

CITY OF IDAHO FALLS

Property Tax 101

City Council Budget Work Session

July 17, 2018



PROPERTY TAX OVERVIEW

- Title 63 of Idaho State Statutes outlines Taxation
- Information on property taxes
 - Association of Idaho Cities (AIC) City Budgeting Manual
 - Idaho State Tax Commission
- Major source of funding for the General Fund
 - Roughly 54% of Idaho Falls General Fund revenue budget.

LEVY TYPES

- Temporary Override Levy
- Permanent Override Levy
- Foregone Levy

TAXING UNITS

- Airport
- Armories
- General Obligation Bonds
- Capital Improvement Funds
- Cemetery
- General Fund
- Library
- Local Improvement District
- Police Retirement
- Recreation
- Streets
- Warrant Redemption

PROPERTY TAX CERTIFICATION

- The City Certifies Dollars
 - In 2017 the City Certified \$31,481,473
- The County sets levy rates
 - In 2017 the City's Levy rate was .00951318

PROPERTY TAX CALCULATION FACTORS

- Previous years budget
- Annexation
- New Construction
- Property Tax Replacement (Personal Property)
- Statutory allowable increase
- Additional levies (overrides or foregone)

PROPERTY TAX CALCULATION EXAMPLE

▪ Previous years budget	\$30,072,649
▪ Annexation ($\$4,999,470 \times .009625028$)	48,120
▪ New Construction ($\$47,638,781 \times .009625028$)	458,525
▪ Statutory Allowable Increase (3%)	902,179
▪ Previous Year Foregone	<u>6,282,122</u>
▪ Total amount allowed to levy	\$37,763,595
▪ Amount available not levied	<u>(6,282,122)</u>
▪ Property tax amount to be certified	\$31,481,473

PROPERTY TAX APPLICATION

- Conversion of certified dollars to rate based on valuation
- Determination of valuation is based on the following factors:
 - Increased value of existing properties
 - New properties added in the previous year
 - Personal property exemption
 - Urban renewal districts

PROPERTY TAX VALUATION HISTORY

- 2018 (estimated) \$3,551,216,468
- 2017 \$3,309,246,661
- 2016 \$3,124,421,943
- 2015 \$3,008,461,828
- 2014 \$2,977,260,980

- changes reflect both an increase to valuation to existing properties and addition of new properties.

VALUATION TYPES

▪ Residential	\$1,923,916,859
▪ Commercial	1,352,229,907
▪ Personal Property	255,136,938
▪ Other	9,343,039
▪ Utilities	6,706,621
▪ Agriculture	<u>883,104</u>
▪ Total Valuation (estimated)	\$3,551,216,468

PROPERTY TAX LEVY RATES

Year	Net Taxable Valuation	Certified Property Tax	Levy Rate
2017	3,309,246,661.00	31,481,473.00	0.0095131842
2016	3,124,421,943.00	30,072,649.00	0.0096250281
2015	3,008,461,828.00	28,766,486.00	0.0095618584
2014	2,977,260,980.00	27,575,663.00	0.0092620913

PROPERTY TAX LEVY RATES APPLIED

- 2018 estimated value \$3,551,216,468

Potential property tax certification	Amount	Rate
▪ 1-No increase in levy	\$31,481,473	.008864983
▪ 2-Annexation & New Construction	\$32,004,586	.009012288
▪ 3-3% Allowable Increase	\$32,949,030	.009278238
▪ 4-Foregone	\$39,260,600	.011055536

- Current 2017 levy rate is .009513842

PROPERTY TAX SCENARIO- RESIDENTIAL

	2017	2018-1	2018-2	2018-3	2018-4
Value	180,000.00	188,000.00	188,000.00	188,000.00	188,000.00
Personal Property Exemption	(90,000.00)	(94,000.00)	(94,000.00)	(94,000.00)	(94,000.00)
Taxable Value	90,000.00	94,000.00	94,000.00	94,000.00	94,000.00
Tax Rate	0.00951318	0.00886498	0.00901229	0.00927824	0.011055356
Assessed Taxes	856.19	833.31	847.16	872.15	1,039.22
Monthly Cost	71.35	69.44	70.60	72.68	86.60

PROPERTY TAX SCENARIO- COMMERCIAL

	2017	2018-1	2018-2	2018-3	2018-4
Value	1,000,000.00	1,040,000.00	1,040,000.00	1,040,000.00	1,040,000.00
Personal Property Exemption	-	-	-	-	-
Taxable Value	1,000,000.00	1,040,000.00	1,040,000.00	1,040,000.00	1,040,000.00
Tax Rate	0.00951318	0.00886498	0.00901229	0.00927824	0.0110555356
Assessed Taxes	9,513.18	9,219.58	9,372.78	9,649.37	11,497.76
Monthly Cost	792.77	768.30	781.06	804.11	958.15

QUESTIONS

