School Property Taxes and Equalization

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April, 2006

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State Tax Commission's Role Regarding School Budgets and Levies

- Compile reports from counties --
  Actual market value for assessment purposes.
- Assess Operating Property-Certify by 1st Monday in September
- Do ratio study -- I.C. §63-315 (by school district)
  Calculate adjusted market value for assessment purposes.
  Certify actual and adjusted market values to
  Department of Education by the first Monday in April.
- Distribute I.C. § 63-3067 Ag. Equipment Exemption
  Replacement monies quarterly.
- Review and approve levies.
- Provide training and technical assistance.

2006 Legislation
New Laws

Bill	Description
H-705A	Provides for 0.001 levy for purposes of constructing and maintaining cooperative service agency facilities.
H-743	School Facilities Improvement Act
H-781	Maintenance and Operation, Bond, Supplemental, Other school district funds to be shown separately on property tax bills.

School Plant Facilities Improvement Act HB-743

- Amends and adds various school building maintenance statutes in response to Supreme Court decisions interpreting the constitutional requirement for "thoroughness" to include "a safe environment conducive to learning".
  - Upon failure to pass one or more bond levies during a two year period, school districts may apply for funding from the school facilities funding program.
  - Provides for a 10-year plan from the division of building safety and department of education to be supplied to each school district.
  - School districts will annually deposit from bond revenue 2% of the replacement value of school buildings into the school building maintenance fund.
  - New levy authority for state authorized school facilities levy.
  - Provides for the state board of education to order state supervision of a school district.
  - Appropriates $25,000,000 from the general fund to the Public School Facilities Cooperative Fund.
- Amends §63-2520, Idaho Code – distributing revenue to the general fund for bond levy equalization.
- **Effective 7/1/2006. (Law.)**

Cooperative Service Agencies HB705A

- Amends §33-317, Idaho Code (currently allows 0.1% for programs upon majority vote).
- Upon a 2/3 voter approval, member school districts may levy an additional 0.1% for 10 years to fund construction and maintenance of the facilities of a cooperative service agency.
- Voters may approve additional 10 years.
- **Effective 7/1/2006. (Law)**

Three Property Tax Related Terms

Budget is stated as dollars ($)

Levy Rate is stated as a percent (%) or a rate (0.12345)

Multiplier is a number applied to prior calendar year end value to calculate maximum M&O property tax budget.

$$\textbf{Levy Rate} = \frac{\textbf{Property Tax Dollars}}{\textbf{Current year's September net taxable value}}$$

$$\textbf{Example:}\ \frac{\$\,100{,}000\ \textbf{Budget}}{\$\,200{,}000{,}000\ \textbf{Value}} = 0.0005\ \textbf{levy rate or } 0.05\%$$

Multiplier Example:

	$ 100,000,000 prior year's value
	X 0.003
$	**300,000**

School Funds and the 3% Cap

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

The 3% cap applies to the sum of the three funds listed below.

Tort/Liability Insurance: I.C.§6-927 – no levy limit; liability insurance premiums only.

Tuition: I.C. §33-1408 no levy limit

Migrant Worker: I.C.§33-803 – 0.001 - If the total M&O and Migrant Worker levy exceeds 0.006 an election for this fund must be held; a majority of the voters must approve the fund.

Example of 3% Cap

This hypothetical school district has decided to levy property taxes for a tort fund in the amount of $100,000. For the next year this school district can receive a 3% increase of $3,000. The school district now has a total of $103,000 available for its 2nd year budget subject to the 3% cap. The school district has a need for a tuition fund in addition to its tort fund. As long as the school district's total of tort and tuition is not in excess of $103,000, it can determine how much property tax is required for each fund.

Example:

Fund	1st Year	3% Increase	2nd Year
Tort	$ 100,000		$ 93,000
Tuition	N/A		$ 10,000
Total Budget	$ 100,000	$ 3,000	$103,000

3% Budget Cap Override (2005 HB-99)

Provisions outlined in Idaho Code Section 63-802

- Available to all types of taxing districts.
  - Permanent override
    - 2/3rd majority to pass
    - Resets the non-exempt portion of a taxing districts property tax budget.
    - Election held in May or November
    - Included in 3% calculation
  - **Only applicable to tort, tuition, and migrant worker funds**.
  - Can not exceed fund's levy limit

Exempt School District Funds Not Subject to 3% Cap – I.C. §63-802

Maintenance & Operation: I.C.§33-802 – Boise School Only. Use the highest of the actual or adjusted prior year's market value multiplied by 0.00664167 minus the appropriate agricultural replacement money.

Plant Facility: I.C.§33-804 – Up to 0.004 1st year only, then only capped based on ballot measure language.

Safe School Plant Facility: I.C.§33-804A – Same basic election rules as regular Plant Facilities levy except term is 20 years and must meet certain criteria. Refer to code for details.

State Authorized Plant Facilities Levy: Necessary taxing authority to pay school district's share of repair or replacement of school facilities. Levies set by Dept of Education and certified to appropriate county.

Continued on next page

Exempt School District Funds Not Subject to 3% Cap – I.C. §63-802

Cooperative Service Agency (COSA): I.C. §33-317 – levy limit of 0.001 voter approved for up to 10 years.

Cooperative Service Agency Facilities: I.C. §33-317 – levy limit of 0.001 voter approved for up to 10 years. 2/3 Majority voter approval required. (additional levy)

Emergency: I.C.§33-805 & 63-805 – levy limit of 0.0006; refer to code for details.

Supplemental (override): I.C. §33-802 – no limit (up to 2 years except special permanent).

Continued on next page

Exempt School District Funds Not Subject to 3% Cap – I.C. §63-802

Bond: I.C.§33-1103 – refer to code for details.

Judgments: I.C. §33-802 – refer to code for details.

Judgments: I.C. §63-1305 - When board of tax appeals or district court orders a refund of any property taxes imposed. (example 2004 Qwest and/or Id Power)

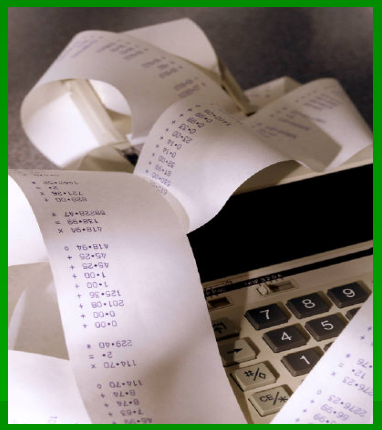
Judgment Levy I.C. §63-1305

- **There are 5 utility companies that had valuation appeals settled in 2004.**
  - **Taxing districts were asked to refund previously paid property taxes.**
  - **If you were affected, you were notified by your counties.**
  - **If you were required to refund property taxes you received previously, you are allowed to seek restitution through a special Judgment Levy.**
- **The I.C. §63-1305 Judgment Levy is outside the 3% cap and is to be reported as a separate line item on the L-2 form.**
  - **If you did not levy the full amount in 2005, you may levy any remaining amount in 2006.**
  - **Proposed rule would limit levying authority to 2 years and after 1st year remaining balance less than $100 would be lost.**
  - **See Appendix, p A-24 for information on amounts you may be eligible to levy in 2006.**

List of Schools with Available Judgment Funds

Two Components of M&O
I.C. §33-802 and I.C.§33-1002D

- Pre 1995: property tax multiplier = 0.004
- Beginning 1995:
  - Property tax multiplier = 0.003
  - Property tax replacement = 0.001
  ($40 million in 95)



- Beginning 2004:

  Property tax replacement capped at $75 million

  Would have been $83.9 million in FY06

  Would have been $97.4 million in FY07 (without cap)

M&O Fund Computation

Hypothetical example:

Prior Year's End Market Value		Agricultural Replacement Money	
Actual	Adjusted	Total Ag $	Appropriate Ag $
600,000,000	630,000,000	50,000	$15,000

Highest of the Actual or Adjusted prior year's market value	$ 630,000,000
Multiply by 0.003 (except Boise School #1)	$ 1,890,000
Subtract the "Appropriate Ag $"	< $ 15,000>
Maximum M&O Property Tax	$ 1,875,000

Note: The school district will receive quarterly checks totaling $50,000 annually for agricultural equipment tax replacement. The $15,000 (Appropriate Ag $) is used only for computing the maximum property tax portion of the M&O budget.

Market Value Notifications

Actual/Adjusted prior calendar year value: This value is certified, by the State Tax Commission, to the Dept of Education by the 1st Monday in April. The higher of the two values is used to compute the maximum, property tax portion, M&O budget. (For budget setting purposes this supersedes the March notification from the county.)

September Net Taxable Market Value: Is available, from the county clerk, when the utility values are finalized by the 1st Monday in September. This value is used to determine levy rates in your district.

Agricultural Equipment Exemption I.C §63-602EE

This statute provides a full property tax exemption from 2001 onward for machinery and equipment used exclusively for agricultural purposes.

Establishes a procedure for calculating and remitting to each affected school district an amount equivalent to year 2000 property taxes and year 2000 I.C. §33-1002D replacement money on farm equipment plus a one time 6% inflation calculation.

This yearly amount is distributed, to each school district, quarterly. This amount will not increase or decrease. The total amount received must be shown on the L-2 worksheet and the appropriate* portion must be subtracted from the M&O property tax.

Procedure is found in section I.C. §63-3067.

***Appropriate amount based on difference between total and 0.004 generated amount.**

List of Appropriate and Total Ag Replacement Amounts

Maximum Property Tax Portion of M&O Budget Calculation Worksheet

SCHOOL DISTRICT	2005 Highest Actual/Adjusted Year End Mrkt Val.	M&O Computation	Appropriate Agricultural Replacement $	Maximum M&O P-Tax for 2005
Boise Independent #1	14,249,870,048	94,642,934	5,484	94,637,451
Meridian #2*	9,731,147,030	29,193,441	26,074	29,167,367
Kuna #3	853,565,067	2,560,695	9,926	2,550,769
Meadows Valley #11	232,218,221	696,655	632	696,023
Council #13	127,862,440	383,587	657	382,930
Marsh Valley #21	346,796,362	1,040,389	22,569	1,017,821
Pocatello #25	2,571,268,059	7,713,804	11,631	7,702,173
Bear Lake #33	441,035,574	1,323,107	10,265	1,312,842
St Maries #41	393,039,648	1,179,119	4,730	1,174,389
Plummer Worley #44	394,510,608	1,183,532	5,574	1,177,957

Currently Available

Maximum School M&O Worksheet

Property Tax Replacement I.C. § 33-1002D

State of Idaho contributes, to the schools, an amount equal to the greater of the actual or adjusted calendar year end value multiplied by 0.001.

2003 Legislation limited the State's contribution to a maximum of $ 75 million.

Example: 2005 adjusted calendar year end value is 97,352,457,089

97,352,457,089
x 0.001
97,352,457
75,000,000 = maximum contribution
22,352,457 = difference.

Note: 0.001 multiplier actually is 0.000771.

Plant Facility Fund Notes

Idaho Code § 33-804 & 33-804A & Rule 801

1. **If there is an existing bond, add the hypothetical bond levy and the proposed hypothetical new plant facility fund levy rate together.**

   The above levies are hypothetical because they are based on the December 31 value (prior to year of plant facility fund election), not the September value. I.C. §33-804A, extends term to 20 years if conditions are met.
2. **If total of hypothetical levies is:**

   A. <.2%, 55% voter approval required to pass.

   B. >.2% but <.3%, 60% voter approval is required to pass.

   C. >=.3%, 2/3 voter approval is required to pass.
3. **The amount to be raised each year must be specified in the election notice.**
4. **If election passes the dollar amount to be raised in any year cannot exceed .4% multiplied by the December 31 actual value from year prior to the election.**

See appendix for some related FAQs

Calculation of Plant Facility Funds Maximum Budget (I.C. § 33-804)

<u>Example:</u> Plant Facility election held in 2006
School district's December 31, 2005 net taxable market value is $500,000,000

	$ 500,000,000
X	**0.004**
$	**2,000,000**

the $2,000,000 represents the maximum property tax dollars.

Actual levy in any year *<u>not</u>* subject to 0.004 limit; for example,

If September 2006's net taxable market value = $ 400,000,000
Levy = 0.005
OK

Provisions for School Supplemental (overrides)

<u>Provisions outlined in Idaho Code Section 33-802</u>

2 year supplemental:

Simple majority to approve.

Permanent Override:

a) **Has had a supplemental equal to or greater than 20% of the total general maintenance & operation fund for at least seven (7) consecutive years.**
b) **Must be approved by a simple majority of the district electors voting. (only 4 school districts use this provision).**

2006 Certification
(School fiscal year 2007)

Basis For:		
Fund	**Budget**	**Levy**
M&O	Higher of 2005 actual or adjusted calendar year end value.	September 2006 value.
New Plant Facilities (election 2006)	2005 actual year end value.	September 2006 value.
Bonds	Annual budget not limited under property tax law. (may be subject to payment provisions)	September 2006 value.

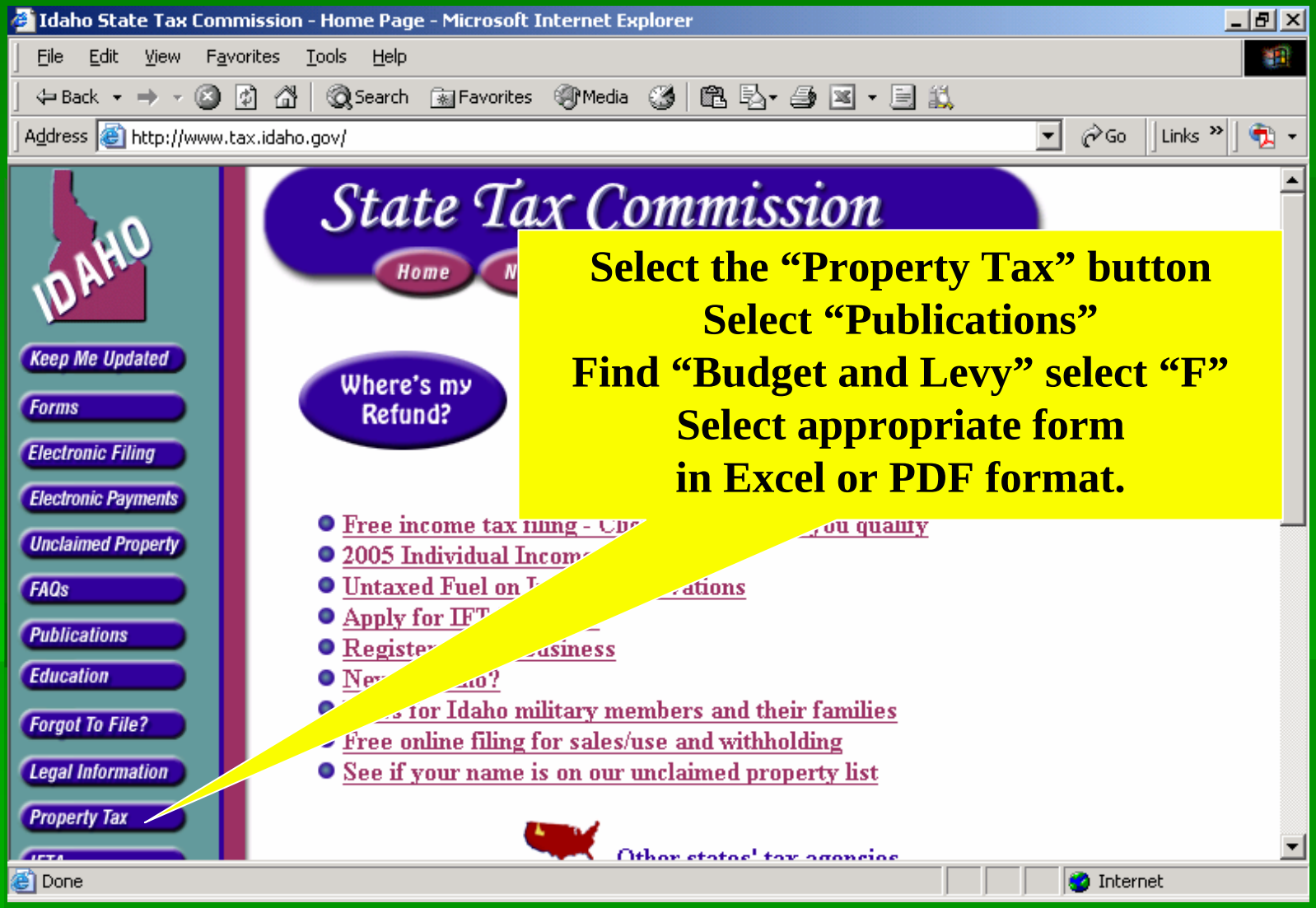
Certifying Your Property Tax Solving the Puzzle

2005 Dollar Certification of Budget Request to Board of County Commissioners L-2
School Districts (the L-2 worksheet and the Voter Approved Fund Tracker must be attached)

District Name: **County(ies):**

Fund	Total Approved Budget*	Cash Forward Balance	Other revenue *NOT* shown in Column 5	Property Tax Replacement (Equal to line 14 of L-2 Worksheet)	Balance to be levied	Calculated Levy Rate	Maximum Levy Rate
					Col. 2 minus (Cols. 3+4+ 5)	(County Use Only)	(County Use Only)
1	2	3	4	5	6	7	8
M&O							

L-2 Forms Now on the Web



Select the "Property Tax" button
Select "Publications"
Find "Budget and Levy" select "F"
Select appropriate form
in Excel or PDF format.

WWW.Tax.Idaho.Gov

2006 Dollar Certification of Budget Request to Board of County Commissioners L-2
School Districts (the L-2 worksheet and the Voter Approved Fund Tracker must be attached)

District Name: **County(ies):**

Fund	Total Approved Budget*	Cash Forward Balance	Other revenue *NOT* shown in Column 5	Special P-Tax Remittance (Line 14 of L-2 Worksheet)	Balance to be levied	Calculated Levy Rate	Maximum Levy Rate
					Col. 2 minus (Cols. 3+4+ 5)	(County Use Only)	(County Use Only)
1	2	3	4	5	6	7	8
M&O							
Subtotal: (non-exempt funds) Total tort and tuition funds:							
Column Total:							

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 Contact Name, Mailing Address, and E-mail address

Phone Number:	( )	Fax Number:	( )

Net Taxable Market Value Computation:
For County Clerk Use Only

County	New Construction Roll Value:	Annexation Value:	Net Taxable Market Value:
Total Value:			

*** Note: Do not include revenue allocated to urban renewal agencies.**

Revised 4/19/2005 (form BL008)

School District L-2 Worksheet (must be attached to the L-2 form)				
District Name:				
Computation of 3% budget increase:				
Enter the highest of the last 3 years approved tort and tuition fund(s).			**(1)**	
Multiply line 1 by 0.03			**(2)**	
New Construction & Annexation budget increases:				
Enter the 2006 value of new construction:	**(3)**			
Enter the 2006 value of annexation that occurred in 2005:	**(4)**			
Enter the total 2005 approved tort, and tuition levy rate:	**(5)**			
New Construction budget increase (multiply line 3 by line 5)			**(6)**	
Annexation budget increase (multiply line 4 by line 5)			**(7)**	
Maximum Allowable Tort and Tuition Property Tax Budget:				
Add lines 1 + 2 + 6 + 7			**(8)**	
Computation of M&O Property Tax:				
Enter the highest, actual or adjusted, calendar year end market value:	**(9)**			
Multiply line 9 by 0.003. This is your M&O subtotal:			**(10)**	
Enter the Appropriate Agricultural Replacement money.	**(11)**			
Enter recovered Homeowner's Exemption property tax here:	**(12)**			
Enter recaptured QIE property tax exemption in lieu of Investment Tax Credit here:	**(13)**			
Total lines 11, 12, and 13 here: (Total remittance to be reported col.5 of L-2)			**(14)**	
Subtract line 14 from line 10: This is the maximum allowable M&O property tax budget that can be levied.			**(15)**	
Total Agricultural Replacement Money				
Enter the total agricultural equipment replacement money amount here. This is the annual amount you will receive from the State of Idaho.			**(16)**	

2006 (Voter) Approved Fund Tracker

District Name:	

Override or School Supplemental Fund	
Date of election:	
Term of initiative	
Annual amount authorized by voters	
1st calendar year levied	

COSA/COSA Facilities Fund authorized by I.C. §33-317.		
Date of election		
Term of initiative		
Annual amount authorized by voters		
1st calendar year levied		

Plant Facilities/Safe School Plant Facilities authorized by I.C. §33-804 & 33-804A.	
Date of election	
Term of initiative	
Annual amount authorized by voters	
1st calendar year levied	

Bonds refer to district code for specifics.	
Date of election	
Term of initiative	
1st calendar year levied	

Attach to your L-2 form and return to your County Clerk no later than September 7, 2006. (I.C. §63-803), except as provided in I.C. §33-805.

What Does A Filled Out L-2 Look Like?

Example L-2 Worksheet Form

School District L-2 Worksheet (must be attached to the L-2 form)				
District Name: No Homework School #0				
Computation of 3% budget increase:				
Enter the highest of the last 3 years approved tort and tuition fund(s).			**(1)**	26,523
Multiply line 1 by 0.03			**(2)**	796
New Construction & Annexation budget increases:				
Enter the 2006 value of new construction:	**(3)**	2,500,000		
Enter the 2006 value of annexation that occurred in 2005:	**(4)**			
Enter the total 2005 approved tort, and tuition levy rate:	**(5)**	0.001600000		
New Construction budget increase (multiply line 3 by line 5)			**(6)**	4,000
Annexation budget increase (multiply line 4 by line 5)			**(7)**	-
Maximum Allowable Tort and Tuition Property Tax Budget:				
Add lines 1 + 2 + 6 + 7			**(8)**	31,319
Computation of M&O Property Tax:				
Enter the highest, actual or adjusted, calendar year end market value:	**(9)**	170,000,000		
Multiply line 9 by 0.003. This is your M&O subtotal:			**(10)**	510,000
Enter the Appropriate Agricultural Replacement money.	**(11)**	25,000		
Enter recovered Homeowner's Exemption property tax here:	**(12)**	150		
Enter recaptured QIE property tax exemption in lieu of Investment Tax Credit here:	**(13)**			
Total lines 11, 12, and 13 here: (Total Remittance to be reported col. 5 of L-2)			**(14)**	25,150
Subtract line 14 from line 10: This is the maximum allowable M&O property tax budget that can be levied.			**(15)**	484,850
Total Agricultural Replacement Money				
Enter the total agricultural equipment replacement money amount here. This is the annual amount you will receive from the State of Idaho.			**(16)**	100,000

New Construction Roll
Idaho Code §63-301A & §63-802

- A new construction preliminary value will be available for each district after the 1st Monday in June. Please contact your County Clerk.
- Final values are to be sent to each district by the 4th Monday of July.
- Schools can multiply the value on the new construction roll by the prior year's levy rate for tort and tuition funds. The result can be added to the limit produced by the 3% cap for these funds. Any addition must be taken in the year it is calculated or it is lost.

2006 Dollar Certification of Budget Request to Board of County Commissioners L-2
School Districts (the L-2 worksheet and the Voter Approved Fund Tracker must be attached)

District Name: No Homework School #0 **County(ies):** ABC County

Fund	Total Approved Budget*	Cash Forward Balance	Other revenue *NOT* shown in Column 5	Special P-Tax Remittance (Line 12 of L-2 Worksheet)	Balance to be levied	Calculated Levy Rate	Maximum Levy Rate
					Col. 2 minus (Cols. 3+4+ 5)	(County Use Only)	(County Use Only)
1	2	3	4	5	6	7	8
M&O	7,000,000	400,000	6,090,000	25,150	484,850		
					-		
Tort	27,719				27,719		
					-		
Safe School Plant Facility	200,000	25,000			175,000		
					-		
I.C. §63-1305 Judgment	50,000				50,000		
					-		
Subtotal: (non-exempt funds) Total tort and tuition funds:					27,719		
Column Total:	7,277,719	425,000	6,090,000	25,150	765,288		

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.

Decision Maker — District Administrator

Signature of District Representative **Title** **Date**

Ms. Always Busy, 100 Student Fee Road, College, Idaho 12345

Please print Contact Name, Mailing Address, and E-mail address

Phone Number: **(208) 123-4567** **Fax Number:** **(208) 789-0123**

Net Taxable Market Value Computation:
For County Clerk Use Only

County	New Construction Roll Value:	Annexation Value:	Net Taxable Market Value:
Total Value:			

*** Note: Do not include revenue allocated to urban renewal agencies.**

Revised 4/19/2005 (form BL008)

Example L-2
For Demonstration Purposes Only

School Districts (the L-2 worksheet and the Voter Approved Fund Tracker must be a

District Name: No Homework School #0 **County(ies):** A

Fund	Total Approved Budget*	Cash Forward Balance	Other revenue *NOT* shown in Column 5	Special P-Tax Remittance (Line 12 of L-2 Worksheet)	Balance to be levied
					Col. 2 minus (Cols. 3+4+ 5)
1	2	3	4	5	6
M&O	7,000,000	400,000	6,090,000	25,150	484,850
					-
Tort	27,719				27,719
					-
Safe School Plant Facility	200,000	25,000			175,000
					-
I.C. §63-1305 Judgment	50,000				50,000
					-
Subtotal: (non-exempt funds) Total tort and tuition funds:					27,719
Column Total:	7,277,719	425,000	6,090,000	25,150	765,288

2006 (Voter) Approved Fund Tracker

District Name:	No Homework School #0

Override or School Supplemental Fund	
Date of election:	
Term of initiative	
Annual amount authorized by voters	
1st calendar year levied	

COSA/COSA Facilities Fund authorized by I.C. §33-317.		
Date of election		
Term of initiative		
Annual amount authorized by voters		
1st calendar year levied		

Plant Facilities/Safe School Plant Facilities authorized by I.C. §33-804 & 33-804A.	
Date of election	May 1, 2004
Term of initiative	20 Years
Annual amount authorized by voters	$175,000 per year
1st calendar year levied	2004

Bonds refer to district code for specifics.	
Date of election	
Term of initiative	
1st calendar year levied	

Attach to your L-2 form and return to your County Clerk no later than September 7, 2006. (I.C. §63-803), except as provided in I.C. §33-805.

Quality Assurance

The State Tax Commission completes the first review of the L-2, L-2 worksheet, and L-3 form, copies are then sent to the Department of Education for further review:

<u>Items to look for:</u>

- Did you request the maximum allowable property tax portion of your M&O budget?
- Did you levy for elected funds?
  (bonds, plant facilities etc.)
- Was the amount budgeted for your voter approved funds in excess of the amount approved by voters?

What to Send to County Clerk(s)

Budget Hearing Notice by April 30th.
L-2, L-2 worksheet, L-3 (Dept. of Ed. form), and voter approved fund tracker (if applicable).
New voter approved funds; attach copy of the ballot and canvas of votes to L-2s.
Make sure that each and every county clerk receives an exact copy of all materials. (joint districts)

- ✓ Note: This is not meant to be an inclusive list, contact your County Clerk(s) with any related questions.

Miscellaneous Important Items

Budget Certification Date

Budget certification date is September 7, 2006, except as provided in section 33-805, Idaho Code, relating to school emergency fund levies.

A school district that qualifies for an emergency fund may certify this fund to the County Commissioners as late as September 11, 2006.

33-805. SCHOOL EMERGENCY FUND LEVY. Before the second Monday of September in each year, the board of trustees of any school district which qualifies under the provisions of this section may certify its need hereunder to the board of county commissioners in each county in which the district may lie, and request a school emergency fund levy upon all taxable property in the district.

County Commissioners may grant a 7 day extension from the September 7th date upon request. This extension does not apply to the emergency fund.

Budget Hearing Notification I.C. §63-802A

This provision applies only to the M&O portion of your budget.

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) Beginning in 2003, a non-school 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) Beginning in 2003, a school district that fails to comply with subsection (1) of this section shall be prohibited, in the year of such failure, from increasing the portion of its property tax budget raised under section 33-802 2., Idaho Code, over the amount of the immediately preceding year.

(4) If a taxing district wishes to change the time and location of such budget hearing as stated on the assessment notice, they shall publish such change of time and location in advance of such hearing as provided by law.

Calculating Adjusted Values – Use of Ratio Studies

Assessed value = $ 120,000

Sale price = $ 150,000

Ratio = 80% of Sale Price

Assessed value = $ 150,000

Sale price = $ 150,000

Ratio = 100% of Sale Price

Procedure for Determining School District Adjusted Market Value -- 2005

- ✓ Acquire sales data for October 2004 -- September 2005
- ✓ Time adjust sales prices to January 1, 2005
- ✓ Determine ratio of 2005 assessed value to adjusted sales prices
- ✓ Segregate sales by property designation (residential including manufactured housing, commercial); disregard any component categories with no sales and any designations with fewer than 5 sales
- ✓ Statistically analyze ratios, computing measures of level, uniformity, and statistical certainty (confidence)
- ✓ Determine whether assessed value for designation equals market value -- if so, there is no adjustment and assessed value equals adjusted market value

How are School Levies Equalized?

Ratio study is used as required for school equalization under Idaho Code §63-315. Goal is to ensure that M&O levy raises the same amount of property tax per dollar of market value regardless of the level of assessment.

	Market Value	Assessed Value	M&O tax if No Equalization
County A	$ 100,000	$ 100,000	$ 300
County B	$ 100,000	$ 50,000	$ 150

Computing 2005 School District Adjusted Market Value for Assessment Purposes

(1) Category of Property	(2) Actual Prior Year End Value	(3) Computed Weighted Mean Ratio	(4) Adj. Year End Value (col. 2/3)	(5) Overall Ratio (col. 2/4)
Improved Residential	$ 76,000,000	0.7415	$ 102,486,486	N/A
Commercial	$ 15,000,000	1.110	$ 13,513,514	N/A
Agriculture	$ 4,000,000	N/A	$ 4,000,000	N/A
Industrial	$ 3,000,000	N/A	$ 3,000,000	N/A
Operating	$ 2,000,000	N/A	$ 2,000,000	N/A
Total:	**$ 100,000,000**		**$ 125,000,000**	**0.800**

This example assumes no ratio study for Industrial, Operating, or Agriculture property. When no study is available, actual value = adjusted value.
Actual value is taken from the equalized property and operating property assessment rolls for calendar year 2005.

HOW DOES THE ADJUSTED MARKET VALUE AFFECT THE BUDGET?

Assessed value for the prior calendar year (actual)	$ 100,000,000
Weighted Mean level of assessment	0.80
Adjusted market value. (100,000,000 / 0.80)	125,000,000

A school district's maximum property tax M&O budget is 0.003 multiplied by the highest of the actual or adjusted prior calendar year's end market value.

Value (prior calendar year's end market value.)	Multiplied by:	Max M&O Budget
Actual calendar year's end market value: $ 100,000,000	0.003	$ 300,000
Adjusted calendar year's end market value: $ 125,000,000	0.003	$ 375,000

EFFECT OF ADJUSTED MARKET VALUE ON LEVY RATE

To compute the levy rate divide the requested property tax budget by the September 2006 net taxable market value.

Example	September Net Taxable Mrkt Value	2006 P-Tax Budget	Computed Levy Rate (budget/value)
Example A – Net September value **less** than actual/adjusted value.	110,000,000	375,000	0.003409091
Example B – Net September value **greater** than actual/adjusted value.	135,000,000	375,000	0.002777778

Hypothetical School District #1 (continued)

Appendix

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315. RATIO STUDIES - SCHOOL DISTRICTS (Rule 315).
Section 63-315, Idaho Code. (5-3-03)

01. Procedures for School District Ratio Studies. The ratio study conducted by the State Tax Commission to comply with the requirements of Section 63-315, Idaho Code, shall be conducted in accordance with the "Standard on Ratio Studies" published in 1999 by the International Association of Assessing Officers. The following specific procedures will be used. (3-30-01)

a. Information on property sales, which meet the requirements of arm's length and market value sales, will be obtained and assembled into samples representing various categories of property and designations defined in Subsection 315.02 in each school district. Except when sales or appraisals must be added or deleted to improve representativeness, sales used will be those occurring within each school district between October 1 of the year preceding the year for which adjusted market value is to be computed and September 30 of the year for which adjusted market value is to be computed. Each sale price is to be adjusted for time and compared to market value for assessment purposes for the year for which adjusted market value is to be computed, to compute ratios to be analyzed. The State Tax Commission may use sales from extended time periods and may add appraisals when data is lacking. The State Tax Commission may delete sales when necessary to improve representativeness. (3-30-01)

b. A ratio will be determined for each sale by dividing the market value for assessment purposes of the property by the adjusted sale price or appraised value. (7-1-98)

c. A statistical analysis is to be conducted for the sales and any appraisals in each property designation defined in Subsection 315.02 in each school district and appropriate measures of central tendency, uniformity, reliability, and normality computed. (3-30-01)

d. With the exception of any property designations with extended time frames or added appraisals, if fewer than five (5) sales and appraisals are available, no adjustment to the taxable value of the designation will be made. (7-1-98)

e. If there are five (5) or more sales and appraisals and it is determined with reasonable statistical certainty that the property designation is not already at market value for assessment purposes, an adjusted market value will be computed for the school district by dividing the taxable value for the year for which adjusted market value is to be determined by the appropriate ratio derived from the ratio study. The appropriate ratio to be used shall be the weighted mean ratio calculated from the sample for each designation, unless it can be clearly demonstrated that this statistic has been distorted by non-representative ratios. In this case the median may be substituted. (3-30-01)

f. Within each school district, adjusted market value or taxable value for each category of real, personal and operating property will be summed to produce the total adjusted market value for the school district. The school district taxable value will then be divided by this adjusted market value to produce the overall ratio of assessment in each

school district. Statewide totals are to be calculated by compiling county totals. (7-1-98)

g. Urban renewal increment values will not be included in the taxable value or the adjusted market value for any school district. (7-1-98)

h. "Reasonable statistical certainty," that the property designation in question is not at market value for assessment purposes, is required. Such certainty is tested using ninety percent (90%) confidence intervals about the weighted mean or median ratios. If the appropriate confidence interval includes ninety-five percent (95%) or one hundred five percent (105%), there is not "reasonable statistical certainty" that the property designation is not at market value for assessment purposes. (3-30-01)

i. Categories of property subject to adjustment following the procedure outlined in this rule and ratio study designations from which measures of central tendency used for adjustments will be derived are:

Category	Property Category	Ratio Study Designation
41	Urban Residential Improvements	Residential
20	Urban Residential Land	Residential
37	Rural Residential Subdivision Improvements	Residential
15	Rural Residential Subdivision Land	Residential
34 & 40	Rural Residential Tract and Other Rural Improvements	Residential
12 & 18	Rural Residential Tracts and Other Lands	Residential
42	Urban Commercial Improvements	Commercial
21	Urban Commercial Land	Commercial
35 & 38	Rural Commercial Tract and Subdivision Improvements	Commercial
13 & 16	Rural Commercial Tracts and Subdivision Land	Commercial
46, 47, & 65	Manufactured Homes and Attachments	Residential
48 & 49	Manufactured Homes Declared to be Real Property	Residential
26	Residential Condominiums	Residential
27	Commercial Condominiums	Commercial

(4-06)

j. For all other property categories not contained in the list in Subsection 315.01.i., adjusted market value will equal taxable value. (3-30-01)

~~l~~k. "Appraisal" or "appraised value" refers to any State Tax Commission provided independently conducted property appraisal. (7-1-98)

02. Use of Property Designations. In computing the ratio for each school district, the State Tax Commission will designate property as residential, commercial, or manufactured housing and shall assign appropriate property categories defined in Rule 130 of these rules to these designations. For each school district, adjusted market value

shall be computed by dividing the appropriate ratio ascertained for each of these designations into the sum of the taxable values for each category of property assigned to a designation. For the taxable value in any category to be included in said sum, at least one observation (sale or appraisal) from that category must be present in the ratio study. If the ratio for any given designation in a school district indicates that the market value for assessment purposes cannot be determined with reasonable statistical certainty to differ from statutorily required market value, the taxable value shown on the school district abstract(s) required pursuant to Subsection 315.04 for each of the categories included in that designation shall be the adjusted market value for said designation for said school district. (3-30-01)

03. Assessor to Identify School Districts. Each county assessor will provide to the State Tax Commission the school district in which each sale submitted for the ratio study is located. (7-1-98)

04. Abstracts of Value by School District. Each county auditor shall provide to the State Tax Commission abstracts of the taxable value of all property within the portion of each school district in each county. These abstracts shall be submitted in the same manner and at the same time as provided for county abstracts of value. (7-1-98)

05. Urban Renewal Increment And Exemptions to be Subtracted. The taxable value of each category of property within each school district shall not include the value that exceeds the value on the base assessment roll in any urban renewal district pursuant to Chapter 29, Title 50, Idaho Code, and shall not include the value of any exemption pursuant to Sections 63-602P, 63-602AA, 63-602K, 63-602G, 63-602X, 63-602CC, 63-602BB, and 63-602FF, Idaho Code. (5-3-03)

801. LIMITATION ON BUDGET REQUESTS -- SPECIAL PLANT FACILITIES FUND LEVY PROVISIONS (Rule 801).

Sections 63-802 and 33-804, Idaho Code. (3-15-02)

01. Limits On Plant Facilities Funds. For any school or library district with a plant facilities fund created pursuant to Section 33-804, Idaho Code, the amount of property tax to be budgeted for said fund in any year cannot exceed four tenths of one percent (0.4%) multiplied by the market value for assessment purposes of the taxing district as of December 31 of the year prior to the first year in which a plant facilities fund levy is made. (3-15-02)

02. No Additional Plant Facilities Fund Permitted. Any school or library district with an existing plant facilities fund is not allowed to levy for an additional plant facilities fund in any tax year until the period of the existing plant facilities fund has expired. (3-15-02)

03. Plant Facilities Fund Extensions Or Increases. Any school or library district may hold an election to increase the amount to be levied pursuant to the requirements of Section 33-804, Idaho Code. For the purpose of such increase, the "total levy for school or library plant facilities and bonded indebtedness" shall be computed as follows. (3-15-02)

a. For the first year in which the increased or extended plant facilities fund levy is to be made, sum of the amount to be levied for the plant facilities fund and for any bond fund in existence prior to the new plant facilities fund. (3-15-02)

b. Divide the sum computed in Subsection 801.03.a. by the district's actual market value for assessment purposes as of December 31 of the year immediately preceding the year in which the increased or extended plant facilities fund is to be levied. (3-15-02)

04. Maximum Amount Of Increased Plant Facilities Fund. When any district increases its plant facilities fund amount to be levied, the maximum amount shall not in any year exceed four tenths of a percent (0.4%) multiplied by the actual market value for assessment purposes as of December 31 of the year immediately preceding the first year the increased fund is to be levied. (3-15-02)

803. BUDGET CERTIFICATION - DOLLAR CERTIFICATION FORM (L-2 FORM) (Rule 803).
Sections 63-602G(5), 63-803, 63-3029B(4), and 63-3638(10), Idaho Code. (4-6-05)

01. Definitions. (4-5-00)

a. "Dollar Certification Form" (L-2 Form). The "Dollar Certification Form" (L-2 Form) is the form used to submit to the State Tax Commission the budget request from each Board of County Commissioners for each taxing district. This form shall be presumed a true and correct representation of the budget previously prepared and approved by a taxing district. The budget will be presumed adopted in accordance with pertinent statutory provisions unless clear and convincing documentary evidence establishes that a budget results in an unauthorized levy and action as provided in Section 63-809, Idaho Code.(4-6-05)

b. "Prior Year's Market Value for Assessment Purposes. "Prior year's market value for assessment purposes shall mean the value used to calculate levies during the immediate prior year. This value shall be used for calculating the permanent budget increase permitted for cities, pursuant to Section 63-802(1)(f), Idaho Code, and for fire districts, pursuant to Section 31-1420(3), Idaho Code. (4-5-00)

c. "Annual Budget." For the purpose of calculating dollar amount increases permitted pursuant to Section 63-802(1), Idaho Code, the annual budget shall include any amount approved as a result of an election held pursuant to Sections 63-802(1)(f), 63-802(1)(g), or 31-1420(3), Idaho Code, provided that said amount is certified on the L-2 Form as part of the budget request. If the amount certified does not include the entire amount approved as a result of the election held pursuant to Sections 63-802(1)(f), 63-80291)(g), and 31-1420(3), then the amount not used shall be added to the foregone increase amount determined for the taxing district. See the following example.

CERTIFIED PROPERTY TAX BUDGET
LIBRARY DISTRICT

	FY 1999	FY 2000	FY2001	FY2002
Annual Budget	$10,000	$10,000	$10,700	$11,621
3% Increase	$00	$300	$321	$349
Subtotal	$10,000	$10,300	$11,021	$11,970
1999 Election Amount	$00	$400 of $1,000	$600 of $1,000	$00
Certified Budget	$10,000	$10,700	$11,621	$11,970

The Library District with zero ($0) new construction and annexation approves an additional budget amount of one thousand dollars ($1,000) in 1999, but only certifies four hundred dollars ($400) for the year 2000. Note the example does not account for any foregone amount resulting from the district's decision to not increase its budget by three percent (3%) in 1997, 1998 or 1999. (4-6-05)

d. "Property tax funded budget." Property tax funded budget means that portion of any taxing district's budget certified to the board of county commissioners, approved by the State Tax Commission, and subject to the limitations of Section 63-802, Idaho Code. (3-20-04)

e. "Recovered/recaptured property tax list." Recovered/recaptured property tax list means the report sent by the county auditor to the appropriate taxing district(s)/unit(s) by the first Monday in August and to the State Tax Commission with the L-2 Forms, listing the amount of revenue distributed to each appropriate taxing district/unit as recovery of property tax under Section 63-602G(5), Idaho Code, and/or as recapture of property tax under Section 63-3029B(4), Idaho Code, during the twelve (12) month period ending June 30 each year. (4-6-05)

f. “Taxing district/unit.” Taxing district/unit means any governmental entity with authority to levy property taxes as defined in Section 63-201, Idaho Code, and those governmental entities without authority to levy property taxes but on whose behalf such taxes are levied by an authorized entity such as the county or city for such entities as county road and bridge or urban renewal agencies, respectively. (4-6-05)

02. Budget Certification. The required budget certification shall be made to each Board of County Commissioners representing each county in which the district is located by submitting the completed L-2 Form prescribed by the State Tax Commission. (4-6-05)

03. Budget Requested Documents. Each Board of County Commissioners shall submit to the State Tax Commission a budget request for each taxing district in the county that certifies a budget request to finance the property tax funded portion of its annual budget. The Board of County Commissioners shall not submit other documents unless requested to do so by the State Tax Commission. Documents not to be submitted to the State Tax Commission unless requested include newspaper advertisements, school district budget books, entire budget documents, other than the budget request, and similar documents. (4-6-05)

04. L-2 Form Contents. Each taxing district or unit completing an L-2 Form shall include the following information on or with this form. (3-20-04)

a. "Department or Fund." Identify the department or fund for which the taxing district is requesting a budget for the current tax year. (4-5-00)

b. "Total Approved Budget." List the dollar amount of the total budget for each department or fund identified. The amounts must include all money that a taxing district has a potential to spend at the time the budget is set, regardless of whether funds are to be raised from property tax. (4-5-00)

c. "Cash Forward Balance." List any money brought forward from a prior year to help fund the approved budget. Cash forward balance (Column 3) is the difference between the total approved budget (Column 2) and the sum of amounts reported as other revenue not shown in Column 5 (Column 4), agricultural equipment property tax replacement (Column 5), and balance to be levied (Column 6).(3-15-02)

d. "Other Revenue not Shown in Column 5." List the revenue included in the total approved budget to be derived from sources other than property tax or money brought forward from a prior year. For example, sales tax revenue is included. (3-15-02)

e. "Property Tax Replacement." Report the sum of only the following: (4-6-05)

i. The amount of money received annually under Section 63-3638(10), Idaho Code, as replacement revenue for the agricultural equipment exemption under Section 63-602EE, Idaho Code (For school districts, the amount of money to be included is only the appropriate amount of such money to be subtracted as provided in Subsection 803.06 of this rule, not all such money.); (4-6-05)

ii. The amount of money received as recovery of property tax exemption under Section 63-602G(5), Idaho Code, and listed on the “Recovered/recaptured property tax list;” (4-6-05)

iii. The amount of money received as recapture of the property tax benefit under Section 63-3029B(4),Idaho Code, and listed on the “Recovered/recaptured property tax list;” and (4-6-05)

iv. The appropriate amount of money listed on the statement and distributed to the county and each appropriate city under Section 63-2603, Idaho Code, as county property tax relief and detention facility debt retirement. (4-6-05)

f. "Balance to be Levied." Report the amount of money included in the total approved budget to be derived from property tax. (3-15-02)

g. Other Information. Provide the following additional information. (4-5-00)

i. The name of the taxing district or unit; (3-20-04)

ii. The date of voter approval (if required by statute) and effective period for any new or increased fund which is exempt from the budget limitations in Section 63-802, Idaho Code; (4-5-00)

iii. The signature, date signed, printed name, address, and phone number of an authorized representative of the taxing district; and (5-3-03)

iv. For a hospital district which has held a public hearing, a signature certifying such action. (4-5-00)

h. Attached Information. Other information submitted to the county auditor with the L-2 Form. (4-6-05)

i. For all taxing districts, L-2 worksheet. (3-20-04)

ii. For newly formed recreation or auditorium districts, a copy of the petition forming the district showing any levy restrictions imposed by that petition. (3-20-04)

iii. For any new ballot measures (bonds, overrides, permanent overrides, supplemental maintenance and operations funds, and plant facility funds), notice of election and election results. (3-20-04)

iv. Voter approved fund tracker. (3-20-04)

v. For fire districts, a copy of any new agreements with utility companies providing for payment of property taxes by that utility company to that fire district. (3-20-04)

vi. For any city with city funded library operations and services at the time of consolidation with any library district, each such city must submit a certification to the board of county commissioners and the board of the library district reporting the dedicated portion of that city's property tax funded library fund budget and separately reporting any portion of its property tax funded general fund budget used to fund library operations or services at the time of the election for consolidation with the library district.(3-20-04)

vii. For any library district consolidating with any city that had any portion of its property tax funded budget(s) dedicated to library operations or services at the time of the election for consolidation, each such library district must submit to the Board of County Commissioners a copy of the certification from that city reporting the information provided for in Subparagraph 803.04.h.vi of this rule. (4-6-05)

05. Special Provisions For Fire Districts Levying Against Operating Property. To prevent double counting of public utility property values, for any year following the first year in which any fire district increases its budget using the provision of Section 63-802(2), Idaho Code, such fire district shall not be permitted further increases under this provision unless the following conditions are met: (3-30-01)

a. The fire district and public utility have entered into a new agreement of consent to provide fire protection to the public utility; and (3-30-01)

b. Said new agreement succeeds the original agreement; and (3-30-01)

c. In the first year in which levies are certified following the new agreement, the difference between the current year's taxable value of the consenting public utility and public utility value used in previous budget calculations made pursuant to this section is used in place of the current year's taxable value of the consenting public utility. (3-30-01)

06. Special Provisions for Property Tax Replacement Pursuant to Section 63-3638, Idaho Code. Property tax replacement monies received pursuant to Section 63-3638, Idaho Code, must be reported on the L-2 form. For all taxing districts except school districts, these monies must be subtracted from the "balance to be levied." For school districts, only “appropriate property tax replacement monies” are to be subtracted. The reduced balance shall be used to compute levies, but the maximum amount permitted pursuant to Sections 63-802 and 33-802, Idaho Code, shall be based on the sum of these property tax replacement monies and the amount actually levied, or, for school districts, the sum of “appropriate property tax-replacement monies” and the amount actually levied. (4-6-05)

a. “Appropriate property tax replacement monies” is determined only for school districts and means all property tax replacement monies received pursuant to Section 63-3638, Idaho Code, except an amount equal to 0.004 multiplied by the year 2000 value of property exempted in Section 63-602EE, Idaho Code. If the amount so determined is greater than the total amount of property tax replacement monies, no property tax replacement monies received pursuant to Section 63-3638, Idaho Code, shall be subtracted from the school district maintenance and operation’s (M&O) budget. (4-6-05)

b. After receipt from the counties of the year 2000 tax charges on property exempted in Section 63-602EE, Idaho Code, but no later than July 23, 2001, the State Tax Commission shall notify each county clerk of the amount of property tax replacement money to be paid to each taxing district in that county. Beginning in 2002 and thereafter, the State Tax Commission shall, by the fourth Monday of July, notify each county clerk if the amount of property tax replacement money to be paid to a taxing district or the “appropriate amount of property tax replacement money” to be paid to any school district changes from the amount paid in the preceding year. In 2002, the State Tax Commission shall also notify each county clerk of the amount of the “appropriate property tax replacement monies” to be subtracted before computing the M&O levy for each school district. (5-3-03)

c. By no later than the first Monday of August of each year, each county clerk shall notify each appropriate taxing district or unit of the total amount of property tax replacement monies that will be received and shall further notify each school district of the appropriate amount to be subtracted before the M&O levy is computed. (5-3-03)

d. The subtraction required in Subsection 803.06 of this rule may be from any fund(s) subject to the limitations of Section 63-802, Idaho Code, and from school district maintenance and operation funds made pursuant to Section 33-802, Idaho Code. (4-6-05)

e. Levy limits shall be tested against the amount actually levied. (3-15-02)

07. Special Provisions for Library Districts Consolidating with Any City’s Existing Library Operations or Services. For any library district consolidating with any city’s existing library operations or services, the amount of the dedicated property tax funded general fund and library fund budgets certified by the city under Subparagraph 803.04.h.vi of these rules shall be added to that library district’s property tax funded budget in effect at the time of the election for consolidation. This total shall be used as this district’s property tax funded budget for the most recent year of the three (3) years preceding the current tax year for the purpose of deciding the property tax funded budget that may be increased as provided by Section 63-802, Idaho Code. (4-6-05)

08. Special Provisions for Cities with Existing Library Operations or Services Consolidating with Any Library District. For any city with existing library operations or services at the time of consolidation with any library district, the amount of the dedicated property tax funded library fund budget included in the certification by the city under Subparagraph 803.04.h.vi of these rules shall be subtracted from that city's total property tax funded budget in effect at the time of the election for the consolidation. This difference shall be used as this city's property tax funded budget for the most recent year of the three (3) years preceding the current tax year for the purpose of deciding the property tax funded budget that may be increased as provided by Section 63-802, Idaho Code. (4-6-05)

09. Special Provisions for Calculating Total Levy Rate for Taxing Districts or Units with Multiple Funds. Whenever the "Calculated Levy Rate" column of the L-2 Form indicates that a levy rate has been calculated for more than one (1) fund for any taxing district or unit, the "Column Total" entry must be the sum of the levy rates calculated for each fund. Prior to this summation, the levy rates to be summed must be rounded or truncated at the ninth decimal place. No additional rounding is permitted for the column total.

(4-6-05)

Plant Facilities Election Questions

Q1). A bond is due to retire during the year I plan to hold a plant facilities election. Do I include the last year's budget for the expiring bond in the hypothetical levy computation?

A1). IC §33-804 states "…*if the levy will result in a total levy for school plant facilities and bonded indebtedness*…" this would allow a district, with an expiring bond and an election for a plant facilities fund that will not be levied until after there is no bond levy, to exclude the bond amount when determining which election percentage is needed to pass the plant facilities levy.

Return

Plant Facilities Election Questions

Q2). What if the bond has been refinanced and the amount to be levied will be decreased at the time the proposed plant facilities fund will first levy?

A2). If it is known the lower amount to be budgeted for the bond may be used.

Q3). How many plant facilities levies can a district have?

A3). The law and IDAPA Rule 801 indicates that only one (1) plant facility fund can exist at a time. Voters may be asked to increase the length or amount of the existing plant facilities fund.

Return

Plant Facilities Elections Questions

Q4) If the election restricts the amount that can be raised each year or the levy rate more than the statutory restrictions in I.C. § 33-804, does the Tax Commission monitor these restrictions?

A4) Yes.

Q5) If a district with a plant facility fund certifies an amount that exceeds 0.004 times the year end value for the year prior to the first year of the plant facilities fund, will the Tax Commission consider the excessive amount unacceptable?

A5) Yes

Q6) Can a school district levy property tax for a second "plant facilities reserve fund levy for safe school facilities" pursuant to I.C. § 33-804A?

A6) No. This statute merely sets up conditions under which a plant facilities fund can last for up to 20 years.

Return

Plant Facilities Elections Questions

Q7) Can an existing I.C. §33-804 plant facilities fund be extended to 20 years provided it meets the criteria of I.C. §33-804A?

A7) Yes. An election would be required and the percentage needed to pass would be determined by the current bond and plant facilities fund amount at the time the election is held.

Q8) What does each district with a new or existing plant facilities fund need to attach to the L-2 (budget certification) form that is sent to the county in September?

A8) The Tax Commission requires a notation specifying the first (calendar) year of the plant facilities fund, regardless of when enacted. Check with each county for additional requirements.

Return

Amended Agricultural Equipment Replacement Monies and Appropriate Monies to be Subtracted for School Districts

District Corrected 1/30/2003	2001 Total Ag. Replacement Money	Quarterly Distribution 6/30/03 forward	Appropriate P-Tax Replacement Monies (APTR)
Boise Independent #1	9,191	2,297.75	5,484
Meridian #2	50,878	12,719.50	26,074
Kuna #3	34,103	8,525.75	9,926
Meadows Valley #11	2,922	730.50	632
Council #13	7,410	1,852.50	657
Marsh Valley #21	54,799	13,699.75	22,569
Pocatello #25	19,869	4,967.25	11,631
Bear Lake #33	35,306	8,826.50	10,265
St Maries #41	9,904	2,476.00	4,730
Plummer Worley #44	42,898	10,724.50	5,574
Snake River #52	317,818	79,454.50	196,495
Blackfoot #55	82,909	20,727.25	42,134
Aberdeen #58	151,458	37,864.50	68,581
Firth #59	59,846	14,961.50	27,912
Shelley #60	53,009	13,252.25	27,112
Blaine #61	37,368	9,342.00	11,322
Garden Valley #71	331	82.75	38
Basin Elementary #72	718	179.50	289
Horseshoe Bend #73	2,665	666.25	1,183
West Bonner #83	11,553	2,888.25	2,130
East Bonner #84	28,142	7,035.50	6,957
Idaho Falls #91	203,556	50,889.00	122,209
Swan Valley Elementary #92	14,388	3,597.00	4,341
Bonneville #93	99,457	24,864.25	56,013
Boundary #101	45,742	11,435.50	12,799
Butte County #111	86,106	21,526.50	49,473
Camas #121	37,036	9,259.00	10,832
Nampa #131	88,075	22,018.75	48,071
Caldwell #132	13,259	3,314.75	6,985
Wilder #133	57,550	14,387.50	33,457
Middleton #134	66,178	16,544.50	25,713
Notus #135	42,995	10,748.75	25,207

Rtn

Amended Agricultural Equipment Replacement Monies and Appropriate Monies to be Subtracted for School Districts

District Corrected 1/30/2003	2001 Total Ag. Replacement Money	Quarterly Distribution 6/30/03 forward	Appropriate P-Tax Replacement Monies (APTR)
Melba #136	104,667	26,166.75	52,314
Parma #137	121,546	30,386.50	67,283
Vallivue #139	198,790	49,697.50	114,232
Grace #148	41,415	10,353.75	17,928
North Gem #149	26,917	6,729.25	10,655
Soda Springs #150	52,586	13,146.50	29,856
Cassia #151	424,008	106,002.00	209,960
Clark #161	32,929	8,232.25	2,034
Orofino #171	25,640	6,410.00	9,387
Challis #181	22,207	5,551.75	3,453
Mackay #182	19,742	4,935.50	6,951
Prairie Elementary #191	749	187.25	0
Glenns Ferry #192	57,087	14,271.75	12,309
Mountain Home #193	53,998	13,499.50	24,912
Preston #201	69,326	17,331.50	26,153
West Side #202	33,964	8,491.00	15,746
Fremont #215	136,653	34,163.25	38,255
Emmett #221	72,687	18,171.75	34,253
Gooding #231	89,839	22,459.75	37,973
Wendell #232	152,058	38,014.50	54,868
Hagerman #233	25,953	6,488.25	12,153
Bliss #234	15,838	3,959.50	2,814
Grangeville #241	71,156	17,789.00	24,683
Cottonwood #242	45,460	11,365.00	11,702
Jefferson #251	123,470	30,867.50	59,367
Ririe #252	56,545	14,136.25	29,585
West Jefferson 253	166,597	41,649.25	89,664
Jerome #261	223,904	55,976.00	94,704
Valley #262	86,650	21,662.50	39,435
Coeur d'Alene #271	7,687	1,921.75	3,762
Lakeland #272	13,774	3,443.50	5,972
Post Falls #273	11,717	2,929.25	5,260

Rtn

Amended Agricultural Equipment Replacement Monies and Appropriate Monies to be Subtracted for School Districts

District Corrected 1/30/2003	2001 Total Ag. Replacement Money	Quarterly Distribution 6/30/03 forward	Appropriate P-Tax Replacement Monies (APTR)
Kootenai #274	3,886	971.50	866
Moscow #281	60,357	15,089.25	40,974
Genesee #282	120,824	30,206.00	73,178
Kendrick #283	49,067	12,266.75	28,098
Potlatch #285	79,977	19,994.25	42,551
West Whitepine #287	26,259	6,564.75	13,827
East Whitepine #288	7,615	1,903.75	4,010
Salmon #291	21,203	5,300.75	3,078
South Lemhi #292	14,488	3,622.00	2,172
Nez Perce #302	61,438	15,359.50	22,727
Kamiah #304	12,985	3,246.25	4,926
Highland #305	42,913	10,728.25	13,427
Shoshone #312	58,312	14,578.00	37,029
Dietrich #314	8,102	2,025.50	43
Richfield #316	11,910	2,977.50	3,375
Madison #321	102,931	25,732.75	34,944
Sugar Salem #322	100,425	25,106.25	49,682
Minidoka #331	437,718	109,429.50	165,367
Lewiston Independent #340	32,675	8,168.75	19,463
Lapwai #341	25,880	6,470.00	7,978
Culdesac #342	30,784	7,696.00	13,853
Oneida #351	62,620	15,655.00	29,581
Marsing #363	61,716	15,429.00	33,219
Pleasant Valley Elementary #364	2,894	723.50	301
Bruneau Grandview #365	108,934	27,233.50	44,736
Homedale #370	56,991	14,247.75	30,231
Payette #371	16,398	4,099.50	5,444
New Plymouth #372	50,979	12,744.75	25,538
Fruitland #373	55,833	13,958.25	27,605
American Falls #381	216,553	54,138.25	109,046
Rockland #382	40,517	10,129.25	29,443
Arbon Elementary #383	14,938	3,734.50	5,754

Rtn

Amended Agricultural Equipment Replacement Monies and Appropriate Monies to be Subtracted for School Districts

District Corrected 1/30/2003	2001 Total Ag. Replacement Money	Quarterly Distribution 6/30/03 forward	Appropriate P-Tax Replacement Monies (APTR)
Kellogg #391	3,738	934.50	2,245
Mullan #392	246	61.50	173
Wallace #393	448	112.00	289
Avery #394	261	65.25	57
Teton #401	63,090	15,772.50	19,340
Twin Falls #411	42,069	10,517.25	13,296
Buhl #412	102,634	25,658.50	35,940
Filer #413	66,369	16,592.25	26,055
Kimberly #414	43,470	10,867.50	21,777
Hansen #415	40,279	10,069.75	17,440
Three Creek #416	1,256	314.00	0
Castleford #417	46,820	11,705.00	17,405
Murtaugh #418	70,807	17,701.75	30,538
McCall Donnelly #421	5,608	1,402.00	875
Cascade #422	1,402	350.50	354
Weiser #431	48,610	12,152.50	14,436
Cambridge #432	27,454	6,863.50	12,858
Midvale #433	16,936	4,234.00	2,021
Totals:	**6,932,617**	**1,733,154**	**3,161,982**

Appropriate P-Tax Replacement Monies(APTR): 2001 annual ag. replacement $ - (0.004 x 2000 year end ag. V

The 2001 Total Ag. Replacement Money is the annual amount you will receive from the State. Paid quarterly.

Rtn

2005 School Property Taxes by Fund
Comparison of 2004 - 2005 School Property Taxes

Fund	2004 $ AMOUNT	2005 $ AMOUNT	% of Total	$ CHANGE 2004 - 2005	% Difference
General M&O	271,928,766	293,538,741	55.42%	21,609,975	7.95%
Tort	5,045,213	5,285,719	1.00%	240,506	4.77%
Tuition	387,735	405,454	0.08%	17,719	4.57%
Bonds	93,376,655	98,407,643	18.58%	5,030,988	5.39%
Cosa	549,840	578,583	0.11%	28,743	5.23%
Emergency	11,598,365	13,841,628	2.61%	2,243,263	19.34%
63-1305 Judgment	87,606	2,551,818	0.48%	2,464,212	2812.83%
Override	67,948,098	76,716,455	14.48%	8,768,357	12.90%
Plant Facility	36,842,592	38,359,796	7.24%	1,517,204	4.12%
TOTALS:	**487,764,870**	**529,685,837**	**100.00%**	**41,920,967**	**8.59%**

2004 - 2005 Comparison of M&O and Voter Approved Exempt Funds used by Schools

Fund	2004	2005
M&O	114	114
Bond	81	83
Plant Facility	58	56
Override	55	57

Sources of Possible Property Value Instability

- **Economic changes which are reflected by lower values.**

- **<u>Intangibles Exemption</u>**
  - 2005 -- $233 million

- **<u>Timber land valuation system change</u>**
  - Expected to decrease about 5% in 2006
  - Will vary by district.

- **<u>QIE exemption</u>**:
  - about $368.5 million in 2005.
  - estimated to be about $450-$500 million in 2006.
- **<u>Net Profit of Mines</u>**: Can vary substantially year to year; most notable is in Custer County

Urban Renewal

0.004 x increment value goes to school district

(increment value not included in actual or adjusted values.)

Other funds:

levies higher = same budget revenue

taxes shifted

Note: This formula will not change despite the capping of property tax replacement funds.

Occupancy Tax

1. Tax based on prorated value for new residential & commercial improvements for portion of year improvements first occupied. (School levy multiplied by pro-rated value goes to school district except for the portion of any school district in an urban renewal area.)

2. Not included in property tax budget.

3. STC Rule 317 – Occupancy tax generated on increment value in urban renewal area is allocated to urban renewal agency except for amount generated by 0.004 multiplied by value. This amount goes to school districts is such areas.

Fee Increase

Per Idaho Code §63-1311A

- **Increase over 105% of:**
  a. The last fee collected, or;
  b. A decision to impose a new fee.
- **Requires notifying the public by**:
  a. Newspaper as defined by Idaho Code §60-106, or;
  b. Public meeting held in 3 different locations within the district's boundary, or;
  c. Single mailing to all district's residents.

Remaining I.C.§63-1305 Judgments

School District	Judgment Available	School District	Judgment Available
Meridian #2	1,466	Ririe #252	4,805
Meadows Valley #11	86	West Jefferson #253	4,242
Council #13	156	Jerome #261	26,666
Blaine # 61	42,318	Moscow #281	54
Garden Valley #71	81	Genesee #282	270
Nampa #131	91,374	Kendrick #283	186
Wilder #133	179	Troy School #287	8
Middleton #134	23,529	Shoshone #312	6,060
Parma #137	441	Richfield #316	104
Vallivue #139	168,536	Sugar Salem #322	414
Soda Springs #150	8,229	Minidoka #331	287,389
Clark #161	2,809	Lewiston Independent #340	700
Challis #181	25	Marsing #363	3,265
Mackay #182	600	Pleasant Valley #364	51
Prairie #191	5	Homedale #370	303
Emmett #221	1	Kellogg #391	2,796
Wendell #232	527	Teton #401	156
Hagerman #233	319	Three Creek #416	43

Rtn

Computation of Maximum Allowable Property Tax Portion of the M&O Budget

03/20/2006 School District	2005 Highest Actual/Adjusted Year End Mrkt Val.	M&O Computation	Appropriate Agricultural Replacement $	Maximum M&O P-Tax for 2005
Boise Independent #1	14,249,870,048	94,642,934	5,484	94,637,451
Meridian #2	9,730,864,181	29,192,593	26,074	29,166,519
Kuna #3	854,167,170	2,562,502	9,926	2,552,576
Meadows Valley #11	232,218,221	696,655	632	696,023
Council #13	127,862,440	383,587	657	382,930
Marsh Valley #21	346,796,362	1,040,389	22,569	1,017,821
Pocatello #25	2,571,268,059	7,713,804	11,631	7,702,173
Bear Lake #33	441,035,574	1,323,107	10,265	1,312,842
St Maries #41	393,039,648	1,179,119	4,730	1,174,389
Plummer Worley #44	394,510,608	1,183,532	5,574	1,177,957
Snake River #52	240,880,634	722,642	196,495	526,147
Blackfoot #55	551,000,866	1,653,003	42,134	1,610,869
Aberdeen #58	169,903,178	509,710	68,581	441,128
Firth #59	135,463,632	406,391	27,912	378,478
Shelley #60	293,974,757	881,924	27,112	854,812
Blaine #61	11,158,882,476	33,476,647	11,322	33,465,325
Garden Valley #71	303,256,674	909,770	38	909,732
Basin Elementary #72	241,700,883	725,103	289	724,814
Horseshoe Bend #73	101,435,767	304,307	1,183	303,125
West Bonner #83	1,335,734,878	4,007,205	2,130	4,005,074
Lake Pend Oreille #84	3,913,961,793	11,741,885	6,957	11,734,928
Idaho Falls #91	2,392,962,516	7,178,888	122,209	7,056,679
Swan Valley Elementary #92	133,619,782	400,859	4,341	396,518
Bonneville #93	1,524,894,353	4,574,683	56,013	4,518,670
Boundary #101	670,061,340	2,010,184	12,799	1,997,385
Butte County #111	172,144,457	516,433	49,473	466,960
Camas #121	111,672,279	335,017	10,832	324,185
Nampa #131	2,910,071,850	8,730,216	48,607	8,681,609
Caldwell #132	962,397,504	2,887,193	7,085	2,880,108

Rtn

Computation of Maximum Allowable Property Tax Portion of the M&O Budget

03/20/2006 School District	2005 Highest Actual/Adjusted Year End Mrkt Val.	M&O Computation	Appropriate Agricultural Replacement $	Maximum M&O P-Tax for 2005
Wilder #133	131,433,315	394,300	33,457	360,843
Middleton #134	526,477,920	1,579,434	25,713	1,553,721
Notus #135	62,856,206	188,569	25,207	163,362
Melba #136	164,336,545	493,010	52,314	440,695
Parma #137	198,636,344	595,909	67,283	528,626
Vallivue #139	1,243,262,263	3,729,787	114,328	3,615,459
Grace #148	102,127,719	306,383	17,928	288,456
North Gem #149	69,537,653	208,613	10,655	197,958
Soda Springs #150	430,065,972	1,290,198	29,856	1,260,342
Cassia #151	840,654,577	2,521,964	209,960	2,312,004
Clark #161	100,195,517	300,587	2,034	298,553
Orofino #171	474,589,176	1,423,768	9,387	1,414,381
Challis #181	530,413,250	1,591,240	3,453	1,587,787
Mackay #182	106,376,872	319,131	6,951	312,180
Prairie Elementary #191	8,078,686	24,236	0	24,236
Glenns Ferry #192	196,270,182	588,811	12,309	576,501
Mountain Home #193	871,821,969	2,615,466	24,912	2,590,554
Preston #201	304,608,230	913,825	26,153	887,672
West Side #202	80,852,109	242,556	15,746	226,810
Fremont #215	1,044,403,105	3,133,209	38,255	3,094,954
Emmett #221	725,156,666	2,175,470	34,253	2,141,217
Gooding #231	284,306,065	852,918	37,973	814,945
Wendell #232	212,312,315	636,937	54,868	582,069
Hagerman #233	111,185,109	333,555	12,153	321,402
Bliss #234	48,803,399	146,410	2,814	143,596
Grangeville #241	690,532,564	2,071,598	24,683	2,046,915
Cottonwood #242	114,049,993	342,150	11,702	330,448
Jefferson #251	576,737,059	1,730,211	59,367	1,670,844
Ririe #252	89,675,941	269,028	29,585	239,442

Rtn

Computation of Maximum Allowable Property Tax Portion of the M&O Budget

03/20/2006 School District	2005 Highest Actual/Adjusted Year End Mrkt Val.	M&O Computation	Appropriate Agricultural Replacement $	Maximum M&O P-Tax for 2005
West Jefferson 253	126,477,657	379,433	89,664	289,769
Jerome #261	731,032,791	2,193,098	94,704	2,098,395
Valley #262	143,173,487	429,520	39,435	390,085
Coeur d'Alene #271	6,916,018,719	20,748,056	3,762	20,744,295
Lakeland #272	1,994,172,458	5,982,517	5,972	5,976,545
Post Falls #273	2,101,488,064	6,304,464	5,260	6,299,204
Kootenai #274	451,982,177	1,355,947	866	1,355,081
Moscow #281	1,072,557,149	3,217,671	40,974	3,176,698
Genesee #282	121,200,534	363,602	73,178	290,424
Kendrick #283	94,192,780	282,578	28,098	254,480
Potlatch #285	160,948,188	482,845	42,551	440,294
Troy #287	98,065,138	294,195	13,827	280,369
Deary #288	145,537,722	436,613	4,010	432,604
Salmon #291	460,634,452	1,381,903	3,078	1,378,825
South Lemhi #292	56,454,749	169,364	2,172	167,193
Nez Perce #302	85,559,787	256,679	22,727	233,952
Kamiah #304	167,303,953	501,912	4,926	496,986
Highland #305	112,166,756	336,500	13,427	323,074
Shoshone #312	145,740,152	437,220	37,029	400,191
Dietrich #314	31,918,096	95,754	43	95,711
Richfield #316	60,040,048	180,120	3,375	176,745
Madison #321	945,553,888	2,836,662	34,944	2,801,718
Sugar Salem #322	186,103,023	558,309	49,682	508,627
Minidoka #331	810,548,117	2,431,644	165,367	2,266,277
Lewiston Independent #340	2,027,239,983	6,081,720	19,463	6,062,257
Lapwai #341	121,052,109	363,156	7,978	355,179
Culdesac #342	42,668,016	128,004	13,853	114,151
Oneida #351	205,570,553	616,712	29,581	587,131
Marsing #363	138,169,941	414,510	33,219	381,291

Rtn

Computation of Maximum Allowable Property Tax Portion of the M&O Budget

03/20/2006 School District	2005 Highest Actual/Adjusted Year End Mrkt Val.	M&O Computation	Appropriate Agricultural Replacement $	Maximum M&O P-Tax for 2005
Pleasant Valley Elementary #364	13,337,022	40,011	301	39,710
Bruneau Grandview #365	147,046,055	441,138	44,736	396,402
Homedale #370	164,354,887	493,065	30,231	462,833
Payette #371	324,327,307	972,982	5,444	967,538
New Plymouth #372	167,823,054	503,469	25,538	477,931
Fruitland #373	339,971,751	1,019,915	27,605	992,311
American Falls #381	602,340,365	1,807,021	109,046	1,697,975
Rockland #382	27,674,004	83,022	29,443	53,579
Arbon Elementary #383	16,951,150	50,853	5,754	45,099
Kellogg #391	419,444,525	1,258,334	2,245	1,256,088
Mullan #392	27,969,333	83,908	173	83,735
Wallace #393	190,395,283	571,186	289	570,897
Avery #394	102,603,619	307,811	57	307,754
Teton #401	1,025,865,682	3,077,597	19,340	3,058,257
Twin Falls #411	2,086,184,304	6,258,553	13,296	6,245,257
Buhl #412	404,007,729	1,212,023	35,940	1,176,083
Filer #413	271,906,140	815,718	26,055	789,663
Kimberly #414	210,027,960	630,084	21,777	608,307
Hansen #415	87,335,805	262,007	17,440	244,567
Three Creek #416	8,494,739	25,484	0	25,484
Castleford #417	88,423,448	265,270	17,405	247,865
Murtaugh #418	78,462,026	235,386	30,538	204,849
McCall Donnelly #421	2,718,433,086	8,155,299	875	8,154,424
Cascade #422	529,392,678	1,588,178	354	1,587,824
Weiser #431	360,946,221	1,082,839	14,436	1,068,403
Cambridge #432	100,476,582	301,430	12,858	288,572
Midvale #433	73,610,687	220,832	2,021	218,811
TOTALS:	**97,346,784,581**	**343,933,678**	**3,162,714**	**340,770,964**

Rtn