

**WELCOME TO
IDAHO STATE TAX COMMISSION'S
2021 BUDGET AND LEVY TRAINING**



1

Your Instructors Today are

Alan Dornfest: Property Tax Policy Bureau Chief

Phone: (208) 334-7742

Fax: (208) 334-7844

E-Mail: alan.dornfest@tax.idaho.gov

Archie Keeton III : Research Analyst, Senior

Phone: (208) 334-7541

Fax: (208) 334-7629

E-mail: archie.keetonIII@tax.idaho.gov

2

2

Session Goals

- Review new and existing laws that may affect property tax revenue for taxing districts
- Understand limits on property tax revenue
- Understand preliminary levy rates (HB-389)
- Understand how to use forms to certify budgets
 - Where to get forms
 - Where to get necessary information
 - What documentation to provide

3

3

Session Limitations

- Focus is on revenue, not expenditure
 - 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).

4

4

Taxing District General Budget and Levy Responsibilities

1. Notify each county clerk of budget hearing date and location.
 - a) Written notification required. (I.C. §63-802A - due April 30 each year)
2. Comply with LSO Registry Requirements.
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 must have a public hearing and define, by resolution, how much and for what purpose.
5. Dec 31, 2021 is the deadline for forgone accrual for the subsequent year
6. Certify budget to county commissioners
 - a) Make sure that you sign your L-2 form before submitting it to the county
 - b) Due to county by 9-9-2021,
 - c) Request a 7 working day extension from the county new due date 9-20-2021,
 - d) School emergency fund due before 9-13-2021.

5

5

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 budget increase otherwise permitted by either subsection (1)(a) or (1)(e) of section 63-802, Idaho Code.
- (3) If a taxing district wishes to change the time and location of such budget hearing as stated on the assessment notice, it shall publish such change of time and location in advance of such hearing as provided by law.

(Prohibits property tax budget increases from 3%, new construction, annexation, recaptured 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>

6

6

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	Y	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	Y	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	Y	N/A
Port	70-1703	Y	70-1704
Recreation	31-4329	Y	31-4330
Sewer & Water	42-3228	Y	42-3229

https://tax.idaho.gov/forms/EIS00320_03-26-2018.pdf Here is a link to a list of districts and governing statutes.

7

Local Governing Entities Central Registry

(LSO contact: Shelley Sheridan – 208-334-4832 – registry@lso.idaho.gov for questions)

- 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)
- Entities requiring audit (expenditures exceeding \$150,000) must upload the audit within 9 months of the year-end date.
 - If unable to meet this deadline, contact LSO.
 - September 1st LSO notifies counties and STC of noncompliant entities.
- Penalties for noncompliance
 - Frozen p-tax
 - **Withheld sales tax (Currently have 33 non-compliant districts including 7 cities)**
 - Counties may charge fees.

8

8

County's Roles

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 Commissioners:

1. Set levy rate
2. Approve property tax portion of budget
3. Submit levy & approved budget to STC
(9-20-2021 or 9-27-2021 with extension)

9

9

State Tax Commission Roles

1. Review and approve levy rates and property tax portion of budget to ensure limits not exceeded (10-27-2021)
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 (9-7-2021)
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.

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

10

10

What Year is it Anyway?

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



11

11

Basic Property Tax

- Total budget minus non property tax revenue equals property tax (p-tax) budget.
- Levy Rate computed by dividing the p-tax budget by the net taxable value of district. Levy rate goes out to 9 decimal places.

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

12

12

Computing Your Maximum Non-Exempt Property Tax

- Highest non-exempt p-tax budget of the immediate prior 3 years plus 3% increase.
- Add any solar farm tax received from the immediate prior year (doesn't get 3% increase). Affects Ada, Elmore, Owyhee, Power, and joint counties/districts.
- New construction roll amounts must be multiplied by the **preliminary levy rate** to generate budget increase of new construction.
- 90% of the annexation value must be multiplied by the annexation **preliminary levy rate** to generate budget increase of annexation.
- Sum of all above equals maximum non-exempt p-tax budget; cannot exceed the 8% cap (not what can be levied).
- **Minus** p-tax replacement revenue received, revenue received from Solar Farm tax, and recoveries (from July 1, 2020 thru June 30, 2021).
- Plus budgeted forgone.(up to 1% or 3% with a capital project)

13

13

Property Tax Replacements

These are added back to determine the highest of the last 3 years and are included in the 3% increase.

Replacement Amounts
Agricultural Equipment Replacement – amount unchanged since 2006.
Personal Property Reimbursement – fixed at 2013 amount unless corrected.
Recovered/Recaptured amounts received by district July 1, 2019 through June 30, 2020
Recovered Homeowner's Exemption – Improperly claimed H/E.
Recaptured QIE - Property tax exemption in lieu of Investment Tax Credit (QIE)
Recovered personal property reimbursement – Improperly granted PP Exemption if for years after 2013.
Recovery of erroneous provisional property tax exemption per I.C.§ 63-1305C.

14

14

Property Tax Replacements

These are NOT added back to determine the highest of the last 3 years or given a 3% increase.

The immediate prior year solar farm tax is added to your budget authority.

Replacement amount not included in 3% increase computation but added back to compute maximum property tax capacity.

Revenue received from Solar Farm Tax received 7-1-2019 through 6-30-2020.

15

15

Forgone Amount

(not applicable to School Districts)

- Amount of a previously allowable increase in non-exempt property tax portion of budget that was not taken.

Example:

After certifying in 2020, the highest non-exempt property tax budget of last 3 years was \$100,000.

No new construction or annexation;

No replacement monies;

$\$100,000 \times 3\% = \$3,000 = \$103,000$ max. for 2021;

District certifies \$102,000 in 2020

forgone amount available in 2021 = \$1,000

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

16

16

Forgone Amount without Budget Increase

(not applicable to School Districts)

- If a taxing district elects to not take any budget increase they may take as much forgone as they have available provided, they do not exceed any levy limits. (3%, new construction, or annexation)
- When using this provision, the district can not elect to reserve any of the budget increases otherwise allowed as forgone.
- This provision of forgone is not subject to the 8% cap.

17

17

Forgone Amount and Capital Projects

(not applicable to School Districts)

- If the taxing district has a capital project, they may use up to 3% of forgone. (3% total over the lesser of their max budget or 8% cap)
- This must be tracked annually for all years of the Capital project and then subtracted from the taxing districts p-tax budget after completion with notification to the Idaho State Tax Commission.

(a) of this subsection, the state tax commission shall direct the taxing district to reduce its property tax budget for any year in which the forgone moneys were used to calculate a budget increase, in an amount equal to the forgone moneys budgeted plus any increases attributed to the forgone moneys improperly included in the taxing district's property tax budget. For the purpose of this

18

18

Forgone example with new changes

100,000 Highest of the last 3 yrs.
+3,000 3% increase
+2,000 New Construction
105,000

↙
No capital project
1% of 105,000
106,050 Budget plus 1% of
forgone

↘
Capital project
3% of 105,000
108,150 Budget plus 3%
forgone

2020/2021 Legislation



(2020)HB-354 Reserved Forgone Amount

- Amends I.C. §63-802(f);
- Reserve all or part of current year's forgone amount requires;
 - Adoption of a resolution specifying the dollar amount to be reserved,
 - The district must provide notice of intent to do so, and,
 - Hold a public hearing which may be in conjunction with its annual budget hearing (if required).
 - The resolution shall be adopted at the annual budget hearing if district has a budget hearing requirement.
- If district doesn't do a resolution the current year's forgone amount can't be recovered in a subsequent year.

21

21

HB-354 Reserved Forgone Amount

- Current Year's Forgone Amount options
 - Resolution to reserve all or part of forgone
 - Existing forgone increased
 - Resolution to recover all or part of forgone
 - Total existing forgone is reduced by amount recovered
 - Do nothing
 - Current year's forgone may not be recovered and no new forgone will be accrued

22

22

HB-354 Reserve Forgone Increase

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

LIBRARY DISTRICT #1
RESOLUTION 1-2020

WHEREAS, Library District #1 intends to reserve its current year's forgone amount in the amount of \$300 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

ATTEST: _____
Library District #1 Secretary

Trustee of Library District #1

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.

23

23

HB-408 City Sales Tax Distribution

Effective 7-1-2020

- Amends I.C. §63-3638(10)
- Combines the revenue share and base/excess distribution for cities into one distribution.
- DOES NOT change County revenue share and base/excess distribution.
- DOES NOT change Special Purpose Taxing District base/excess distribution.

24

24

(2020)HB-408 City Sales Tax Distribution

Effective 7-1-2020

- 1st Distribution using the new city formula is for quarter ending June 30, 2020.
- Management Services is responsible for all distributions except the Special Purpose Taxing Districts.
- Contact Craig Allison (208) 334-7552 for questions or concerns.

25

25

(2020)HB-587 – Highway District

Effective 7-1-2020

- Amends I.C. §50-2908.
 - RAA's formed on or after, or expanded into a highway district as of 7/1/2020.
 - Amount of taxes that would have been paid to the U/R agency is to be returned to the highway district. The U/R agency and the highway district may enter into an agreement for a different allocation based on the highway districts levy.
 - If an agreement is entered into a signed copy to be sent to the County(s) clerk and the STC no later than September 1 of the year agreement takes affect.
 - **DOES NOT** effect how levies are computed for highway districts.

26

26

HB-587 – Highway District Effective 7-1-2020

Current Levy Calculation Process		
Net Value (less increment) \$100 million	P-Tax budget \$100,000	Levy Rate = 0.001
RAA Increment \$ 500,000	U/R agency (Increment x Levy) \$ 500.	U/R Agency receives \$ 500.
New Law		
<p>\$500 is not sent to U/R agency but returned to the highway district. Unless there is a signed agreement on file indicating otherwise.</p>		

27

27

HB 389

2021 General	2021 Budget and Levy
<ul style="list-style-type: none"> Homeowners Exemption up to \$125,000 Site improvement exemption lost on completion of improvement Circuit Breaker brackets increased to a max of \$1,500 	<ul style="list-style-type: none"> New construction rolls will include change of land use only when associated with a building New construction rolls will include 90% of the NC value (80% if an UR dissolves) and 90% of annexed value New construction budget capacity calculations are based on the preliminary levy rate. Sum of 3%, NC, and annexation \leq 8%
2022 General	2022 Budget and Levy
<ul style="list-style-type: none"> Disqualified from Circuit Breaker if assessed home value is over 125% of the median Transient Personal Property exempt \$250,000 Personal Property exemption (replacement money to be recalculated in 2022) 	<ul style="list-style-type: none"> Discretionary subtraction from new construction for homeowner's exemption above \$100,000 3rd Monday of November personal property amount by district is to be calculated

28

Property Taxes and the 3% Cap



29

29

Property Tax Budget and Levy Limits Defined in Idaho Code

Property Tax Budget Limit - 3% Cap Pertains to “non-exempt” budget which excludes bonds and other voter approved levies.

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

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

Levy Rate Limit (Example)

Tighter Constraint Prevails

27-121. LEVIES BY CEMETERY MAINTENANCE BOARD COMMISSIONERS.

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

30

30

Budget vs. Levy Limit

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.

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

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

Rollback = \$5,000

Levy limit can't be exceeded without express statutory authority.

31

31

Computing Your Maximum Non-Exempt Property Tax Budget



32

32

Example: Computing 3% Portion of Increase

Year	2018	2019	2020
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	1,318
*Recovered Homeowner's Exemption	110	0	0
Total Property Tax Replacement monies	1,456	1,346	1,346
Total levied non-exempt property tax budget plus property tax replacements	125,845	132,024	137,564

Computation of 3% increase:

$$\begin{array}{r}
 \$ 137,564 \qquad \$ 137,564 \\
 \times 0.03 \qquad \qquad \qquad \rightarrow 4,127 \\
 \hline
 \$ 4,127 \qquad \qquad \qquad \$ 141,691 \text{ (total plus 3\% increase)}
 \end{array}$$

* = Total received by district between July 1st thru June 30th each year.

33

33

New Construction Roll

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

- Includes 90% of taxable property first on tax roll in 2021:
 1. New structures and newly occupied residences.
 2. Additions or alterations to existing non-residential structures.
 3. Installation of new or used manufactured housing that did not previously exist within the county.
 4. Change of land use classification (i.e. agricultural to commercial; if structure included under HB-389).
 5. Newly taxable as a result of loss of inventory exemption (63-602W).
 6. Improvements or installation of equipment used in conjunction with generation of electricity.
 7. Prior eligible new construction identified and reported to county assessor. (5 Year look back limit)
 8. Property, otherwise qualifying, now taxable because of rescinding of provisional exemption.
 9. 80% Increase in increment value of dissolved (or de-annexed portion) of Revenue Allocation Area (RAA) – increase measured in comparison to Dec. 2006 increment value.
 - a. Excludes new construction in RAAs within Urban Renewal Districts during life of RAA.

34

34

Deductions Made To New Construction Roll I.C. §63-301A(1)(f)

- When previous new construction roll included property but,
 - Board of Tax Appeals (BTA) or District Court ordered lower values
 - Double or erroneous assessments discovered
 - Land use changed to lower value category
 - Value lower due to site improvement exemption
- Could produce net negative new construction values

HB 389 – Applies a discretionary subtraction of homeowners exemption that exceed \$100,000 (effective 2022)

35

35

HB 389- New Construction

Preliminary levies for NC budget capacity

- Highest of the last 3 years
- Add in up to 3% as usual
- Divide result by July 2021 equalized value + 2020 operating property.

$$\begin{array}{r}
 1,000,000 \\
 \times \\
 3\% \\
 \hline
 30,000 \\
 \text{Then,} \\
 400,000,000 + 470,000 \\
 1,030,000 / 400,470,000 \\
 \hline
 .00257198
 \end{array}$$

Preliminary levy

Can be multiplied by 90% 2021 NC value

36

HB 389- Property Tax cont.

- Total increase for 2021: 3%, new construction, and annexation can NOT exceed 8%.
- Forgone can increase your budget by an additional 1% unless for a capital project.
- Forgone can increase budget up to 3% for a capital project.

37

37

HB 389- Property Tax cont.

What is a capital project???

1. The construction, expansion, renovation, or replacement of public facilities, including the acquisition of land and other site improvements;
2. The construction, expansion, or reconstruction of public works improvements, including roads, bridges, water systems, sewer systems, and broadband systems; and
3. The purchase of equipment with a useful life of ten (10) years or more.

Once the capital project has completed the additional forgone must be subtracted from the budget.

38

38

Preliminary Levy Rate Calculator

- Enter the highest non-exempt from the last 3 years as referenced from the max budget and forgone worksheet.
- Enter prior year's operating property and the amount of the 3% the district. (cannot exceed 3%)
- Enter current equalized locally assessed value year net taxable for your district (Do not reduce this amount; may include sub-roll)
- Enter the annexation net taxable locally assessed value if applicable

39

39

Preliminary Levy Rate Calculator

- Once all information is added there will be either one or two preliminary levy rates generated. (two if you have an annexation)
- Please note that cell (Q) has the highest non-exempt P-tax budget prior to subtracting replacement dollars.
- This is the highest possible budget the district could have at the 8% cap; this may not be attainable depending on the highest of the last 3 years and other calculations.

40

40

Preliminary Levy Rate Calculator

Preliminary Levy Rate Calculator	
Enter values in the following editable fields:	
Cells highlighted as follows are above their cap (must be reduced):	This value is over the limit
*(A) comes from the STC "Maximum Budget and Forgone Amount Worksheet."	
**(F) could include 2020 subrolls or 2021 estimated subrolls.	
***Calculations for values (K, L), and (M) are based on appropriate reductions. DO NOT ALTER FOR ANY REASON.	
IMPORTANT: In the event that (O) exceeds 5%, (P) & (Q) will reflect 8% growth.	

Calculate Preliminary Levy Rate		(I) New Construction Preliminary Levy Rate
Variables	Value	0.005898105
(A) Highest Non-exempt P-tax Budget (prior three years)*	\$1,088,000	
(B) 2020 Operating Property (O.P.) Value	\$10,000,000	
(C) Estimated Required Base Budget Growth (up to 3%)	3.00%	
(D) Estimated Budget After Growth Rate Applied	\$1,120,640	
(E) 2021 Net Taxable Value (not including O.P.)	\$180,000,000	
(F) Net Taxable Annexation Value (not including O.P.)**	\$1,200,000	
(G) Value Used for New Construction Preliminary Levy Rate	\$190,000,000	
(H) Value Used for Annexation Preliminary Levy Rate	\$190,066,667	

Calculate Maximum Non-exempt P-tax Budget		(J) Annexation Preliminary Levy Rate
Variables	Value	0.005896036
(K) New Construction (from Assessor)***	\$500,000	
(L) Full Annexation (from Assessor)***	\$380,000	
(M) Expiring Urban Renewal Value (from Assessor)***	\$1,000,000	
(N) Maximum Allowable Base Budget Growth	3.00%	
(O) New Construction, Annexation & Urban Renewal Growth	1.00%	
(P) Total Capped Growth (will not exceed 8%)	4.00%	

(Q) Maximum Non-exempt P-tax Budget (Before Subtracting Replacement)
\$1,131,503.60

41

41

Example: New Construction Roll

2021 Preliminary Levy Rate = .005898105

2021 new construction Roll Value = \$ 4,722,800

Multiply the 2021 new construction roll value by the 2021 Preliminary levy rate:

\$ 4,722,800	X	0.005898105	
\$		27,855	additional budget allowance (above 3% increase)

42

42

Annexation Example

2021 annexation preliminary levy rate = 0.005896036

2021 annexation* value = \$ 525,750
 90% = \$ 473,175

Multiply the 2021 annexation value by the 2021 preliminary levy rate:

\$ 473,175	
X 0.005896036	
\$ 2,790	additional budget allowance (above 3% increase)

*** Stated annexation value includes taxable real, personal and operating property values provided district levies against all taxable property. (real and personal at 90%)**

43

43

2021 L-2 Worksheet (must be attached to the L-2 form)			
District Name:			
Computation of allowable 3% budget increase:			
*Enter the amount from the "Highest Non-Exempt P-Tax Budget + P-Tax Replacement" column from the "Maximum Budget and Forgone Amount Worksheet."		(1)	1,088,000
Multiply line 1 by 3%.		(2)	32,640
Enter the total amount you received for Solar Farm Tax from the immediate prior year.		(3)	
New Construction & Annexation allowable budget increases calculation:			
Enter the 2021 preliminary levy rate from the Preliminary Levy Rate Calculator Box (I)		(4)	0.005898105
Enter the 2021 value of district's new construction roll from each applicable county below:			
County Name	Value		
District	(A) 4,722,800		
	(B)		
	(C)		
	(D)		
Total of New Construction Roll Value:		(5)	4,722,800
New Construction Roll allowable budget increase (multiply line 5 by line 4).		(6)	27,856
Enter the 2021 value of district's annexation value from the applicable county below:			
Enter the 2021 full taxable value of annexation from property assessed by the county.		(7)	525,750
90% of annexation value		(7a)	473,175
Enter the 2021 annexation preliminary levy rate from the Preliminary Levy Rate Calculator (Box (J))		(7b)	0.005896036
Annexation allowable budget increase (multiply line 7 by line 7(b)).		(8)	2,790
Total Non-Exempt Allowable Budget (before P-tax Replacement and P-tax Substitute Funds deductions):			
Add lines 1+2+3+6+8		(9)	1,151,286
Property Tax Replacement:			
Enter yearly amount of the agricultural equipment replacement money.		(10)	2,000
Enter yearly amount of the personal property replacement money.		(11)	18,650
Information below is reported in indicated columns of the "Recovered/Recaptured Property Tax and Refund List":			
Enter the Solar Farm Tax reported in column 1.		(12)	
Enter the recovered Homeowner's Exemption property tax reported in column 2.		(13)	
Enter the total amount reported in column 3.		(14)	
Enter the total amount reported in column 4.		(15)	
Enter the total of lines 10 thru 15: (Col. 5 of L-2 must equal this amount).		(16)	20,650
Forgone Amount Section: Please complete this section even if you don't plan on using your forgone amount.			
Enter the total forgone amount reported on the "Maximum Budget and Forgone Amount Worksheet."		(17)	500,000
Enter the forgone amount to be recovered in your budget. This amount can't exceed what is reported on the attached resolution.		(18)	
Maximum Allowable Non-exempt Property Tax, Including Forgone Amount, That Can Be Levied:			
Maximum non-exempt property tax budget including forgone amount. Line 9 minus 16 plus 18.		(19)	1,130,636

44

New L-2 Form due to HB-354 – Reserved Forgone Amount and HB-389

2021 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 or Taxing Unit's Name: City b

Fund	Total Approved Budget*	Cash Forward Balance	Other revenue NOT shown in Column 5	Property Tax Replacement From Line 16 of L-2 Worksheet	Balance to be levied Col. 2 minus (Cols. 3+4+5)
1	2	3	4	5	6
General	975,000				975,000
Capital Project	120,000				120,000
Column Total:					1,095,000

If budgeting forgone or reserving forgone must complete this section and attach a signed resolution.

I, the undersigned, attest that a public hearing was held and a resolution was adopted to:
RESERVE the current year's forgone amount \$ _____,
RECOVER existing forgone amount of \$ _____ (must match line 18 of the L-2 worksheet)
 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. Initial _____

For 3% forgone increases

I certify that the amounts shown above accurately reflect the budget being certified in accordance with the provisions of I.C. §63-803.
 To the best of my knowledge, this district has established and adopted this budget in accordance with all provisions of Idaho Law.

Signature of District Representative _____ Title _____ Date _____

Please print above: Contact Name and Mailing Address _____ Email Address: _____
 Phone Number: () _____ Fax Number: () _____

45

Capital Project Tracker Attach to L-2 Form If Applicable

District Name: _____ Date: _____

Capital Project	Start Year of Capital Project	1st Calendar Year Levied	Total amt. allocated to CP	
Capital project 21	2021	2021	\$ 25,000	P-tax budget minus forgone
				\$ 1,095,000
				Total Forgone
				\$ 500,000

Forgone tracking					
Name	1st Calendar Year Levied	estimated completion date	Forgone amount Requested	Forgone amount annual max	Capital Project YTD
Capital project 21	2021	2025	\$30,000	\$ 32,850	\$ 55,000
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
			\$30,000	\$32,850	\$0
Total Forgone remaining after Capital Projects					\$ 470,000

Attach to your L-2 form and return to your County Clerk EFO00078_05-20-2020
 *The total for forgone requested will highlight red if you exceed 3% cap

46

46

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 web page. Look for the “Maximum Budget and Forgone Amount Worksheet” (This no longer provides prior year levies, use the preliminary levy rate calculator)

https://tax.idaho.gov/forms/EFO00131_05-05-2021.pdf

New Construction Roll Value – 4th Monday in July

Taxable value (locally assessed current year, prior year actual or estimated sub roll, and prior year operating property) 1st Monday in August

Annexation Values:

- Real and personal (locally assessed) – 1st Monday August
- Operating property (assessed by STC) – 1st Monday September

47

47

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. <i>Total of fund and override levy rate can't exceed the fund's levy limit.</i>
Permanent Override	All taxing districts have authority. Most need a 2/3 majority to pass. Qualifying cities have additional version that requires only 60% voter approval to pass. <i>Total of fund and override levy rate can't exceed the fund's levy limit.</i>
Bond	Refer to authorizing statute for specific requirement, but all require 2/3 majority voter approval.
Plant Facilities	Available to Library and Community Colleges as well as schools. See I.C. §33-804 for details.

48

48

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.

49

Property Tax Forms



50

50

List of Property Tax Related Forms

- 2020 Dollar Certification of Budget Request to Board of County Commissioners L-2. (L-2 for short)
- L-2 Worksheet (must be attached to the L-2 form)
- Maximum Budget and Forgone Amount Worksheet
- Voter Approved Fund Tracker (as required)
- Capital Projects Tracker (as required)
- All L-2 related forms at this web address:
<https://tax.idaho.gov/search-formspublications.cfm?ch=bl&t=pt>

51

51

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

The screenshot shows the homepage of the Idaho State Tax Commission. At the top, the logo reads "IDAHO State Tax Commission". Below the logo is a navigation menu with links for HOME, TAX TYPES, ONLINE SERVICES, FORMS/GUIDES, TAX PROS, GOVERNANCE, and CONTACT US. The main content area features several promotional tiles: "Jump to 2018 Income Tax Return" (with a note about updates), "UPDATE YOUR W-4 NOW", "PROTECT YOUR IDENTITY", "FAST & EASY: QUICKPAY", and "REPORT TAX FRAUD". On the right side, there is a "TAP TAXPAYER ACCESS POINT" section with a "Find it here" button and a list of links: TAP Help guides, Refund Info & Status, Verify Identity, Quick Pay, Business Basics Hub, Fuels Tax Hub, Income Tax Hub, Property Tax Hub, Sales/Use Tax Hub, and Tax Pros' Hub. A blue callout box with white text says "To find the Budget and Levy forms Click on the 'Property Tax Hub'" and has an arrow pointing to the "Property Tax Hub" link in the list.

52

52

IDAHO State Tax Commission

HOME TAX TYPES ONLINE SERVICES FORMS/GUIDES TAX PROS GOVERNANCE CONTACT US

Property Tax Hub
tax.idaho.gov/property

Select "Budget & Levy forms/guides"

This is our "Property Tax Hub" page. Links to important information are listed below.

- Property Tax (home page)
- Property Tax Policy
- Property tax related links

Homeowners

- Homeowners & Property Tax
- Property Tax Reduction
- Property Tax Deferral
- 100% Service-Connected Disabled Veterans Benefit
- Property Tax Estimator
- Property Assessment - Frequent Questions

GIS

- GIS and Property Tax
- Introduction to GIS TCA data
- GIS Taxing Districts
- Proposed Taxing District Changes
- GIS Taxing Districts Maps & Data
- Tax Code Area GIS Data
- GIS Taxing District Documents

Counties

- Counties' login page
- Technical documentation
- Checklists
- Technical tips
- Budget & Levy forms/guides

Education

- Property Tax Education Information
- Certifications
- GIS Educational Resources

Appraisers

- Appraisers & Property Tax
- Real Property Parcel Count (by county)
- Forestlands
- Personal Property Valuation
- Property Assessment - Frequent Questions
- Websites of county assessors in Idaho

TAP TAXPAYER ACCESS POINT

- TAP Help guides
- Refund Info & Status
- Verify Identity
- Quick Pay

- Business Basics Hub
- Fuels Tax Hub
- Income Tax Hub
- Property Tax Hub
- Sales/Use Tax Hub
- Tax Pros' Hub

Events and due dates:

53

Your requested list of forms and guides

Group: **BUDGET AND LEVY**

To find Agricultural and/or Personal Property replacement report select "Budget & Levy Reports".

« Select again »

(Date in parentheses is date the document was published or last revised.)
F indicates a fill-in (and print, but not e-file) form. Learn more about our fill-in forms. Using Windows 10 and the Edge browser?

View [Budget & Levy Reports](#) »
View latest [preliminary values](#) and [final values](#) »

Forms and form instructions

We don't have blank tax forms for permit accounts on our website. That's because we print our permit forms with personal and confidential information (name, address, etc.) already included. If you don't have your form:

- File online using TAP. It's free.
- Contact us and we'll mail you a new personalized form.
- Your authorized representative can contact us for a replacement.

Example forms:
850°, 852°, 910°, 967°, 1150°, 1152°, 1250°, 1350, 1450, 1550, 1650, 1752, 3150°, 3550, 3950°

- Certification of levy rates L-1 »
- Budget Hearing Notice Noncompliance List (03-26-2018)
- L-2 County (04-12-2019)
- L-2 County (04-12-2019)
- L-2 General (04-12-2019)
- L-2 General (04-12-2019)
- L-2 Highway District (04-12-2019)
- L-2 Highway District (04-12-2019)

L-2s, Maximum Budget and Forgone worksheets located here.

54

Other L-2s

- On the web page there are 5 different type of L-2s. They are as follows:
 - County – for county use only
 - Hospital – has spot for initialing if public hearing held.
 - Highway – identifies fund shared with city(s)
 - School – L-2 worksheet has hypo levy for tort computation
 - Generic – used by district not listed above.
 - GPSGI – used for one time relief last year.

55

55

Rule 803

- L-2 submitted to each county MUST be signed.
- Unless otherwise provided for in Idaho Code, budget requests for the property tax funded portions of the budget can not exceed the amount published in the notice of budget hearing, if a budget hearing notice is required.
- The levy approved by the STC can not exceed the levy computed using the amount shown in the notice of budget hearing.
- Subtract all replacement monies on the L-2 worksheet.

56

56

Maximum Budget and Forgone Amount Worksheet

District Name	Highest non-exempt P-Tax Budget + P-Tax Replacements	3% Increase (Highest P-Tax \$ plus Total P-Tax Replacement x 3%)	Forgone Amount
4/12/2021			
Camas County			30,540
County Road & Bridge			
Total County Budget Information:	939,826	28,195	
City:			
Fairfield	172,568	5,177	
Schools:			
	use the Tort Funds.		
Camas #121	17,128	514	
Cemetery:			
Camas County Cemetery	5,020	151	
Fire:			
West Magic Fire	18,676	560	
Library:			
Line 1 of L-2 Worksheet	86,443	2,593	2,750
Mosquito Abatement:			
Line 2 of L-2 Worksheet	11,083	332	535

Part 1 of 2 Parts

Line 17 of L-2 Worksheet

57

57

Maximum Budget and Forgone Amount Worksheet

2018				2019				2020				
Ag Equip \$	PP	HE	Total	Ag Equip \$	PP	HE	Total	Ag Equip \$	PP	HE	*Rep used	Total
33,749	8,912	-		33,749	8,912	-		33,749	8,912	-		
33,749	8,912	0	42,661	33,749	8,912	-	42,661	33,749	8,912	-		42,661
255	2,405	-	2,660	255	2,405	-	2,660	255	2,405	-		2,660
2,315	6,585	-	8,900	2,315	6,585	-	8,900	2,315	6,585	-	8,900	8,900
273	46	-	319	273	46	-	319	273	46	-		319
0	45	-	45	0	45	-	45	0	45	-		45
1,615	986	-	2,601	1,615	986	-	2,601	1,615	986	-		2,601
27	162	-	189	27	162	-	189	27	162	-		189

The amounts listed above are added to the appropriate year's non-exempt p-tax to determine the highest of the last 3 years amount.

Part 2 of 2 Parts

58

58

Non-School Voter Approved Fund Tracker

Voter Approved Fund Tracker Attach to L-2 Form If Applicable						
District Name:						
Fund	Date of Election (If current year attach copy of Ballot)	Term of Initiative	Annual Amount Authorized by Voters	1st Calendar Year Levied		
Override Funds Available to All Districts						
2 Yr Override I.C. §63-802						
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.						
District Bond Fund(s) (refer to district code for specifics)						
	Bond Election Date	Bond Expiration Date	Prior Year P-Tax \$	Current Year P-Tax Reported on L-2 Col. 6	% Change (+/- 20% Explanation Required)	"Yes" = Explanation Required
Bond (1)						
Bond (2)						
Bond (3)						
Bond (4)						

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

Modified 1/17/2020

59

59

School Voter Approved Fund Tracker

School District Voter Approved Fund Tracker Attach to L-2 Form If Applicable						
District Name:						
Fund	Date of Election (If current year attach copy of Ballot)	Term of Initiative	Annual Amount Authorized by Voters	1st Calendar Year Levied		
Supplemental Funds						
Temporary School Supplemental I.C. §33-802(3)						
Permanent School Supplemental I.C. §33-802(5)						
Plant Facilities Transfer to Supplemental I.C. §33-804						
(Total Plant Facilities and Transfer to Supplemental can not exceed the annual Plant Facilities approved by voters.)						
COSA Funds						
COSA Funds (50% Voter Approval 10 yr)						
COSA Maintenance (2/3 Voter Approval 10 yr)						
COSA Plant Facilities (3 yrs)						
Plant Facilities Funds (also 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.						
Safe School Plant Facilities (Maximum of 20 yrs)						
If voters approved an increase in the annual amount but did not change the term enter the amount of increase here.						
District Bond Fund(s) (refer to district code for specifics)						
	Bond Election Date	Bond Expiration Date	Prior Year P-Tax \$	Current Year P-Tax Reported on L-2 Col. 6	% Change (+/- 20% Explanation Required)	"Yes" = Explanation Required
Bond (1)						
Bond (2)						
Bond (3)						
Bond (4)						

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

Modified 4/12/2019

60

60

L-2 Worksheet

Levy Rate Calculation Worksheet							
For County Use Only							
District's Name: _____							
DO NOT ENTER IN SHADED AREAS:							
For I.C. §63-1305 Judgments, I.C. §33-802 Judgment Obligations, temporary Override/Supplemental, and School Emergency funds increment value added if first certified after 12/31/2007. For Bonds, and Plant Facility, increment value added if voter approved after 12/31/2007, or if new RAA or RAA annexation. For any existing funds, the levy may need to be computed using part of the increment value if boundary changes have occurred.							
Market Value Area:		Please enter any U/R increment				Taxable Value plus Increment	
County	Less U/R Increment (A) Net Taxable Market Value	(B) Total Net Increment Value	(C) Partial Increment Value	(D) Increment Value of Annexed Area Only	Net Value plus ALL Increment (A+B)	Net Value plus Partial Increment Only (A+C)	Net Value plus Annexation Increment Only
	480,000,000				480,000,000	480,000,000	480,000,000
					0	0	0
					0	0	0
					0	0	0
Total Value:	480,000,000	0	0	0	480,000,000	480,000,000	480,000,000
		U/R Key Code:		U/R Key Code	(1)	(2)	(3)
Leave Blank if NO U/R Increment added. 1 = All increment added. 2 = Partial increment added. 3 = Annexation increment added.							
Levy Calculation Area				Enter the fund's maximum levy rate below	Maximum Levy Limit Testing Area		
Fund	Balance to be levied	U/R Key Code	Levy Rate	Maximum Levy Rate	"Over Max"		
Supplemental	35,000		0.000072917		Over Max		
Text	0		0.000000000				
Totals:	35,000		0.000072917			1,152,000	

District Formation or 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 or alteration
 - Include a legible map that matches the legal description and clearly identifies the boundary of the formation or alteration
 - Provide current contact information for the taxing district
- Important Dates and Deadlines:
 - A hard-copy must be filed with the Idaho State Tax Commission within 30 days of the effective date of formation or 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.

Mail hard-copies to: Idaho State Tax Commission, Attn: GIS Department, P.O. Box 36, Boise, ID 83722-0410.

Email: gis@tax.idaho.gov Phone: 208-334-7750

For more information, please visit the link "How to Submit an Annexation" on the ISTC GIS/ Cartography website: <https://tax.idaho.gov/gis/>

Reference: Idaho Statute 63-215, Idaho Administrative Rule 35.01.03 Section 225

Election to Create a New Taxing District

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

65

65

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 State Tax Commission and with the county recorder of each county in which the jurisdiction is situated.

66

66

What to Send with L-2s

- The signed 2021 L-2 form with all pertinent information.
- The 2021 L-2 worksheet.
- Voter approved fund tracker if applicable
 - If a new voter approved fund (first time levied), a copy of the ballot and canvass of the vote required.
- Newly formed recreation district - copy of formation petition showing voter approved levy limit.
- If budget includes any forgone amount, a copy of resolution is required by I.C. §63-802 (1)(e).
- Plus any other information requested by the county (i.e. copy of published budget notice).
- Capital project worksheet (if applicable)

67

67