



Tax Facts and Impacts of Transparency and Uniformity

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Introduction:

Property Tax provides as stable revenue source and funds local government. Valuations can be subjective, appeals and appraisals can be contentious, and it is difficult to understand, compile and monitor data.

- Create transparency to ease of accessing, understanding and uniformity data.
- Truth in Taxation to aid in the review and understanding of tax increases.
- Review funding where mandates are in place.
- Address and determine what elements of budget growth are necessary.

How do Individual Tax Bills Change?

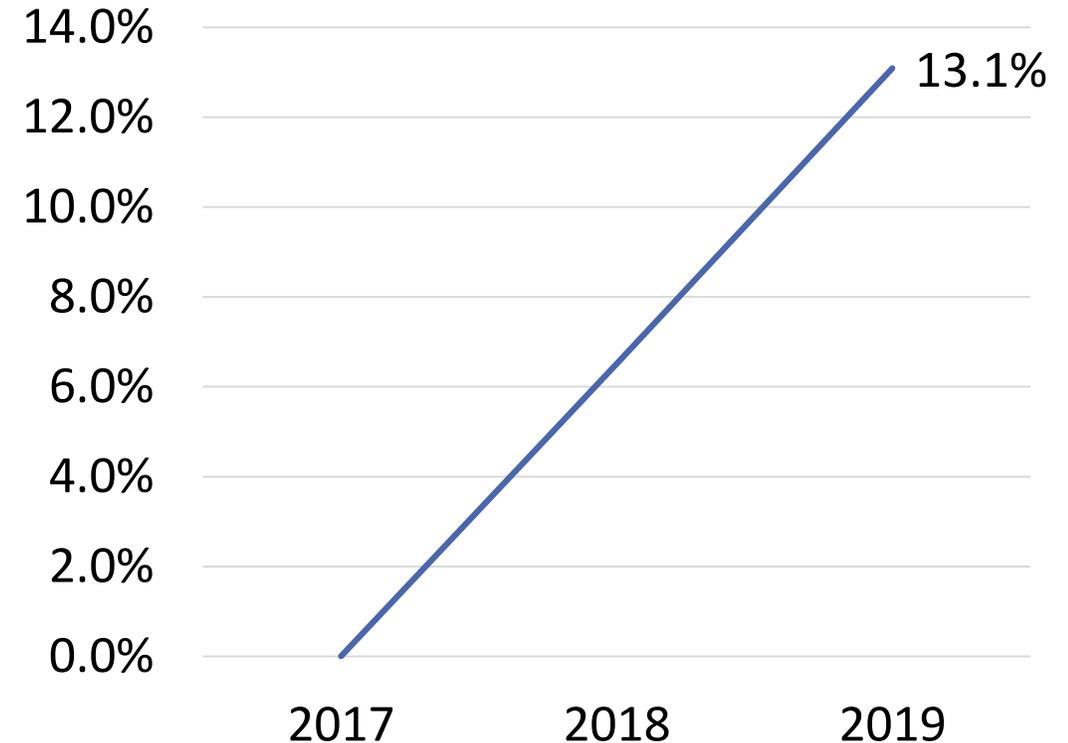


If...	Then...
Individual property value is less than Average property value across district	The property tax bill will increase at a lower rate than the taxing district budget
Individual property value is equal to Average property value across district	The property tax bill will increase at the same rate as the taxing district budget
Individual property value is more than Average property value across district	The property tax bill will increase at a higher rate than the taxing district budget

Taxing Districts Set Their Budget

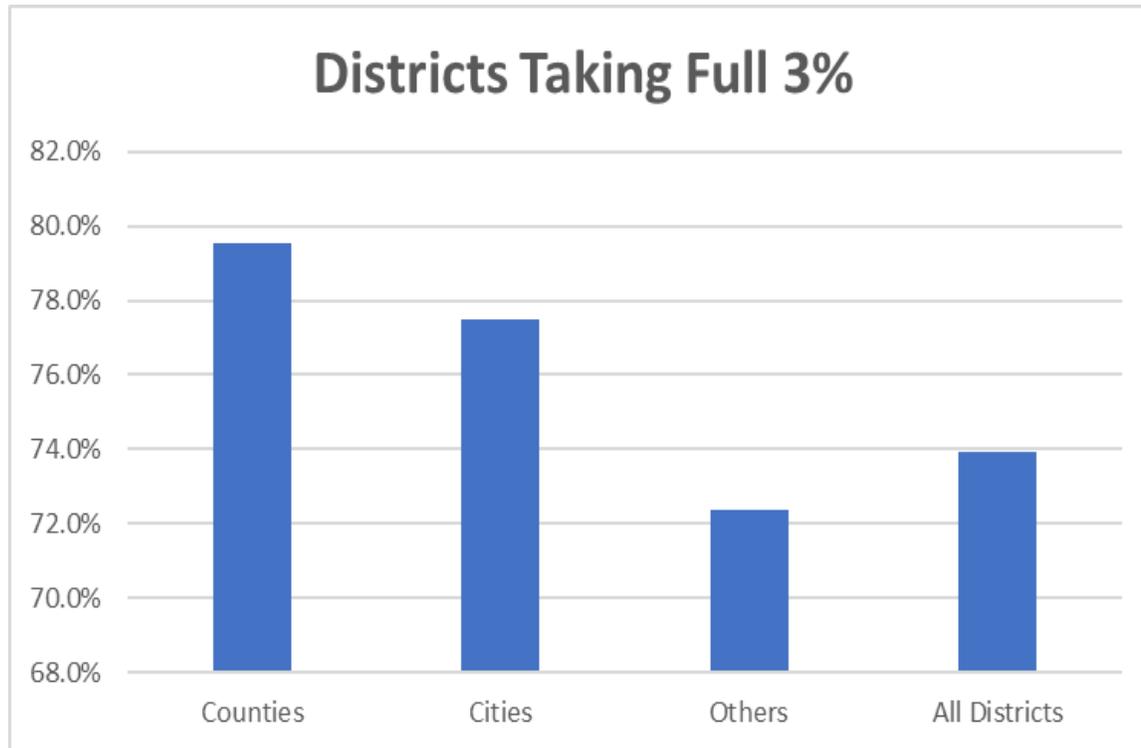
- 3% Cap on property tax portion of budget
- Forgone balances
 - Resolution required in year balance is forgone
- New Construction and Annexations
 - The prior years levy rate applied to the value of new construction and annexation provides this added amount

Same Taxing District Budget Growth*



*Does not include new districts in 2018 or 2019. Does not include U/R Exempt levies.

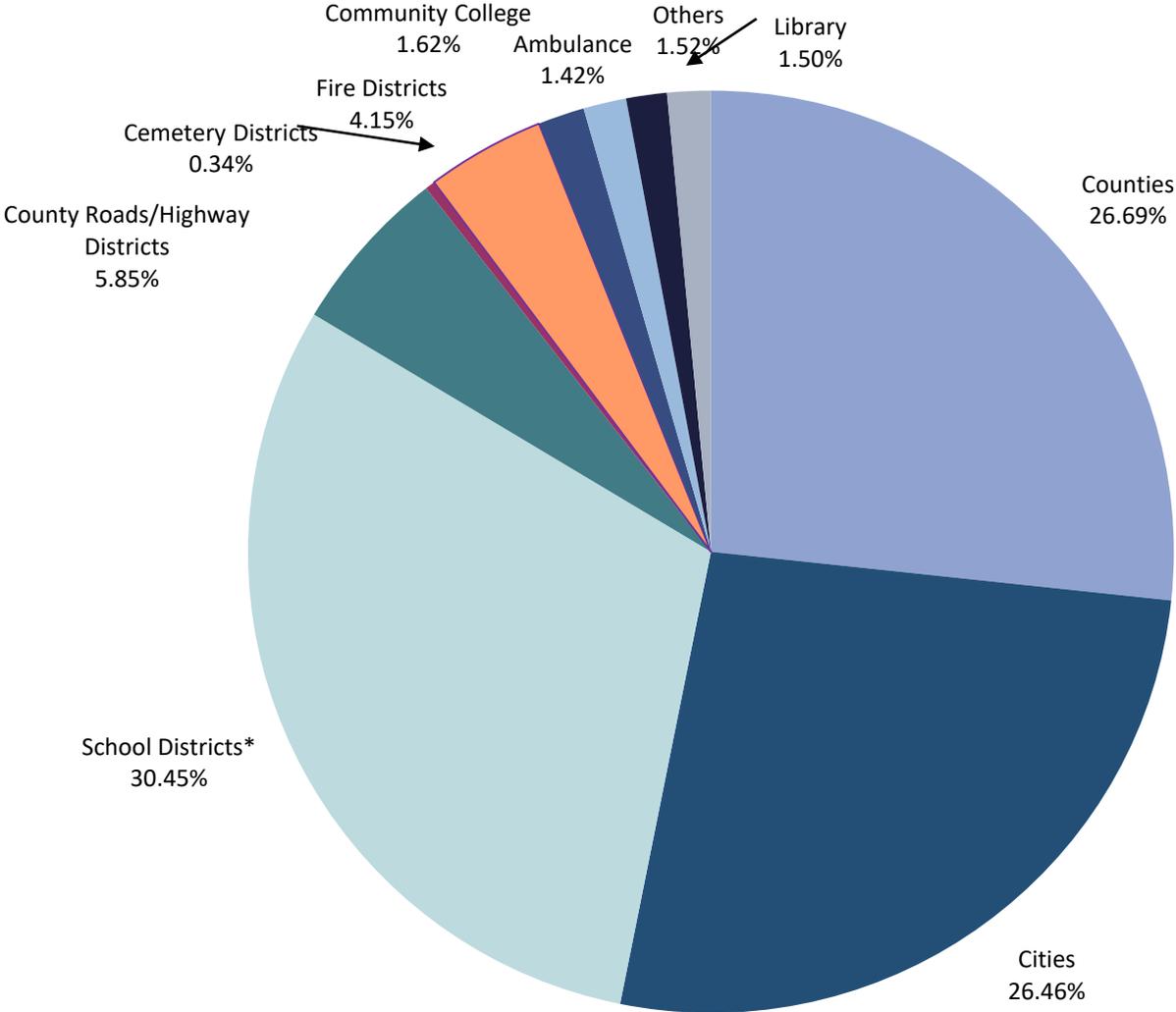
Taxing Districts Budget Capacity



Does not include Schools, includes districts taking greater than 99.5% of maximum allowed budget.
The State pays for school M&O except for charter districts.

Property Tax Expenditures by Taxing Unit

		2019
	Number	Tax Charges
Counties	44	\$543,112,316
Cities	192	\$538,502,163
School Districts	114	\$619,787,910
County Roads/Highway Districts	76	\$119,024,008
Cemetery Districts	179	\$6,966,975
Fire Districts	157	\$84,428,749
Community College	4	\$33,040,040
Library	58	\$30,510,272
Ambulance	27	\$28,899,502
Others	<u>120</u>	<u>\$30,903,828</u>
TOTAL	<u>971</u>	<u>\$2,035,175,763</u>



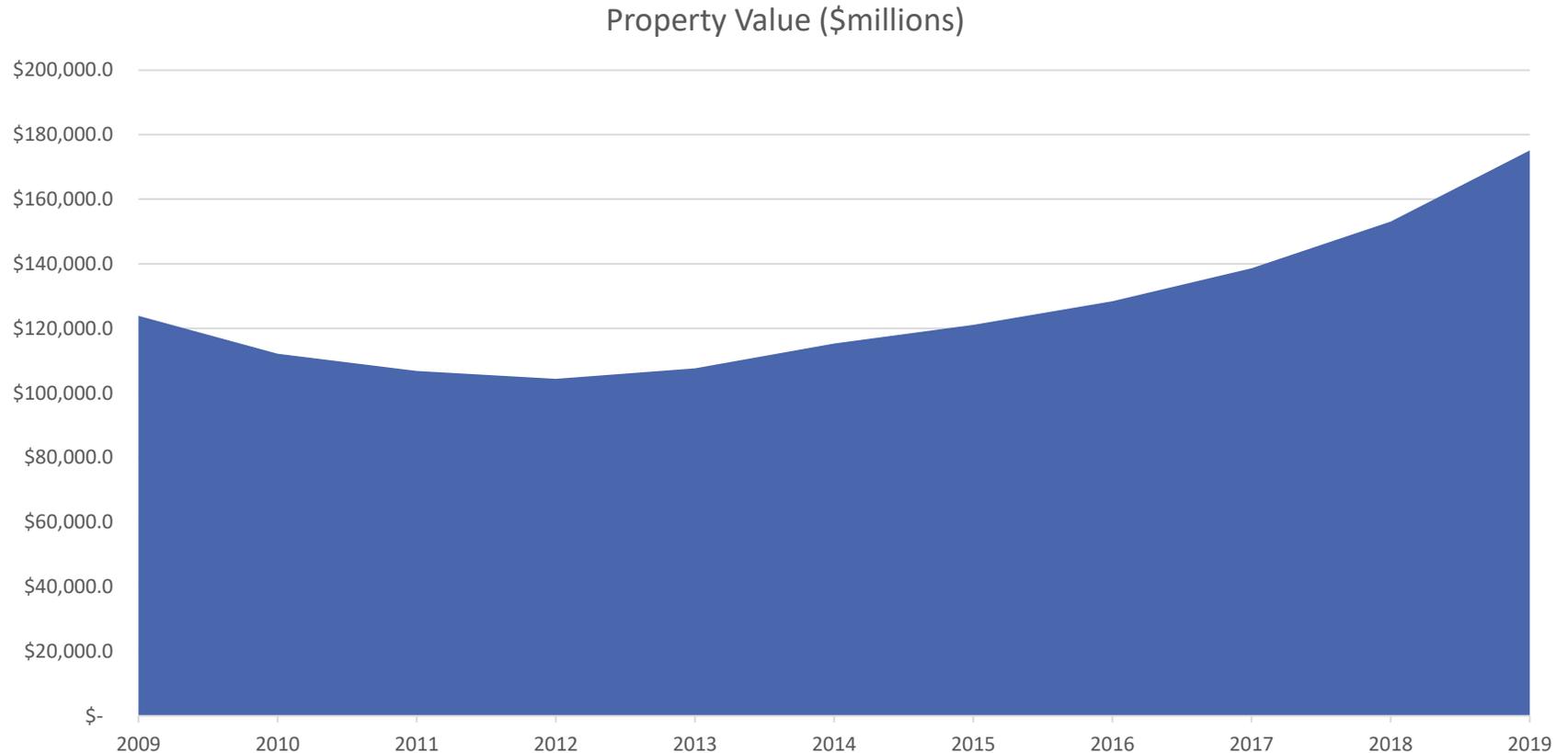
*School Districts do not include General Fund revenue replacement for M&O.

History of Values in Idaho (millions)

County	2014	2015	2016	2017	2018	2019	County	2014	2015	2016	2017	2018	2019
Ada	30,744.2	32,984.7	36,139.5	39,825.8	45,606.1	54,712.2	Gooding	926.8	953.2	1,009.7	1,076.7	1,170.9	1,272.4
Adams	411.7	436.8	468.5	494.3	526.9	595.7	Idaho	1,243.8	1,257.5	1,264.8	1,282.7	1,305.9	1,401.9
Bannock	3,994.0	3,998.3	4,031.9	4,191.8	4,303.7	5,156.1	Jefferson	1,108.9	1,156.8	1,287.2	1,370.8	1,531.6	1,762.4
Bear Lake	773.2	835.4	837.3	880.6	939.0	976.9	Jerome	1,245.8	1,280.8	1,304.5	1,340.3	1,494.2	1,649.0
Benewah	607.7	622.7	624.0	655.4	749.8	783.7	Kootenai	12,434.9	13,087.9	14,014.3	15,340.2	17,309.8	20,108.6
Bingham	1,835.8	1,844.4	1,862.8	1,897.1	1,994.8	2,205.1	Latah	2,026.9	2,050.4	2,150.0	2,212.8	2,393.0	2,606.4
Blaine	8,568.7	8,941.0	9,269.6	9,445.9	9,962.6	10,627.7	Lemhi	632.4	643.4	668.6	726.0	775.5	820.1
Boise	719.2	776.2	818.7	857.9	1,013.5	1,162.2	Lewis	266.5	274.2	286.9	295.3	303.7	318.0
Bonner	5,632.6	5,851.9	5,982.9	6,380.4	7,075.2	7,995.5	Lincoln	299.4	311.4	331.4	359.9	388.2	422.7
Bonneville	5,577.4	5,751.9	6,015.5	6,426.7	6,965.1	8,117.1	Madison	1,493.4	1,575.7	1,696.0	1,743.4	1,906.0	2,040.6
Boundary	827.8	849.9	874.0	938.5	953.9	1,014.4	Minidoka	1,146.4	1,171.0	1,235.8	1,333.7	1,392.0	1,515.4
Butte	158.5	160.2	162.2	169.0	179.8	187.3	Nez Perce	2,679.8	2,805.6	2,946.1	3,256.3	3,310.6	3,435.6
Camas	129.2	128.0	126.1	130.8	159.8	167.3	Oneida	299.4	306.6	313.6	337.1	353.5	361.5
Canyon	8,752.6	9,298.2	10,129.5	11,330.8	13,050.0	15,240.5	Owyhee	534.5	625.4	628.4	679.3	699.8	738.8
Caribou	747.8	791.0	813.2	850.3	910.7	941.4	Payette	1,162.2	1,259.1	1,299.2	1,436.6	1,501.2	1,706.2
Cassia	1,242.2	1,336.3	1,392.4	1,442.8	1,591.8	1,722.3	Power	833.4	854.2	856.7	996.0	1,007.3	1,012.3
Clark	112.0	117.0	120.1	127.5	128.7	141.4	Shoshone	854.5	868.3	876.2	928.3	959.4	1,090.5
Clearwater	566.1	587.3	598.5	615.9	669.1	697.1	Teton	1,315.3	1,405.4	1,593.2	1,775.7	1,867.4	2,104.3
Custer	788.2	774.3	681.2	708.6	712.4	731.4	Twin Falls	4,522.8	4,683.9	4,841.9	5,443.1	5,746.5	6,162.8
Elmore	1,282.6	1,371.4	1,401.6	1,460.3	1,610.9	1,795.5	Valley	3,097.6	3,286.6	3,526.7	3,726.2	4,100.9	4,580.4
Franklin	608.7	622.1	636.7	709.7	769.1	848.5	Washington	697.0	717.8	779.3	806.7	853.7	907.1
Fremont	1,603.4	1,611.8	1,621.7	1,640.2	1,769.4	1,955.9	Total	115,252.6	121,099.9	128,415.8	138,619.6	153,099.1	175,100.5
Gem	747.5	834.0	897.6	972.0	1,085.5	1,308.3							

History of Values in Idaho

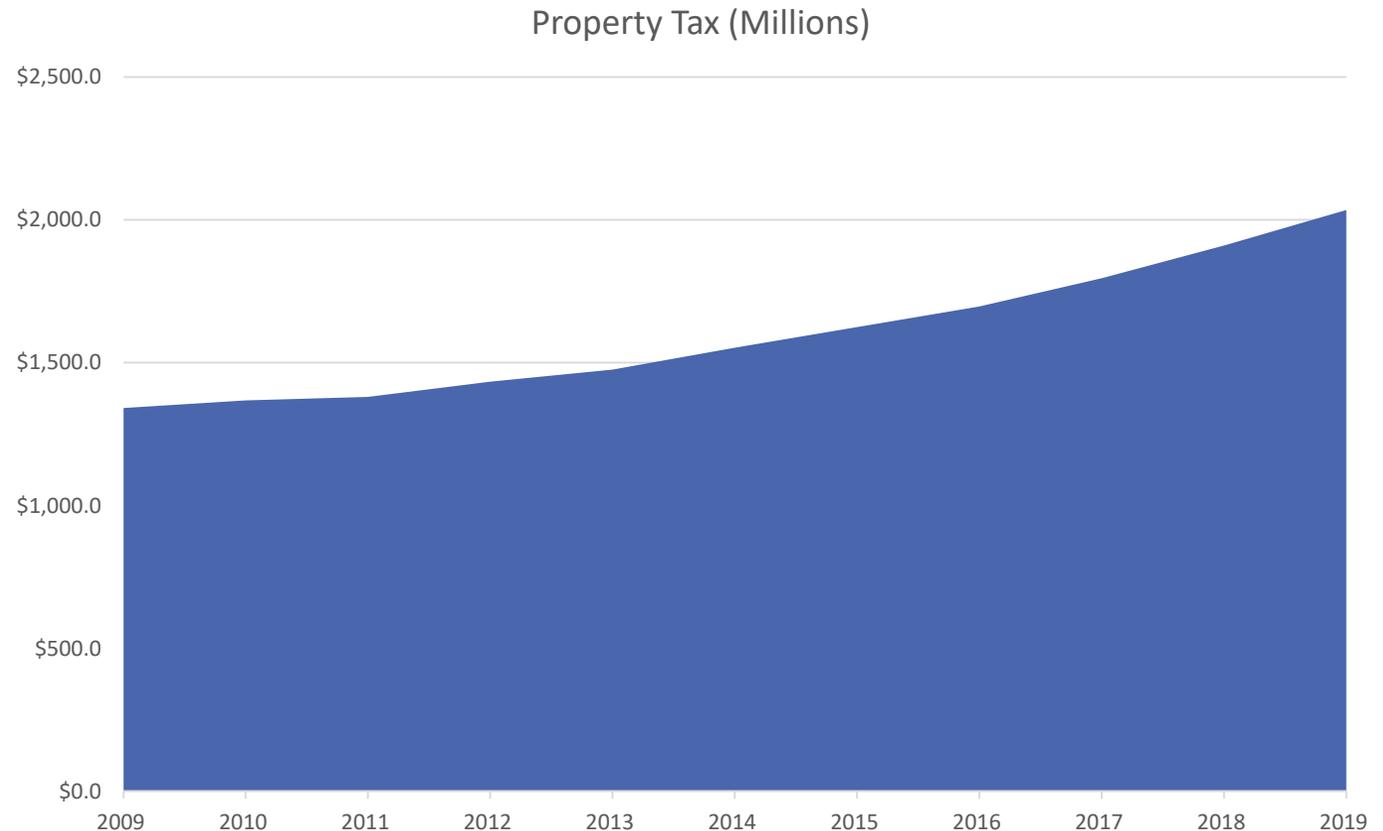
Property Value	
(\$millions)	
2009	\$ 123,857.8
2010	\$ 112,131.2
2011	\$ 106,746.5
2012	\$ 104,317.4
2013	\$ 107,617.3
2014	\$ 115,252.6
2015	\$ 121,099.9
2016	\$ 128,415.8
2017	\$ 138,619.6
2018	\$ 153,099.1
2019	\$ 175,100.5



The dip in values was because of the Great Recession which started in 2008. It took a few years for the affect to be reflected in property values.

History of Property Taxes in Idaho

PROPERTY TAX	
(\$'s in Millions)	
Year	Property Tax
1978	\$225
1982	\$240
1986	\$350
2009	\$1,341.4
2010	\$1,367.9
2011	\$1,380.6
2012	\$1,433.6
2013	\$1,475.7
2014	\$1,552.1
2015	\$1,624.6
2016	\$1,696.7
2017	\$1,795.7
2018	\$1,910.1
2019	\$2,035.2



Property taxes did not go down during the great recession because property taxes are not directly tied to values.

Transparency and Uniformity

Transparent Idaho –

- [House Bill 560](#) passed during the 2014 legislative session, needs to be amended.
- Central repository with consistent chart of accounts to have context to much of the data in this presentation.
- More information needs to be made available to taxpayers.
- Should there be limits on what funds are spent on? Should funds be separated out and monies only spent on items directly related to that fund?
- [S1777a](#), created a uniform method to apply for the homeowner's exemption.

Utah's Truth in Taxation

- The revenue-neutral rate is called the certified tax rate (CTR).
- Truth-in-Taxation does not prevent local governments from raising taxes.
- CTR calculated by the Utah State Tax Commission, local governments have the option of exceeding the certified tax rate. When exceeded they must go through notification and hearing process.

Appraisals and Appeals

- Appraisal process for all property types:
 - [H561a](#) (vetoed) Allowed for the property owner to use a recent appraisal or arm's length transaction for market value if done within the last 12 months. Could be modified to allow sales price for additional evidence of market value and include commercial property.
 - [H590](#) Cost/Income approach and commercial property
 - Timeline in which to appeal potentially extended, currently very compressed.
 - Simplify appeals process, streamline across the state and provide educational materials explaining to taxpayers the steps it takes to appeal their values.
 - More information to the taxpayer illustrating how the assessor valued their property.

Conclusion

By increasing transparency and uniformity we will have a better understanding of the existing structure to more succinctly take additional steps towards reform.

Appendix

- [ATI Levy Book](#)
- [Idaho Family Tax Burden
\(Spud Family\)](#)
- [Tax Summary](#)