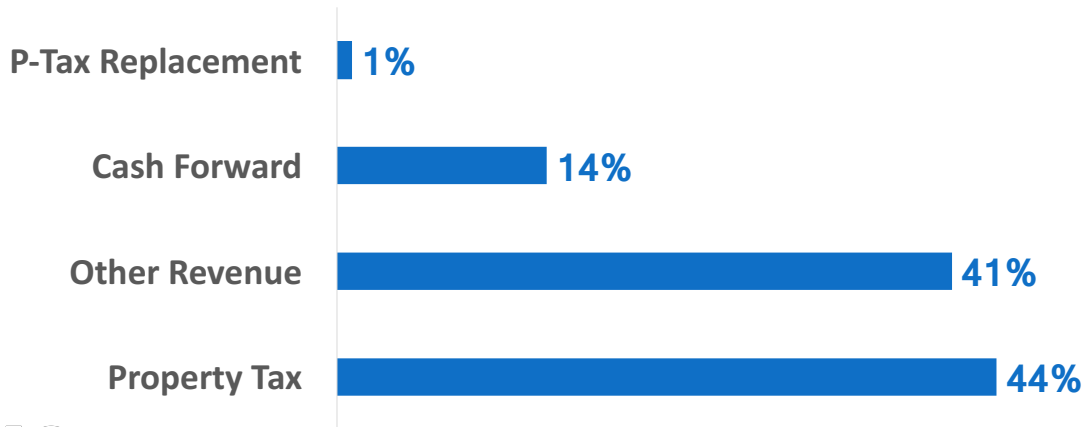
COUNTY REVENUE SOURCES

- Local property taxes
- State revenue sharing
- Federal land payments
- Fees for service
- Fines
- Grants
- Interest
- Other



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COUNTY REVENUE SOURCES



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DEDICATED (RESTRICTED) REVENUE

- Revenue that can only be used towards a legally restricted purpose, including:
 - Dedicated property tax revenues (i.e.: justice fund, district court fund, etc.),
 - Highway user revenue,
 - Court revenue,
 - Snowmobile/waterways revenue,
 - 911 fees,
 - Election consolidation revenue,
 - SRS funds,
 - Enterprise funds, and
 - 50% of liquor funds (if not in a community college district).



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GENERAL (UNRESTRICTED) REVENUE

- Revenue that can be used for any government purpose, including:
 - PILT,
 - Sales tax revenue sharing,
 - Property tax replacement (Ag & personal property),
 - Current expense fund property taxes (within funds and levy limits), and
 - 50% Liquor funds (unless in a community college district).



COUNTY BUDGET FUNDS

- | | |
|------------------------------|--------------------------------|
| ▪ General or Current Expense | ▪ Road & Bridge |
| ▪ Airport | ▪ Community College |
| ▪ Ambulance | ▪ Parks & Recreation |
| ▪ Ad Valorem (Revaluation) | ▪ Pest Control |
| ▪ Justice | ▪ Snowmobile |
| ▪ Ignition Interlock | ▪ Solid Waste |
| ▪ District Court | ▪ Tort |
| ▪ Election Consolidation | ▪ Veterans' Memorial |
| ▪ Fairgrounds and Buildings | ▪ Waterways |
| ▪ Health District | ▪ Noxious Weed |
| ▪ Historical Society | ▪ 911 Emergency Communications |
| ▪ Charity (Indigent) | ▪ EMS |
| ▪ Trusts | ▪ Enterprise Funds |
| ▪ Drug Court | |



STATE SHARED REVENUES



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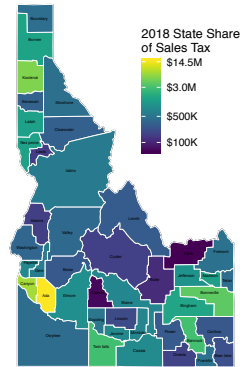
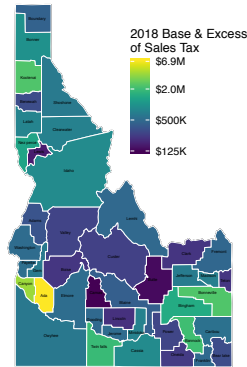
REVENUE SHARING

- **State revenue sharing apportionment:**
 - \$1,320,000 apportioned 1/44 to each county
 - Balance is apportioned based on population
- **Base and excess apportionment (inventory replacement):**
 - Base payment fixed at 1999 payment
 - Excess apportioned to counties based on population
- **Section 63-3638, Idaho Code**
- **NOTE: Sales tax revenues are very susceptible to economic downturns.**



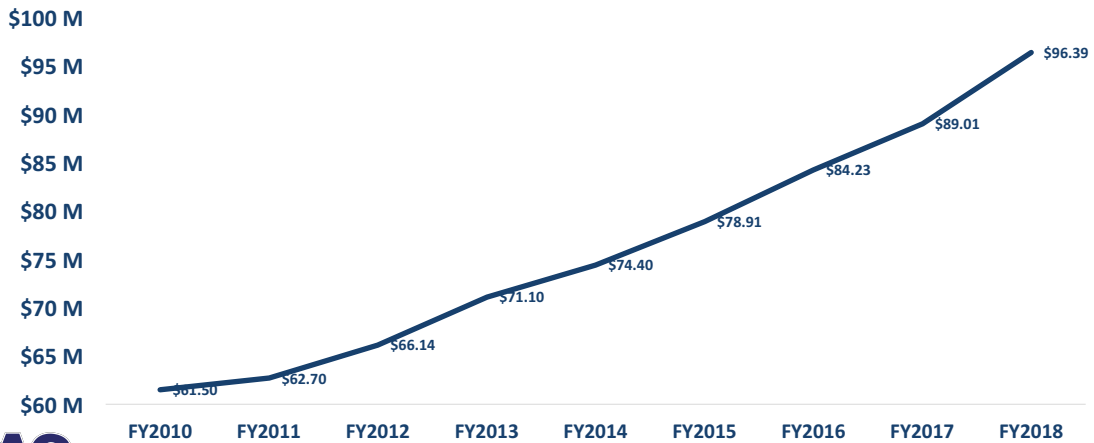
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SALES TAX REVENUE SHARING



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REVENUE SHARING (AGGREGATE)



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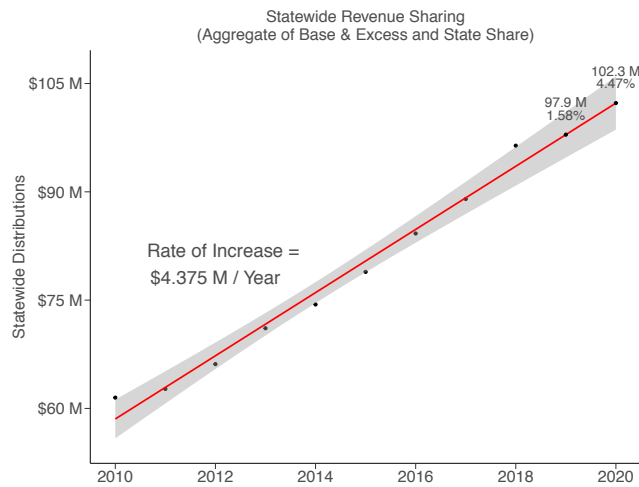
REVENUE SHARING

	FY2017	FY2018	FY2019	FY2020
Total Sales Tax	\$1,382,418,158	\$1,490,015,437	\$1,575,564,000	\$1,667,036,000
% Change	6.10%	7.80%	5.70%	5.80%
State Share and Base & Excess	\$89,005,923	\$96,393,620	\$97,915,930	\$102,290,899
% Change	5.67%	8.30%	1.58%	4.47%

Note: Total Sales Tax values are based on the "Governor's Forecast"; the State Share and Base & Excess values are based on a linear regression forecast



REVENUE SHARING



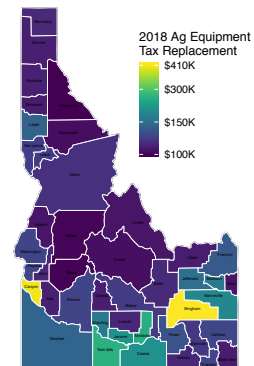
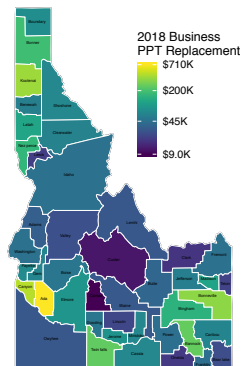
FIXED PROPERTY TAX REPLACEMENT

- Fixed amounts paid from state sales tax collections for replacement of certain exempted agricultural and business personal property taxes:
 - Agricultural exemption (Section 63-3638(11), Idaho Code) and
 - Business personal property tax exemption (Section 63-3638(13), Idaho Code).



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PROPERTY TAX REPLACEMENT



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PROPERTY TAX REPLACEMENT

County	Business PPT Replacement	Ag Equipment Tax Replacement	County	Business PPT Replacement	Ag Equipment Tax Replacement
<i>Ada</i>	\$710,932.87	\$37,976.00	<i>Gooding</i>	\$50,271.78	\$170,629.00
<i>Adams</i>	\$32,828.38	\$23,520.00	<i>Idaho</i>	\$45,651.04	\$56,559.00
<i>Bannock</i>	\$251,051.10	\$66,253.00	<i>Jefferson</i>	\$56,772.13	\$148,557.00
<i>Bear Lake</i>	\$25,164.50	\$30,856.00	<i>Jerome</i>	\$82,125.54	\$208,574.00
<i>Benewah</i>	\$57,548.62	\$30,958.00	<i>Kootenai</i>	\$374,838.48	\$38,602.00
<i>Bingham</i>	\$149,456.44	\$413,387.00	<i>Latah</i>	\$118,031.39	\$128,111.00
<i>Blaine</i>	\$29,738.97	\$71,016.00	<i>Lemhi</i>	\$29,087.55	\$22,605.00
<i>Boise</i>	\$49,641.38	\$2,528.00	<i>Lewis</i>	\$20,101.59	\$71,143.00
<i>Bonner</i>	\$182,448.52	\$35,223.00	<i>Lincoln</i>	\$22,472.66	\$44,772.00
<i>Bonneville</i>	\$336,730.11	\$191,843.00	<i>Madison</i>	\$114,129.72	\$168,291.00
<i>Boundary</i>	\$76,880.02	\$48,772.00	<i>Minidoka</i>	\$69,517.00	\$258,789.00
<i>Butte</i>	\$37,788.82	\$49,688.00	<i>Nez Perce</i>	\$160,874.41	\$74,040.00
<i>Camas</i>	\$8,912.14	\$33,749.00	<i>Oneida</i>	\$18,531.86	\$44,587.00
<i>Canyon</i>	\$443,401.69	\$406,070.00	<i>Owyhee</i>	\$29,032.78	\$134,304.00
<i>Caribou</i>	\$65,222.87	\$87,626.00	<i>Payette</i>	\$72,315.08	\$85,382.00
<i>Cassia</i>	\$69,229.75	\$207,941.00	<i>Power</i>	\$42,906.28	\$105,545.00
<i>Clark</i>	\$17,394.26	\$31,271.00	<i>Shoshone</i>	\$69,398.22	\$819.00
<i>Clearwater</i>	\$63,017.48	\$13,194.00	<i>Teton</i>	\$21,019.47	\$24,943.00
<i>Custer</i>	\$11,561.90	\$16,407.00	<i>Twin Falls</i>	\$246,068.29	\$263,998.00
<i>Elmore</i>	\$87,169.59	\$82,685.00	<i>Valley</i>	\$25,776.68	\$3,486.00
<i>Franklin</i>	\$42,819.68	\$85,471.00	<i>Washington</i>	\$46,358.88	\$83,948.00
<i>Fremont</i>	\$44,802.11	\$114,306.00			
<i>Gem</i>	\$65,643.29	\$44,618.00	Total	\$4,574,665.32	\$4,263,042.00



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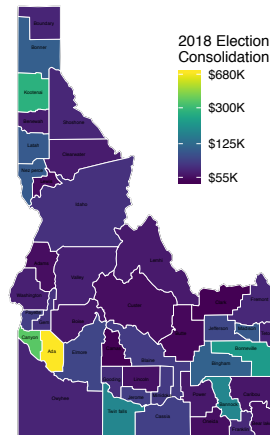
ELECTION CONSOLIDATION

- Sales tax distribution to counties to assist with the costs of conducting consolidated elections (Section 63-3638(8), Idaho Code).
- \$4,100,000 apportionment indexed annually based on CPI:
 - \$2,200,000 apportioned equally to 44 counties (\$50,000),
 - Balance apportioned based on population.



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ELECTION CONSOLIDATION



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HIGHWAY DISTRIBUTION ACCOUNT

- Includes fuel taxes, registration fees, and other user generated revenues.
- 40-701(2) Distribution (highway maintenance and construction):
 - 38% to local units of government,
 - 57% to ITD, and
 - 5% to ISP (will phase out over five years and 40% will be distributed locals/60% to ITD).
- 40-701(3) Distribution (only highway maintenance):
 - 40% to local units of government and
 - 60% to ITD.



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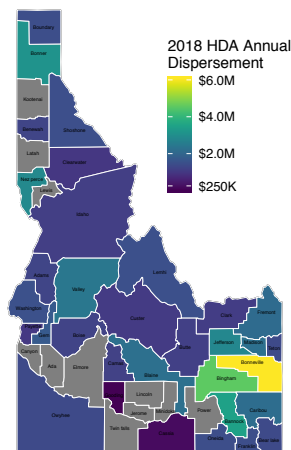
HDA LOCAL DISTRIBUTION

- 30% to cities by population.
- 70% to counties and highway districts as follows:
 - 10% allocated equally among 44 counties,
 - 45% allocated based on the number of improved miles, and
 - 45% allocated by number of vehicle registrations in each county.



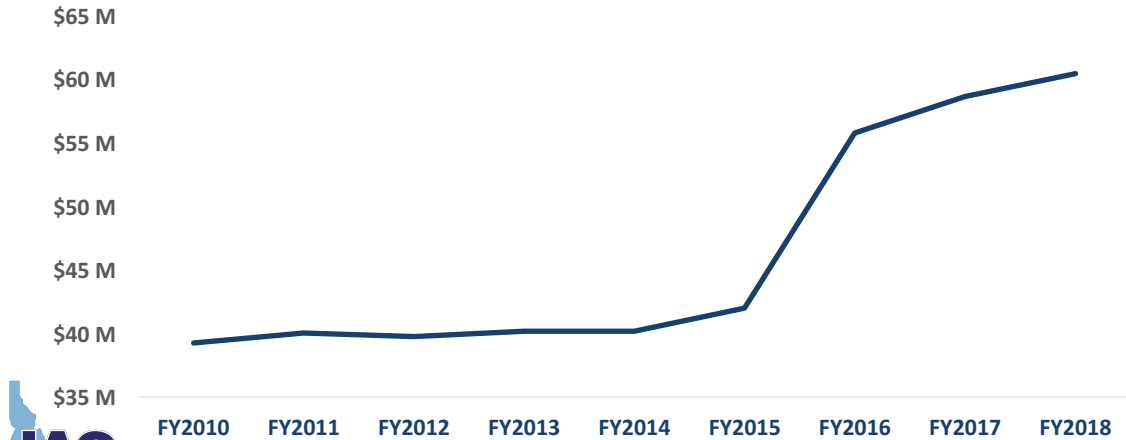
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HIGHWAY DISTRIBUTION ACCOUNT



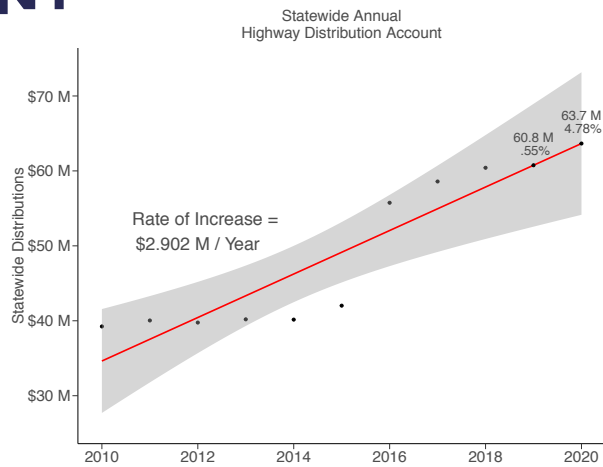
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HIGHWAY DISTRIBUTION ACCOUNT



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HIGHWAY DISTRIBUTION ACCOUNT



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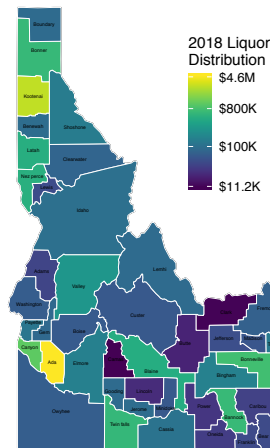
LIQUOR FUND

- Revenue sharing from the sale of liquor from state liquor stores.
- Revenues are distributed 50% to the state/50% to cities and counties.
- Local share is distributed 60% to cities/40% to counties (will phase in to a 49%/51% split by 2023 as a result of H0643).
- Up to 50% of county share must be spent on out of district tuition.
- Any balance of the distribution can be used for any general purpose.
- NOTE: Counties within a community college district can use 100% of distribution for any general purpose.
- Section 23-404, Idaho Code



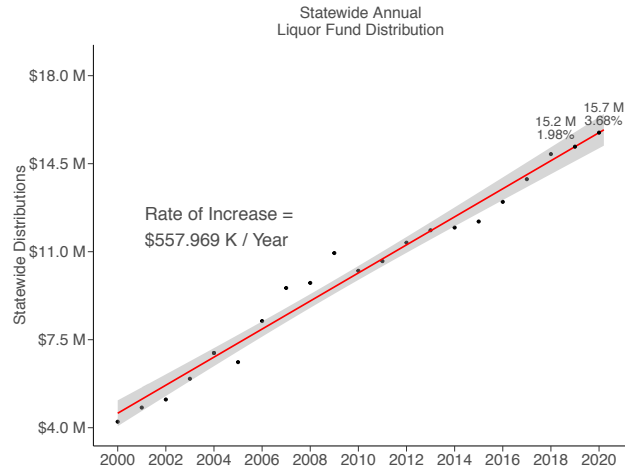
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LIQUOR FUND



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LIQUOR FUND



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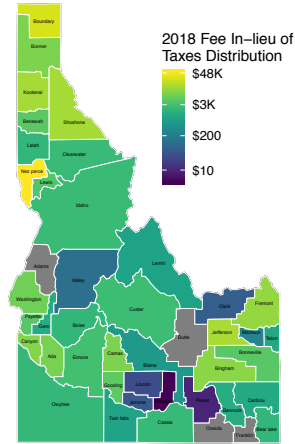
FISH & GAME FEE IN LIEU OF TAXES (FILT)

- In 1990 the Idaho Constitution was amended (Article VII, Section 4) to allow the Idaho Department of Fish and Game to collect a fee on lands they manage as a means to hold counties harmless for property taxes lost due to the transfer of private lands to tax-exempt public lands.
- The fee cannot exceed the property tax for the property at the time of purchase (unless the tax would have increased otherwise).
- In 2018, there were 210,018 eligible acres subject to FILT (less than half of a percent of Idaho's total acres), totaling an annual statewide fee of \$225,916.05.



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FISH & GAME FEE IN LIEU OF TAXES (FILT)



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FEDERAL LAND PAYMENTS



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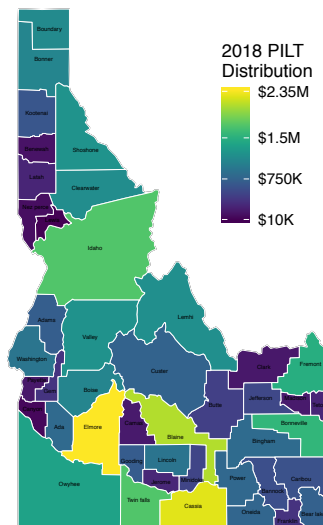
PAYMENT IN LIEU OF TAXES (PILT)

- General government funding to counties through Payment-in-Lieu-of-Taxes program.
- Intended to compensate counties for the loss of tax revenues due to the tax exempt status of federal lands.
- Only counties are eligible in Idaho to receive PILT.
- Actual payment based on numerous factors, including:
 - Population,
 - Eligible federal land acres, and
 - Prior year federal land payments from other programs.

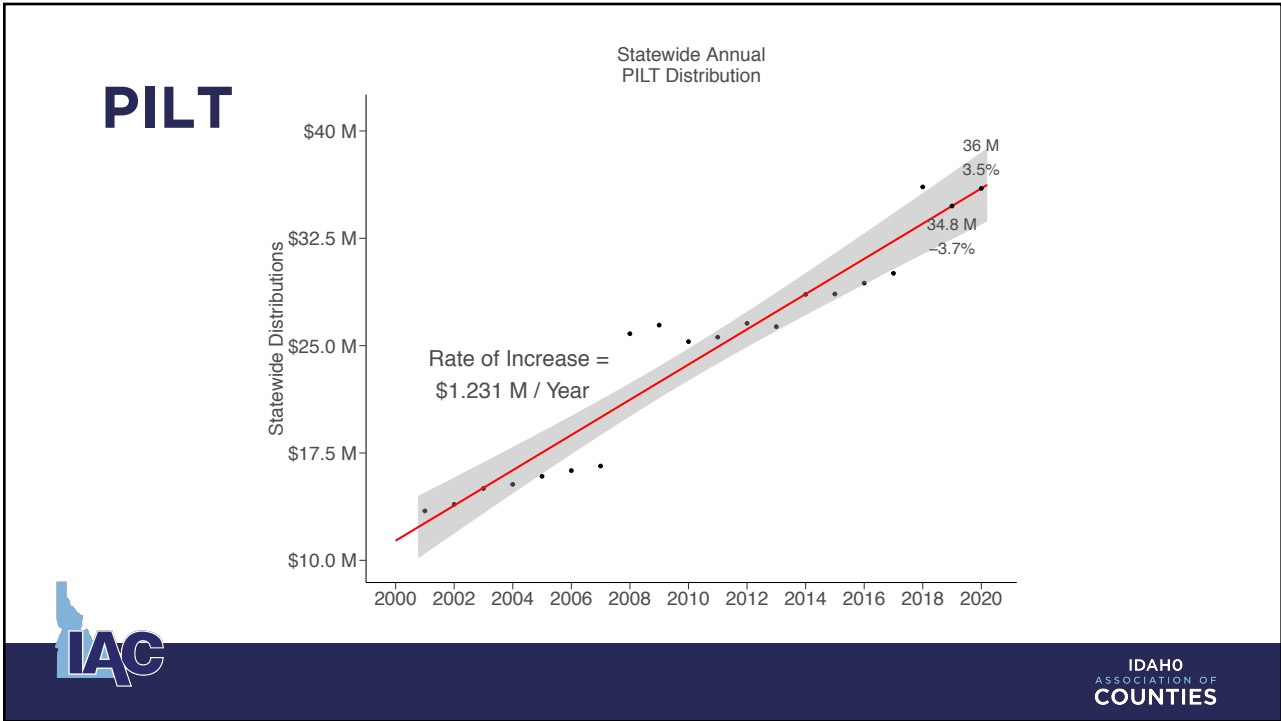
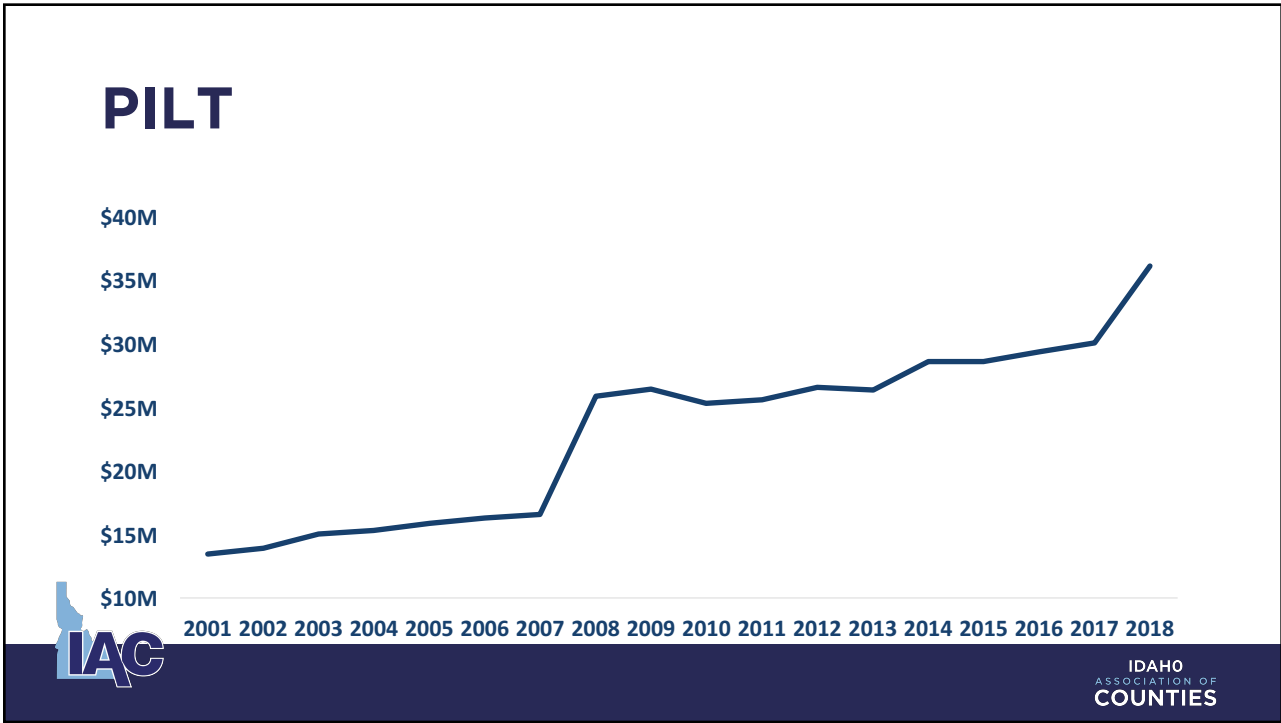


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PILT



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SECURE RURAL SCHOOLS (SRS)

- 70% of state payment is distributed to eligible counties and highway districts.
- 30% is distributed to eligible school districts.
- Of the 70% apportioned to eligible counties and highway districts:
 - 80-85% for use on road and bridge construction and maintenance (Title I), and
 - 15-20% for special RAC (Title II) and county (Title III) projects.
- SRS was not funded in 2016.
- SRS is funded for 2017 and 2018 through recently adopted federal omnibus spending package.

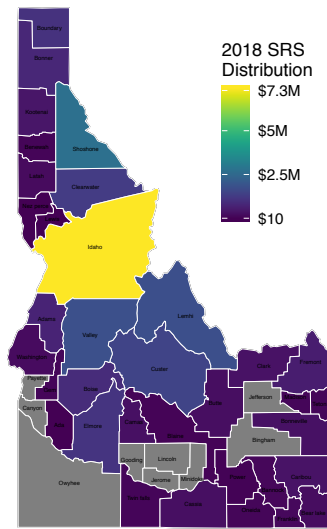


SRS

County	Title I	Title II	Title III	Total	County	Title I	Title II	Title III	Total
Ada	\$3,370.41	-	-	\$3,370.41	Gooding	-	-	-	-
Adams	\$571,447.15	\$67,229.08	\$33,614.54	\$672,290.77	Idaho	\$6,109,054.36	\$574,969.82	\$503,098.59	\$7,187,122.77
Bannock	\$103,796.24	\$25,949.06	-	\$129,745.30	Jefferson	-	-	-	-
Bear Lake	\$198,978.22	\$35,113.80	-	\$234,092.02	Jerome	-	-	-	-
Benewah	\$80,881.78	-	-	\$80,881.78	Kootenai	\$395,963.37	\$69,875.88	-	\$465,839.25
Bingham	-	-	-	-	Latah	\$166,278.39	\$29,343.25	-	\$195,621.64
Blaine	\$58,961.96	\$14,740.49	-	\$73,702.45	Lemhi	\$1,521,005.17	\$285,188.47	\$95,062.82	\$1,901,256.46
Boise	\$960,400.79	\$90,390.66	\$79,091.83	\$1,129,883.28	Lewis	\$4.88	-	-	\$4.88
Bonner	\$703,095.60	\$131,830.43	\$43,943.48	\$878,869.51	Lincoln	-	-	-	-
Bonneville	\$299,177.70	\$42,236.86	\$10,559.21	\$351,973.77	Madison	\$83,065.56	\$7,817.94	\$6,840.69	\$97,724.19
Boundary	\$1,082,887.74	\$191,097.83	-	\$1,273,985.57	Minidoka	-	-	-	-
Butte	\$229,727.15	\$40,540.08	-	\$270,267.23	Nez Perce	\$2,795.85	-	-	\$2,795.85
Camas	\$250,947.36	\$44,284.83	-	\$295,232.19	Oneyda	\$98,799.25	\$17,435.16	-	\$116,234.41
Canyon	-	-	-	-	Owyhee	-	-	-	-
Caribou	\$287,610.38	\$27,069.22	\$23,685.57	\$338,365.17	Payette	-	-	-	-
Cassia	\$233,984.27	\$41,291.34	-	\$275,275.61	Power	\$35,006.89	-	-	\$35,006.89
Clark	\$608,477.21	\$107,378.33	-	\$715,855.54	Shoshone	\$2,237,964.28	\$210,631.93	\$184,302.94	\$2,632,899.15
Clearwater	\$1,074,055.28	\$176,903.23	\$12,635.94	\$1,263,594.45	Teton	\$99,060.51	\$17,481.27	-	\$116,541.78
Custer	\$1,345,239.04	\$126,610.74	\$110,784.40	\$1,582,634.18	Twin Falls	\$92,377.57	-	-	\$92,377.57
Elmore	\$933,819.15	\$164,791.61	-	\$1,098,610.76	Valley	\$1,503,068.84	\$141,465.30	\$123,782.14	\$1,768,316.28
Franklin	\$128,187.67	\$32,046.92	-	\$160,234.59	Washington	\$154,490.55	\$27,263.04	-	\$181,753.59
Fremont	\$484,546.04	\$121,136.51	-	\$605,682.55					
Gem	\$81,368.24	\$20,342.06	-	\$101,710.30	Total	\$22,219,894.85	\$2,882,455.14	\$1,227,402.15	\$26,329,752.14

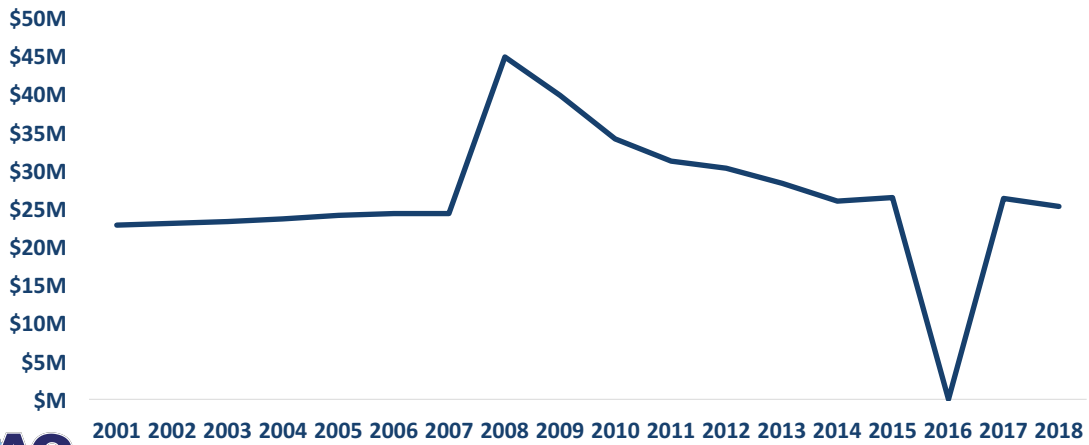


SRS



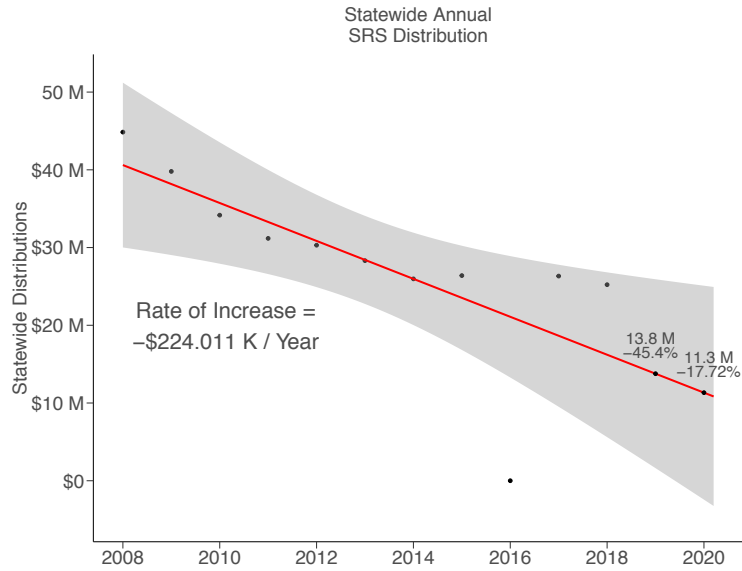
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PROPERTY TAXES



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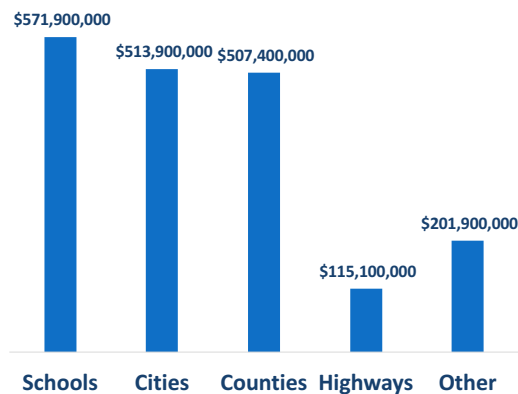
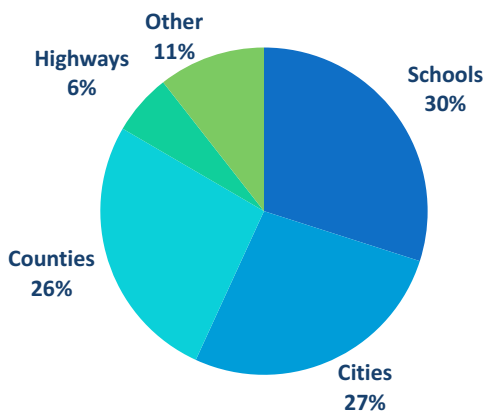
PROPERTY TAXES

- 44% of county operating revenues come from property taxes
- Property tax budgets in Idaho are budget driven (not rate driven)
- Property tax budgets are based on need, not fixed levy rates
- Prevents volatility



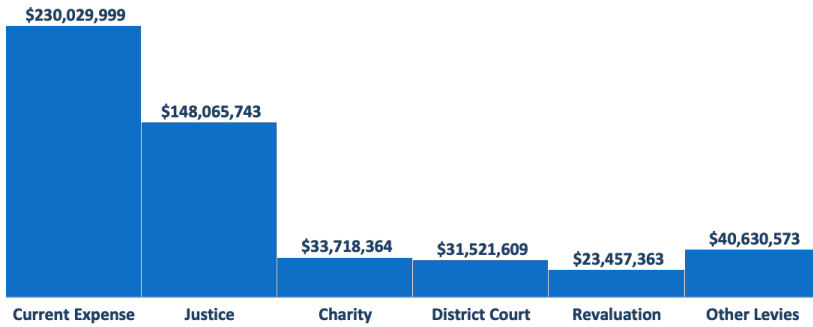
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PROPERTY TAX DISTRIBUTION



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DISTRIBUTION OF COUNTY PROPERTY TAXES

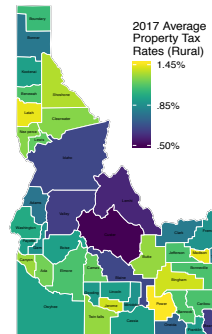
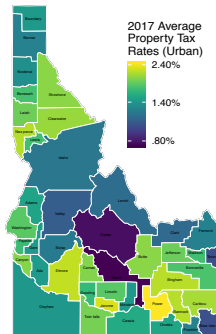


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AVERAGE PROPERTY TAX RATES

Urban (Incorporated City): 1.51%

Rural (Unincorporated County): 0.99%



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THE PROPERTY TAX BUDGET

- The 3% Cap
- Statutory Levy Caps
- New Construction Revenues
- Forgone Property Taxes



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3% PROPERTY TAX BUDGET CAP

- Property tax budgets cannot increase by more than 3% (Section 63-802, Idaho Code).
- The 3% increase is calculated using the highest property tax budget from the previous three years.
- The 3% cap does not apply to your total county budget.
- The 3% cap does not apply to new construction revenue or forgone property taxes.



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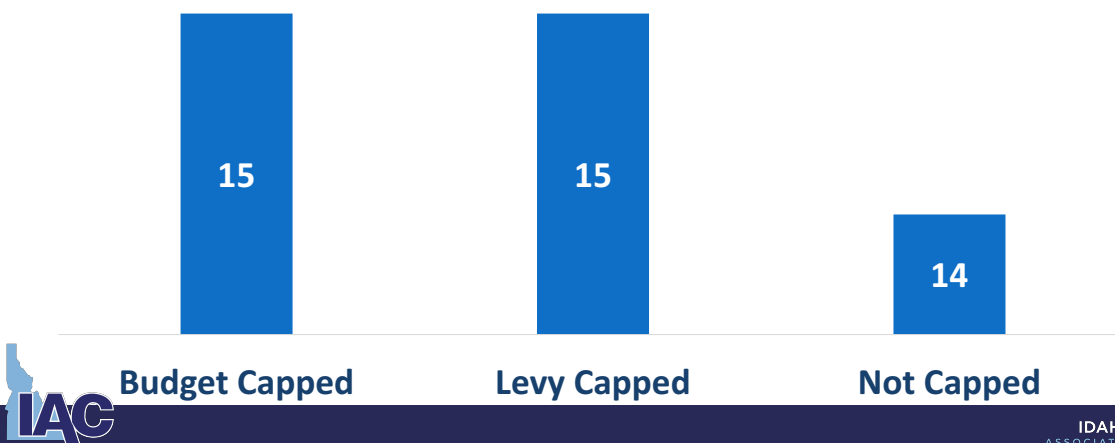
STATUTORY LEVY LIMITS

- Individual property tax levies have individual property tax caps (or ceilings).
- Examples:
 - Current expense levy: .0026 (w/o justice levy) or .0020 (w/justice levy) (Section 63-805, Idaho Code)
 - Justice levy: .002 (Section 63-805, Idaho Code)
 - District court levy: .0004 (Section 31-867, Idaho Code)
 - Charity levy: .0001 (Section 31-8xx, Idaho Code)
- Once an individual property tax levy reaches its limit, it cannot be increased.



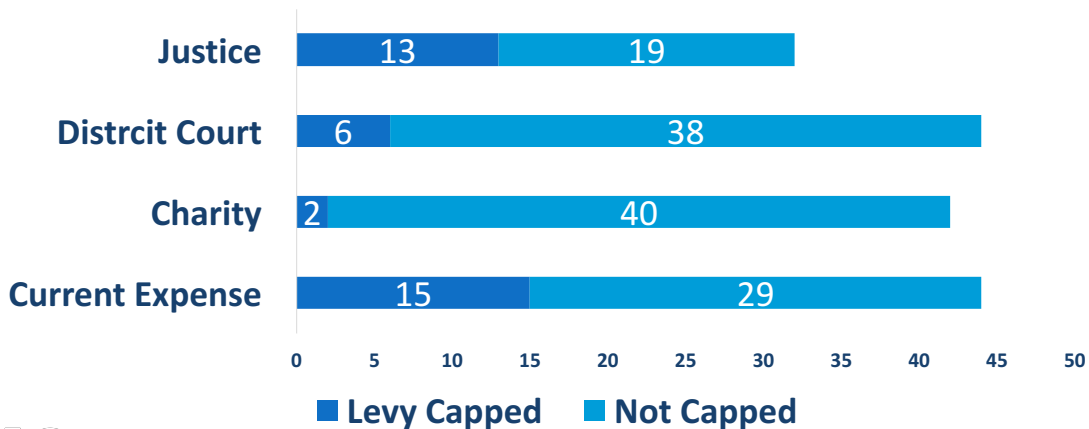
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IMPACT OF BUDGET CAPS ON COUNTIES



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INDIVIDUAL COUNTY LEVY CAPS



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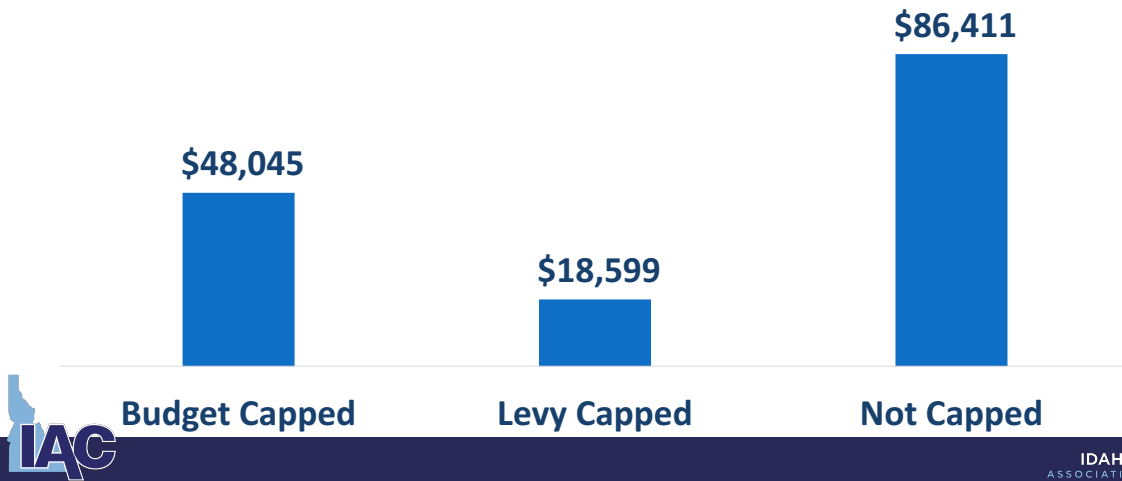
NEW CONSTRUCTION

- New taxable market value from:
 - Construction of new structure,
 - Additions or alterations to existing non-residential structures,
 - Change in land use classification,
 - Increases over base value in urban renewal revenue allocation area after URA is closed, and
 - Other items allowed under Section 63-301A, Idaho Code.
- New construction property taxes are calculated by multiplying the prior year levy rate by the new construction taxable market value.



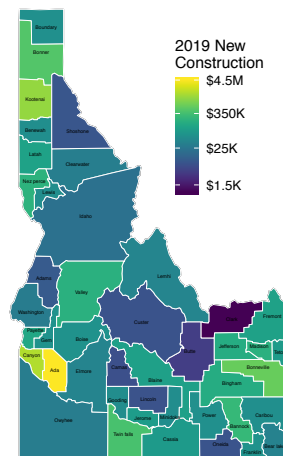
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MEDIAN NEW CONSTRUCTION AND BUDGET/LEVY CAPS (SOURCE: OPE)



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COUNTY NEW CONSTRUCTION PROPERTY TAXES



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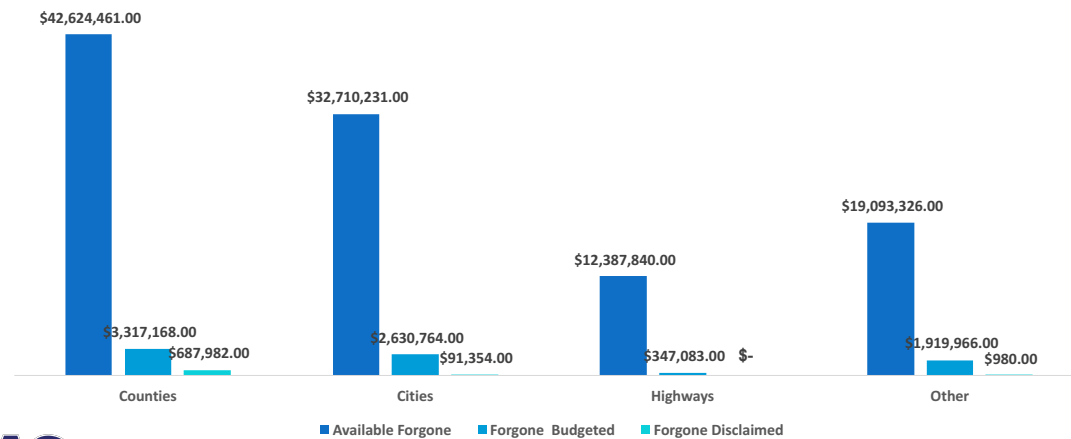
FORGONE PROPERTY TAXES

- Forgone property taxes include amounts that could have been budgeted under the 3% cap but were not.
- Authority to budget forgone property taxes never ends.
- Tax Commission compiles and maintains list of available forgone property taxes for all taxing districts.
- Forgone property taxes should not be treated as a property tax savings account.
- Forgone property taxes can only be budgeted during the annual timeframe allowed for setting property tax budgets and levies.



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STATEWIDE FORGONE PROPERTY TAXES



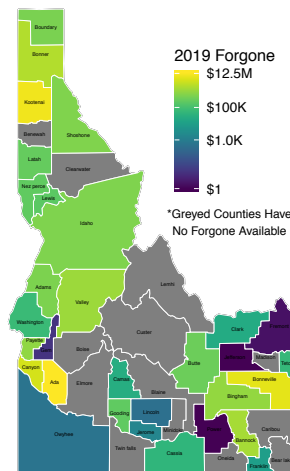
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BUDGETING FORGONE PROPERTY TAXES

- If a taxing district budgets forgone property taxes, it must:
 - Provide public notice of its intent to budget forgone property taxes,
 - Hold a public hearing about the budgeting of forgone property taxes,
 - Pass a resolution stating the purposes for which forgone property taxes are being budgeted, and
 - File a copy of the resolution with the county clerk who then files it with the State Tax Commission.
- Tip: Hold public hearing on forgone property taxes in conjunction with your annual budget hearing.



AVAILABLE COUNTY FORGONE PROPERTY T



DISCLAIMING FORGONE PROPERTY TAXES

- A taxing district may disclaim all or a portion of forgone property taxes resulting from a district not budgeting the full 3% in that budget year.
- To disclaim forgone property taxes a district must:
 - Provide public notice of its intent to disclaim forgone property taxes,
 - Hold a public hearing about disclaiming forgone property taxes,
 - Pass a resolution disclaiming forgone property taxes, and
 - File a copy of the resolution with the county clerk who then files it with the State Tax Commission.
- **NOTE:** Forgone property taxes can only be disclaimed at the annual budget hearing.



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EXEMPTIONS

- Because Idaho local governments operate under a budget driven property tax system, exemptions create tax shifts.
- If one class of property owners is granted an exemption, the other classes of property owners must pick up the tab.
- Exemptions also result in levies hitting levy limits.
- 2017 Stats:
 - Full Market Value: \$171,039,066,161
 - Net Market Value: \$138,338,796,019
 - 19.1% of property value is tax exempt

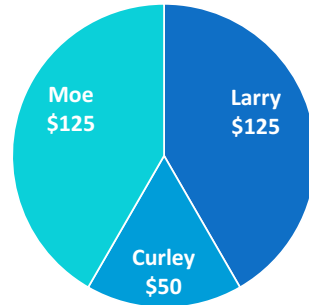
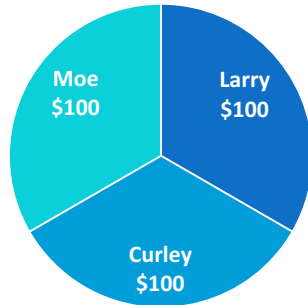


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EXEMPTIONS CREATE TAX SHIFTS

No property tax exemptions.

Curley benefits from a 50% property tax exemption.



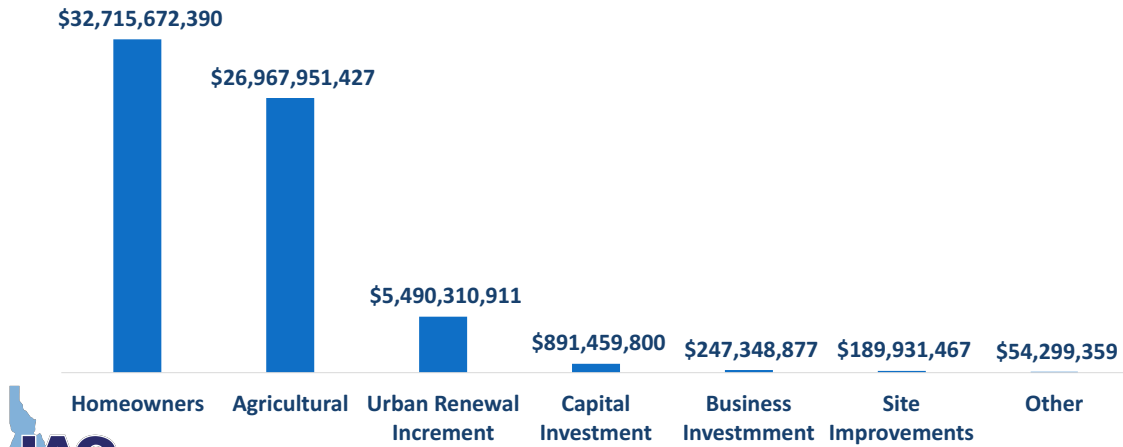
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NET TAXABLE MARKET VALUE



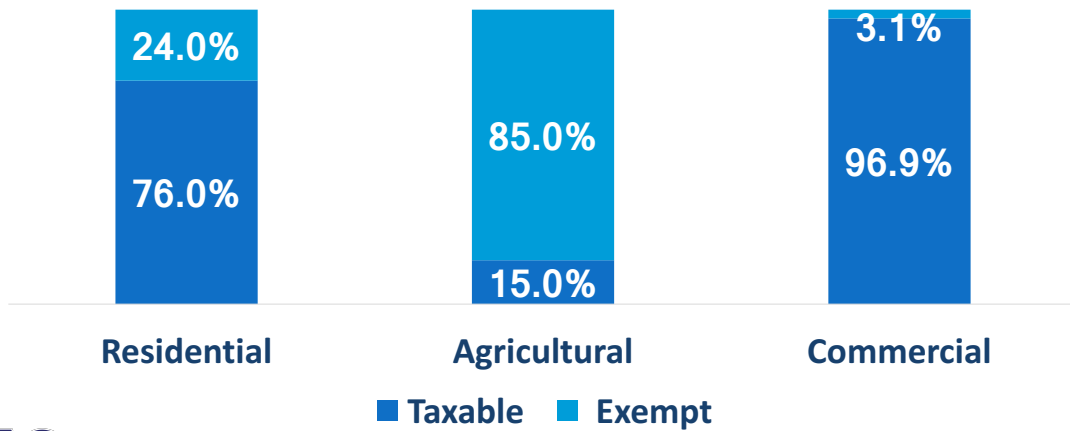
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EXEMPTIONS



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IMPACT OF EXEMPTIONS



■ Taxable ■ Exempt

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PROPERTY TAX BUDGET CONSIDERATIONS

- Delinquent property taxes
- Property tax appeals
- Cannot increase collections from certified levy amount(s)



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MISCELLANEOUS PROPERTY TAX PROVISIONS

- Assessment Notice
- Appeals Process
- County Board of Equalization
- Levy Certification
- Tax Notices



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OTHER REVENUES



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COUNTY FEES FOR SERVICE

- **31-870. FEES FOR COUNTY SERVICES.** (1) Notwithstanding any other provision of law, a board of county commissioners may impose and collect fees for those services provided by the county which would otherwise be funded by ad valorem tax revenues. The fees collected pursuant to this section shall be reasonably related to, but shall not exceed, the actual cost of the service being rendered.
- **Examples:**
 - Enterprise fees
 - Copy, records fees
 - Building permits and fees



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COUNTY FEES WITH SPECIFIC STATUTORY AUTHORITY

- Franchise fees
- Impact fees
- Computerized mapping fees
- Vehicle licensing and registration admin fees



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STATUTORY FEES

- District Court Fees
- Driver License Fees
- e911 Fees
- Recording Fees
- Etc.



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CASH FORWARD/FUND BALANCE DRAW

- Revenues from reserve accounts/fund balances can be budgeted
- PILT/SRS fund balances
- Dedicated fund balances can only be used for dedicated purposes

