

Talking Points for the Property Tax Committee meeting

- Overview of cities:

There are 200 incorporated cities in Idaho:

- 177 have 10,000 or less residents
- 167 have 5,000 or less residents
- 117 have 1,000 or less residents

- Many cities have participated in CARES act funding pass through for emergency responders ensuring residents can have services but also get one time property tax relief equaling 100-188 million dollars.
- State Revenues are showing a surplus despite the pandemic and shutdowns.
- General Fund revenues coming in strong in all areas as of August:
 - 13.1% above forecast
 - Sales tax 7% above forecast
 - Individual income tax 19% above forecast
 - Unemployment dropping
 - Additional information: General Fund receipts for August were forecast at \$281.7 million, but actual receipts exceeded that by \$37.0 million (13.1%). Both sales tax and income taxes were above forecast. Sales tax collections came in 7% above forecast. Individual income taxes were 19% above forecast, with withholding payments 13.7% higher than expected. This strength is consistent with state's unemployment rate which fell from 5.8% in June to 5.0% in July and which was less than half the nation's 10.2% rate. For additional context, comparing this year's numbers with last year's, individual income tax collections for August were up 25.4% from August 2019, with withholding payments up 20.7%. Sales tax collections were up 8.2% over August 2019.
https://dfm.idaho.gov/publications/eab/gfrr/gfrr2021/gfrr_sept2020.pdf.
- Looking at the proper role of government and the proper funding levels for local government will help ensure we are collecting and spending the right amounts.
- FOCUS ON TRANSPARENCY AND ACCOUNTABILITY (program through the Controller's Office)
 - This will give us usable, statewide data
 - Decisions should be made after a 3-5 year period of collection of local data.
 - Decisions should focus on statewide approach not micro targeting the more urban areas
 - Taking time in the interim to do a comprehensive look at how taxes are collected and remitted. (AIC is already doing this)
 - Including:
 - Impact fees
 - Bonding

- Local option tax
 - Distribution formulas
 - Other
- In the meantime:
 - Raise the Homeowners exemptions (and allow for counties to do additional exemptions)
 - Fix the circuit breaker to protect the most vulnerable
 - Ensure schools and local units of government, especially in rural areas, are properly funded: transportation funding is a huge struggle for most cities/counties; here's an article that highlights that struggle <https://cdapress.com/news/2020/sep/11/new-roads-only-14-cents-day/>

Kelley Packer
Executive Director



3100 S Vista Avenue, Suite 201
Boise, Idaho 83705
(208) 342-1008; Direct
(208) 241-3350; Cell
(208) 344-8677; Fax
www.idahocities.org

Miles said pavement conditions from State Line to Northwest Boulevard are in need of refinishing.

He said it wouldn't be unreasonable for the roads to become a significant problem by 2035.

"If you think about what to expect by 2040, it looks like another 132,000 people," he said.

Included in KMPO's proposal to increase vehicle registration fees are five regional projects the agency has identified as needed but unfunded. KMPO wants to expand I-90 into a six-lane route from State Line to Sherman Avenue and build out the Huetter Bypass from I-90 to U.S. 95 and the State Highway 53 interchange. KMPO also plans to relocate the I-90 Port of Entry to McGuire Road, create a regional traffic management center, and widen the U.S. 95 Spokane River Bridge.

Miles said that if the fee is implemented, Kootenai County is projected to receive \$7.7 million in 2020, and accumulate \$201.5 million by 2040.

KMPO also plans to seek a federal loan that would help raise about \$200 million in additional funding over the next 20 years. With the aid of grants as well, a potential \$864 million could be directed into infrastructure programs throughout Kootenai County.

KMPO has seven other projects expected to be completed by 2040, including Hayden Avenue and U.S. 95 to Huetter Bypass, Pleasant View Road and Seltice Way to State Highway 53, Prairie Road and Meyer Road to State Highway 41, Atlas Road improvements from Seltice Way to Hanley, Pole Line State Highway 41 to Huetter, the Julia I-90 Overpass Ironwood to Appleway, and the State Highway 54 UPRR and BNSF Underpass in Athol.

