

Kootenai County Budget Information Packet



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Government

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Property Tax

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Fiscal Year 2021 Budget



▶ Executive Summary



PROPERTY TAX

Base: \$51,314,811
New Construction: \$1,388,184
Propert Tax Replacement:
<\$416,466>

***The adjustment for replacement taxes is based on legislative changes, where amounts are received directly from the state to replace lost taxes. These amounts must be adjusted out of the levy amount to avoid double-counting.*



MAJOR EXPENDITURES

Personnel: \$2,766,959

- New Positions (7.5) - \$409,823
- Overtime, Bonus/Awards, On Call Pay: \$451,923
- Cost of Living Adjustment: \$1,449,931
- Employer's Medical Expense: \$455,282



OTHER ITEMS

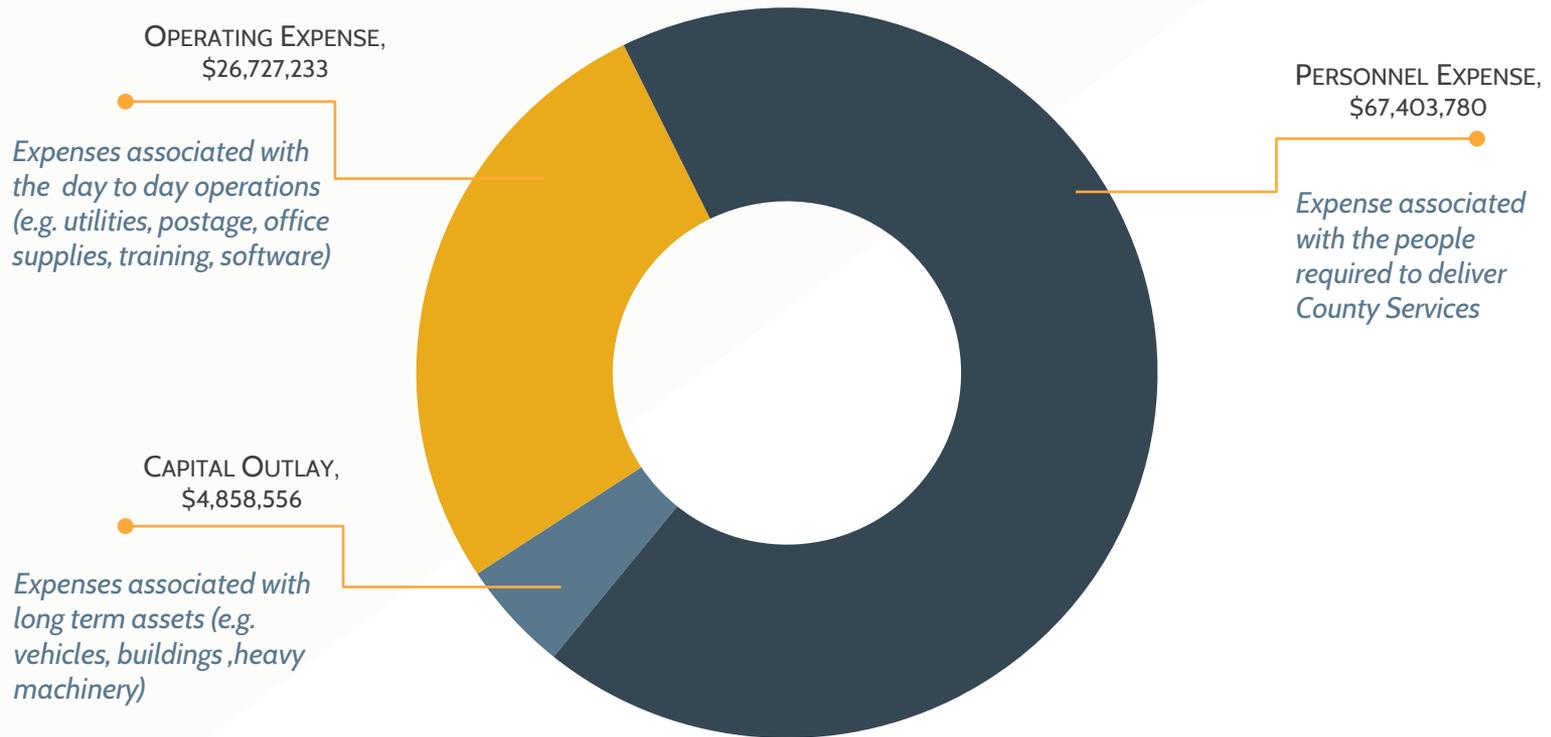
Major Capital Projects: \$ 4,858,556

- Sheriff Fleet Lease \$700,000
- Solid Waste Projects and Infrastructure - \$990,000
- Technology Projects - \$897,919

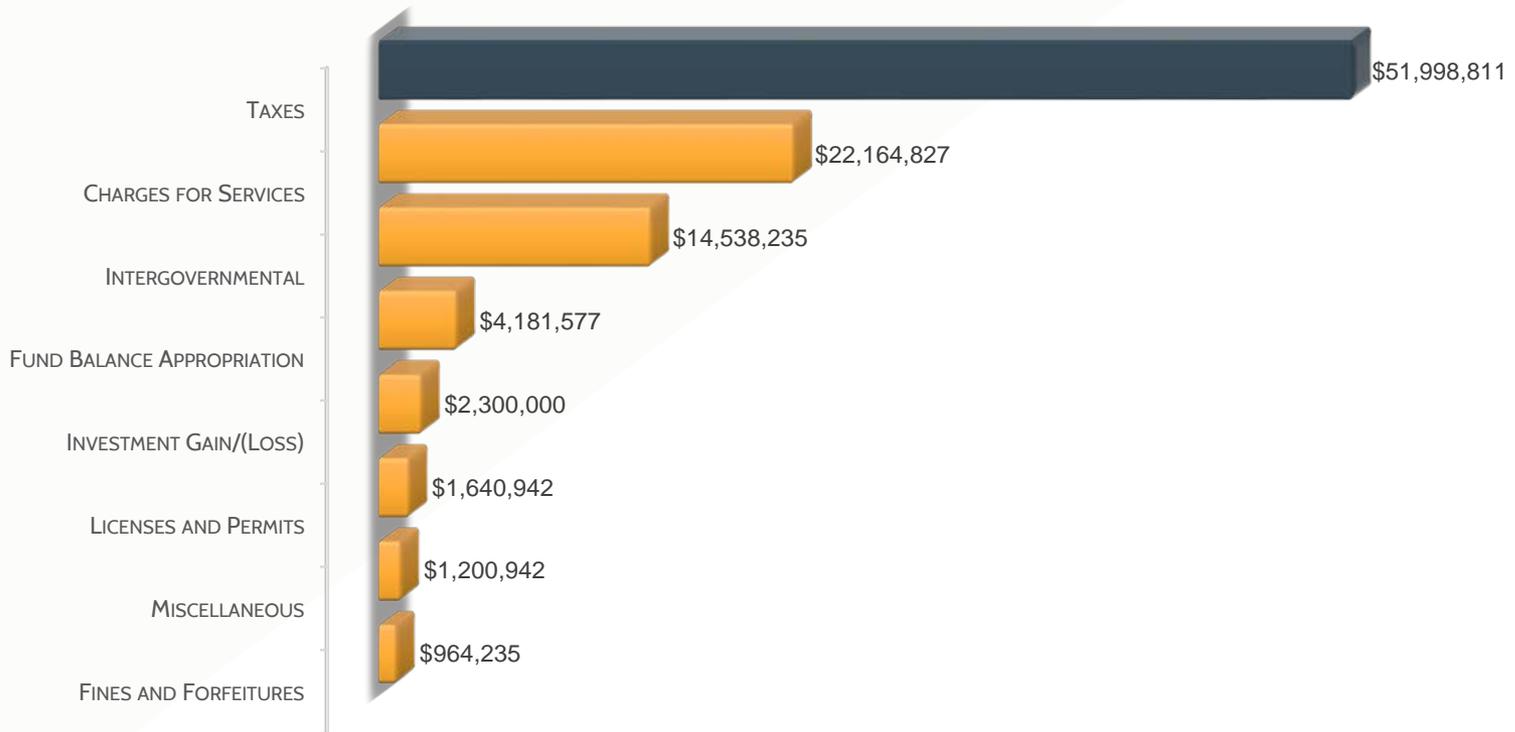
Operating Expenses cut by approximately 8%

Fund Balance use was limited to \$4 million of which \$2.7 was Restricted funds

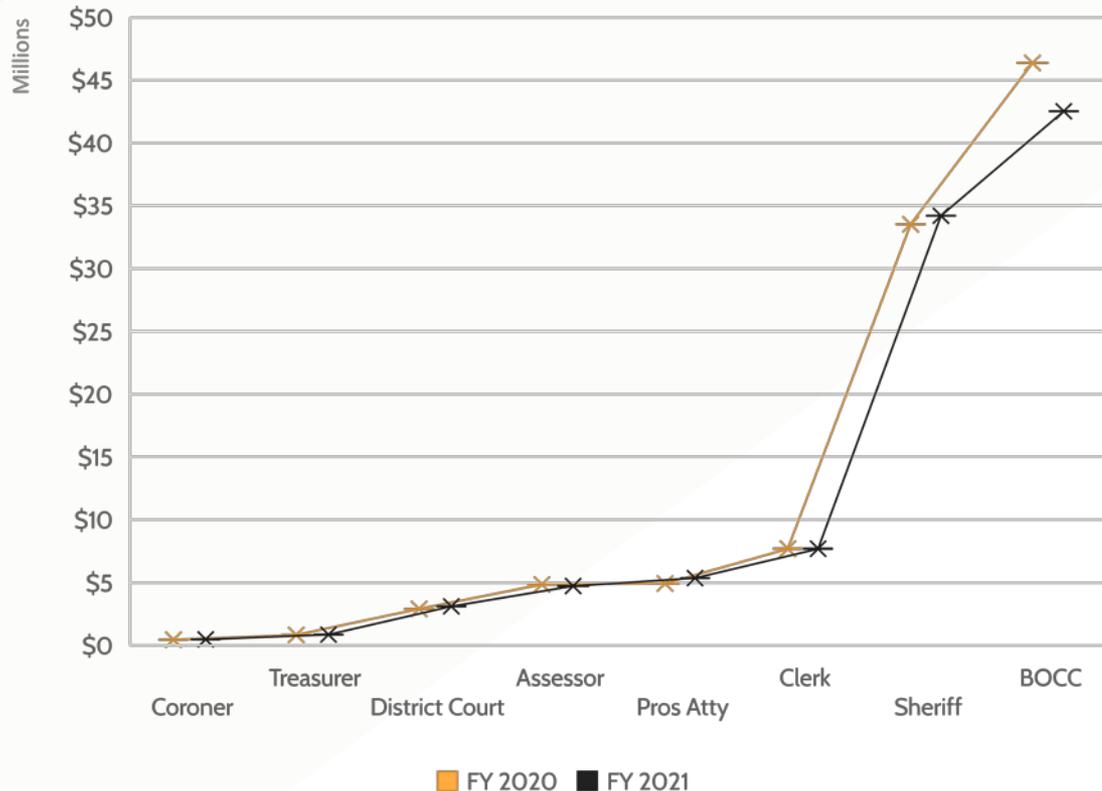
Expenditures by Type



► Fiscal Year 2021 Funding by Source
(Excludes EMS and Internal Service Fund)



► Budget Change by Elected Official



The overall fiscal year 2021 budget was reduced by 2.6%. At the outset of the budget planning, all departments were given 2% over last year's budget. Departments worked hard to reduce their budgets. The BOCC reduced their overall budget by 8%.

Most departments stayed fairly flat. However, the majority of the increases were within those departments that provide justice services.

APPENDIX

- ▶ Property Tax, Valuation, and Budget Trends
- ▶ Allowable Property Tax Calculation
- ▶ Net Taxable Market Value
- ▶ Levy Sheet by Fund

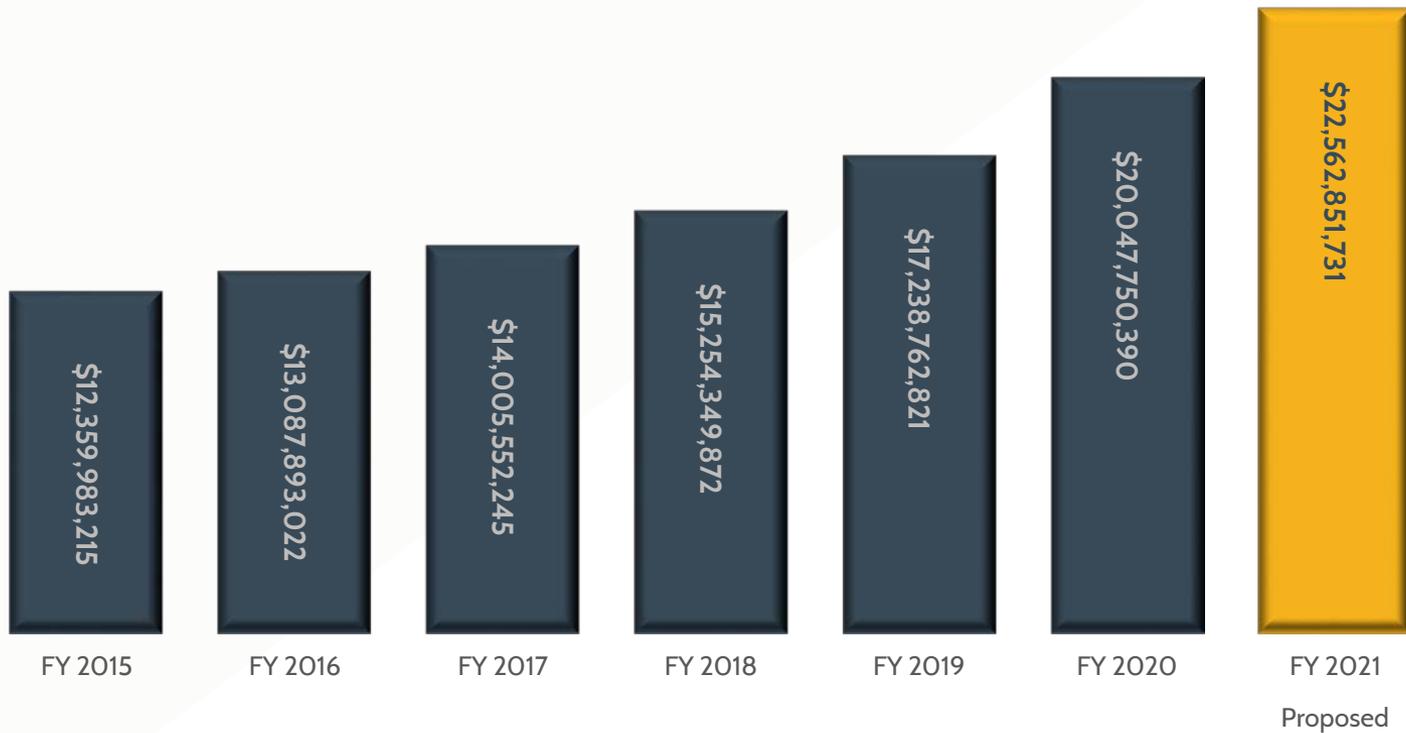
Property Tax Valuation and Budget Trends

Fiscal Years 2015 - 2021

Property Tax Levy Calculation History	Proposed						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
County Budget (EMS & Internal Service excluded)	\$ 79,396,264	\$ 80,870,409	\$ 96,343,347	\$ 88,002,123	\$ 94,125,596	\$ 101,598,129	\$ 98,989,569
Property Tax Levy	\$ 40,587,506	\$ 41,594,122	\$ 43,843,913	\$ 45,435,436	\$ 47,299,287	\$ 49,926,627	\$ 51,314,811
Property Tax % of Budget	51.12%	51.43%	45.51%	51.63%	50.25%	49.14%	51.84%
Net Market Value	\$ 12,359,983,215	\$ 13,087,893,022	\$ 14,005,552,245	\$ 15,254,349,872	\$ 17,238,762,821	\$ 20,047,750,390	\$ 22,562,851,731
Levy Rate	0.003283784	0.003178062	0.003128520	0.002978524	0.002743776	0.002490386	0.002221344
% of Market Value	0.33%	0.32%	0.31%	0.30%	0.27%	0.25%	0.23%
Forgone Available	\$ 6,364,367	\$ 7,875,069	\$ 9,105,938	\$ 9,105,938	\$ 9,105,938	\$ 9,105,938	\$ 10,603,738
From Tax Year	2013	2014	2015	2016	2017	2018	2019

The amount of tax revenue available to, but not levied by, the County in prior years. Forgone is available to be levied in subsequent tax years unless disclaimed by the Board of County Commissioners. In 2018, \$664,401 was disclaimed. In 2019, \$687,982 was disclaimed. Had this authority been retained, the forgone balance would be \$10,458,321. This year, the forgone balance increased by \$1,497,799.

Net Taxable Market Value Fiscal Years 2015 - 2021



**FY 2021 Market Values are an estimate provided by the Kootenai County Assessor*

ESTIMATED COUNTY MARKET VALUE:
\$22,562,851,731

	PRELIMINARY BUDGET	FUND BALANCE	INTER-FUND TRANSFERS	STATE FUNDS & OTHER REVENUE	BALANCE TO BE LEVIED	RESULTING LEVY RATE	FY 2020 LEVY	PERCENTAGE CHANGE
COUNTY LEVY FUNDS								
Current Expense	\$ 22,460,089	\$ 1,258,251	\$ 631,943	\$ 13,856,236	\$ 6,713,659	0.000297554	0.000571174	-47.9%
Justice Fund	42,825,473	116,498	-	9,181,597	33,527,378	0.001485955	0.001575507	-5.7%
Revaluation	2,786,836	60,000	-	-	2,726,836	0.000120855	0.000126376	-4.4%
Airport	1,210,979	57,765	-	992,000	161,214	0.000007145	0.000016118	-55.7%
County Fair	120,000	0	40,000	-	80,000	0.000003546	0.000003990	-11.1%
Parks and Recreation	464,678	(27,396)	-	104,500	387,574	0.000017178	0.000017054	0.7%
Historical Society	21,900	0	-	-	21,900	0.000000971	0.000001291	-24.8%
Indigent	969,846	619,846	-	350,000	0	0.000000000	0.000000000	0.0%
District Court	6,743,871	0	-	918,003	5,825,868	0.000258206	0.000089255	189.3%
Health District	824,859	0	44,996	-	779,863	0.000034564	0.000037866	-8.7%
Noxious Weeds	356,915	0	-	200	356,715	0.000015810	0.000016807	-5.9%
Liability Insurance	843,874	0	110,070	-	733,804	0.000032523	0.000034948	-6.9%
TOTAL COUNTY LEVY	\$ 79,629,320	\$ 2,084,964	\$ 827,009	\$ 25,402,536	\$ 51,314,811	0.002274305	0.002490386	

NON-LEVY FUNDS

County Vessel	\$ 727,080	\$ (2,920)	\$ -	\$ 730,000	\$ -	<i>Levy Certified FY 20 + Replacement</i>	\$ 49,926,627
Enhanced 911	1,696,959	(159,450)	-	1,856,409	-	<i>Levy Request FY 21 + Replacement</i>	\$ 51,731,277
Waste Disposal	14,355,325	1,728,553	(800,959)	13,427,731	-	<i>Property Tax Change</i>	
State Snowmobile	100,387	44,637	-	55,750	-	County	\$ 1,804,650
Tourism Promotion	1,500	-	-	1,500	-	COUNTY LEVY	
Court Interlock Device	15,300	300	-	15,000	-	<i>Allowable Tax Dollars</i>	
County Snowmobile	17,164	(7,136)	-	24,300	-	<i>Levy Certified FY 20 + Replacement</i>	\$ 49,926,627
Public Access Contribution	-	(6,970)	-	6,970	-	<i>3% Increase</i>	1,497,799
Centennial Trail	6,500	(23,500)	10,000	20,000	-	<i>New Development</i>	1,388,184
Grants Administration	1,852,985	-	-	1,852,985	-	<i>Forgone FY 20</i>	9,105,938
Aquifer Protection	587,049	523,099	(36,050)	100,000	-	<i>Less Prop Tax Replacement</i>	(416,466)
TOTAL NON-LEVY FUNDS	\$ 19,360,249	\$ 2,096,613	\$ (827,009)	\$ 18,090,645	\$ -	County Tax Dollars Available	\$ 61,502,082
						<i>Forgone FY 21</i>	\$ 10,603,738

TOTAL COUNTY BUDGET	\$ 98,989,569	\$ 4,181,577	\$ -	\$ 43,493,181	\$ 51,314,811
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AMBULANCE DISTRICT	\$ 3,123,869	\$ -	\$ -	\$ 186,203	2,937,666
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INTERNAL SERVICE FUNDS

Health Insurance	\$ 11,271,087	\$ -	\$ -	\$ 11,271,087	\$ -
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TOTAL ALL BUDGETS	\$113,384,525	\$ 4,181,577	\$ -	\$ 54,950,471	\$ 54,252,477
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▶ Allowable Property Tax Change Calculation

New Taxing Authority - FY21 Projection

Allowable 3% Budget Growth (Prior 3 yr Property Tax Budgets)

	Levy Amount	Prop Tax Replacement	Total Tax Authority
FY 2018	\$ 45,435,436	\$ 430,020	\$ 45,865,456
FY 2019	\$ 47,299,287	\$ 425,382	\$ 47,724,669
FY 2020	\$ 49,503,495	\$ 423,132	\$ 49,926,627 (*)

3.0% x the highest of last 3 years (*)

New Growth Calculation - FY 2020

Preliminary New Construction Value	557,841,365	updated 7/22/20
FY 2019 Levy Rate (2020 Tax Year) x	0.002488493	
New Growth FY 2021 (2020 Tax Year)		

Total New Taxing Authority

Forgone Taxing Authority (Balance from FY 2020 (2019 Tax Year))

TOTAL Available Additional Taxing Authority

FY 2020 Property Tax Replacement

Maximum Available Taxing Authority

Taxing Authority	Planned Use
\$ 49,926,627	\$ 49,926,627
\$ 1,497,799	\$ -
\$ 1,388,184	\$ 1,388,184
\$ 2,885,984	
\$ 9,105,938	
\$ 11,991,922	
(416,466)	
\$ 61,502,083	
Total	

FY 2020 Planned Use	\$ 51,314,811
FY 2020 Property Tax Replacement	(416,466)
FY 2020 Proposed Levy Amount	\$ 50,898,345
Proposed FY 2020 Forgone Taxing Authority Balance	\$ 10,603,738
	Proposed

STRONGER COUNTIES, STRONGER AMERICA

How County government
differs from other forms of
governments



County Government - What is it and why do we have it?:

Below is a general overview of County Government:

- Counties are one of America's oldest forms of government.
- Chartered under state constitutions or laws, states decide the roles and responsibilities of county governments.
- **Acts as an agent of the state.**
- Though organizational structures vary, all county governments are on the front lines of delivering vital services to residents.
- Citizens decide who runs their government by electing a board of county commissioners.

Why do we have County Government? The key purpose of county government is to perform essential administrative functions. They help enhance lives of citizens by providing much needed services.

► Types of Services



Mandated Services

Some services must be provided regardless of funding. **Property tax**, as well as, fees and grant funds pay for these services and programs.

Mandated services require staffing and drives the bulk of costs

e.g. Vehicle Licensing, Solid Waste, Elections



Non Mandated Services

Some services are non mandated and are funded through **fees and grants**. As population grows, demand for services increase. In many cases, additional staffing is required to meet demand.

e.g. Veterans Services, Parks, Airport, Public Transportation

County Government Services

What services are **mandated** by Idaho State?:

- ▶ Community Health – Indigent Healthcare
- ▶ Justice & Public Safety
- ▶ Human Services
- ▶ County Management

Mandated services have to be funded, usually with property tax as well as other fees, taxes.

► Not All Funds Are Created Equal

Restricted

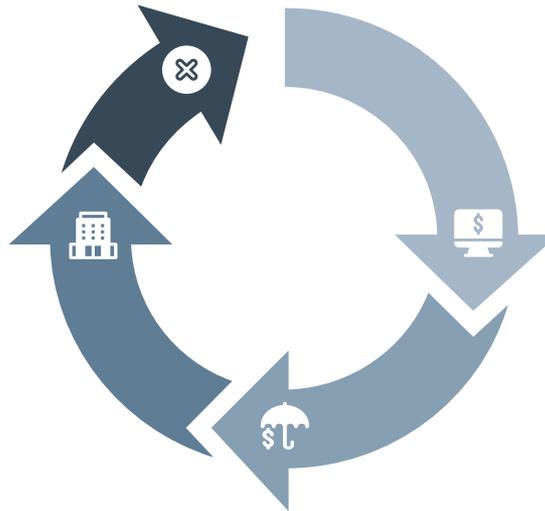
These funds must be used for specific purpose. It is mainly derived from fees.

e.g. E911, Solid Waste, Vessel, Indigent Program

Committed

These funds have been set aside for a specific purpose.

e.g. Capital projects, vehicles



Assigned

These are funds that are to be used for specific purposes.

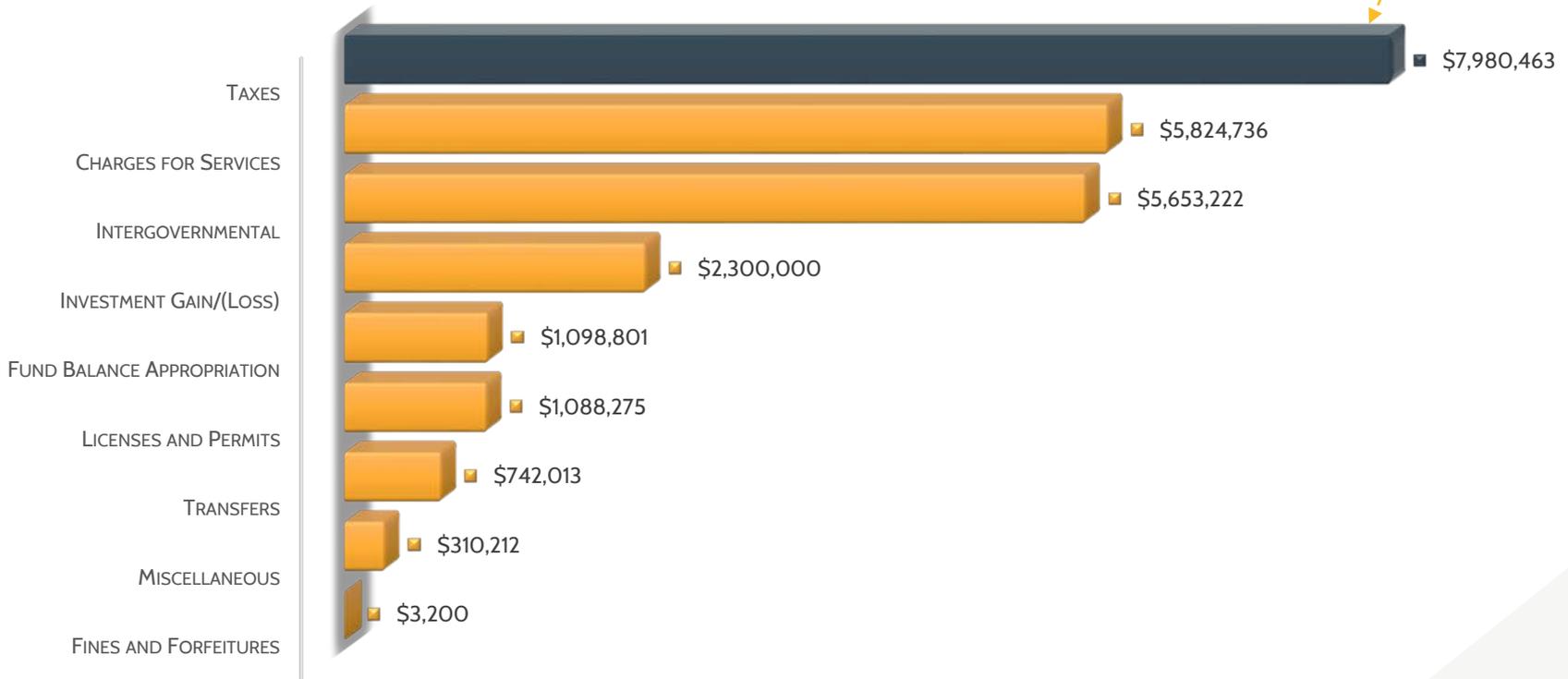
e.g. Long-term planning for facilities and technology investments

Unassigned

These funds are available for any purpose. The funds cover expenses such as payroll and short term bills.

The County maintains a two (2) month 'cushion'.

General Fund Revenues by Source



County Services Funded By Your Tax Dollar

HEALTH AND WELFARE
\$2,594,551

CULTURE AND RECREATION
\$950,788



PUBLIC WORKS
\$1,318,828

SOLID WASTE
\$14,958,227

**GENERAL GOVERNMENT
\$34,484,268

PUBLIC SAFETY
\$46,447,683

PROPERTY TAXES





▶ Let's Talk **Property Taxes**

Increased property taxes are having a real impact on Idahoans. For lower-income or fixed-income residents, this could mean losing their home or not being able to afford housing in their own city. Unfortunately, it feels like you need an accounting degree to understand how property taxes work. We'd like to help!

Idaho's Property Tax System

- ▶ Idaho's property tax system is levy based. This means taxes are related only indirectly to value.
- ▶ Value and tax levies have an inverse relationship. As values rise, tax levies fall and, conversely, declining values result in higher tax levies.



- ▶ Exemptions play a key role in the distribution of property tax burden, and your individual tax burden can fluctuate with your neighbor's change in exempt-status.

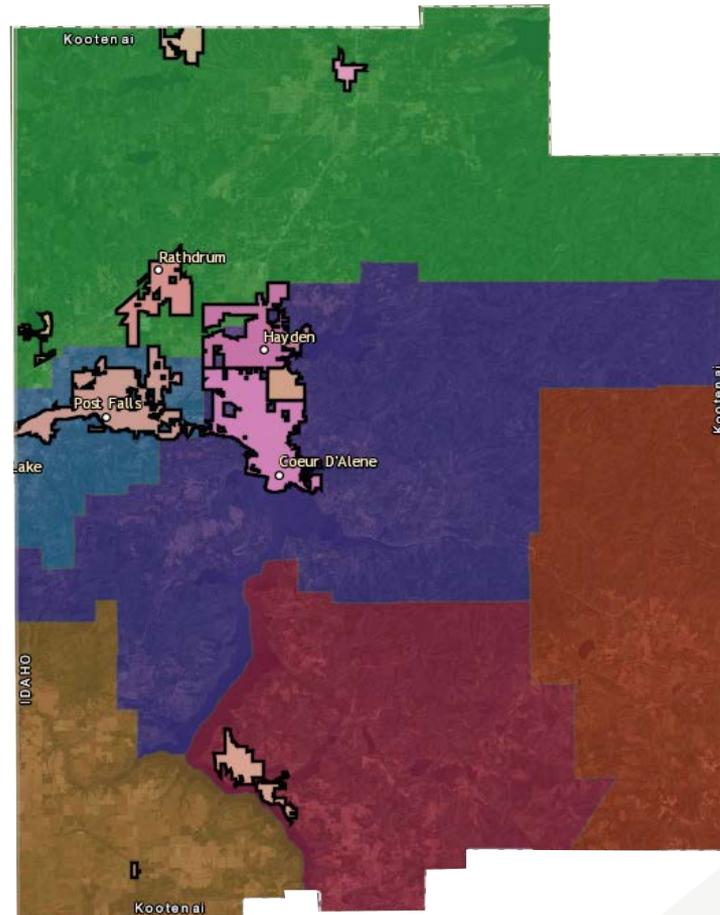
Taxing Districts

Your property taxes fund several local government entities called “taxing districts.” Taxing districts vary based on where you live, so your bill will look a bit different from a homeowner living in another city. For example, some areas in Kootenai County pay taxes to a Watershed district.

Taxing districts are **legally allowed to increase taxes by up to 3% each year** plus growth for new construction and annexation. **Many districts take the 3% allowable amount.**

If they seek property taxes above that amount, districts must get voter approval for a bond or special levy or allocate from previous foregone taxes.

The three largest taxing districts in Kootenai County are School Districts, Cities, and Urban Renewal Districts. **Kootenai County portion averages 24.6% overall.**



The above image is an example of how districts can overlap. This gives the boundaries for the cities and the School Districts within Kootenai County.



▶ New Growth! Tax Opportunity

This is an additional tax opportunity provided by Idaho statute.

Prior year's levy rate is applied to the new construction value.

FY 2021 New Construction is estimated at **\$557,841,365**.

This will result in **\$1,388,184** additional tax revenue.

Urban Renewal Purpose

The Law: Title 50, Chapter 20, Idaho Code

Urban renewal is a program designed to more easily remedy areas of the community described as a 'serious and growing menace, injurious to the public health, safety, morals and welfare of the residents...' *Idaho Code 50-2002.*

The local governing body (in most cases this is the city council) is tasked with determining when an area of the community meets this fairly subjective definition.

In the past farm ground had been determined to meet this definition and thus picked up by urban renewal but amendments to the law in 2011 made this practice not nearly as advantageous as it had once been.

Urban Renewal Districts

How Does Revenue Allocation Financing Work?

Revenue for urban renewal is determined differently than it is for taxing districts such as school districts. The amount of income received by taxing districts is based on their budget, which is capped.

Urban renewal is not a taxing district so the amount of income it can generate is unlimited. Urban renewal agencies generate income through the Local Economic Development Act Idaho Code 50-2902.

Urban renewal's revenue is calculated by multiplying the levy rates of the taxing districts in its boundaries by the increment value. The **Increment** value is the amount that the assessed value of a property in an urban renewal district increases after the urban renewal district is put in place.

The assessed value of the properties in an urban renewal district at the time the district is put in place is called the **Base** value. The taxing districts that serve properties in the urban renewal district can only levy property taxes on the base value during the life of the urban renewal district. See section 4 of Idaho Code 50-2903.

Urban Renewal Districts

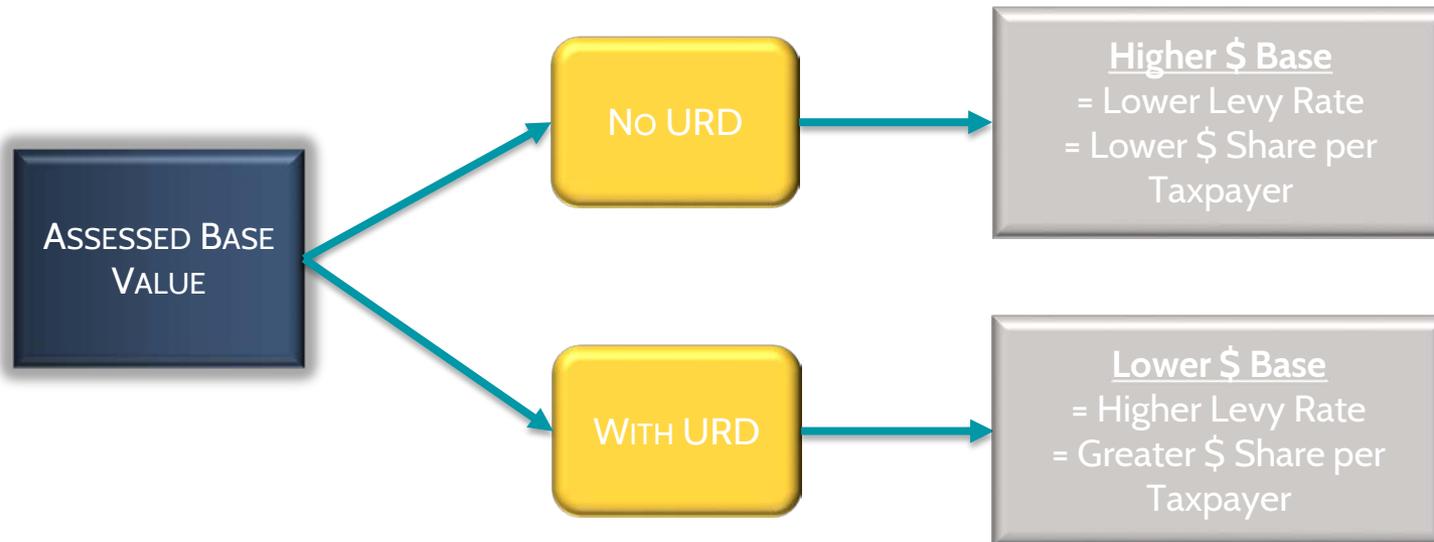
Could You Pay Higher Property Taxes Due to Revenue Allocation Financing?

Since urban renewal limits the value that taxing districts can levy taxes on, levy caps are reached much sooner. Another way urban renewal restricts revenues for taxing districts is by capturing new construction income. Since taxing districts can only levy taxes on the base value, they are **not able to collect on new construction** located in urban renewal districts. Taxes on new construction pay for growth such as added equipment and manpower needed for a fire department to adequately protect new buildings.

Taxing districts are **required** to support all of the structures and population within their districts **regardless of the funds available** to accomplish this. Urban renewal districts often bring new construction and growth to the community. Taxing districts don't see the revenue created by this growth until the urban renewal district ends which is typically around 24 years.

Urban renewal causes levy rates to increase at a faster rate or in some cases not decrease as much as it would have otherwise. This means each tax payer is responsible for providing a larger percentage of the taxing district's budget. This affects all properties whether or not they are in an urban renewal district.

Taxpayer Effect – Other Districts



Current Urban Renewal Districts

	FORMED	TERM (in Years)	EXPIRATION
CENTER POINT	2002	24	2026
ATLAS RAA	2018	20	2038
EAST POST FALLS (TILLAMORE)	2001	24	2025
EXPO	2002	24	2026
HARRISON	2010	20	2030
HAYDEN	2006	24	2030
LAKE DISTRICT (CD'A)	1997	24	2021
POST FALLS TECHNOLOGY RAA	2018	20	2038
RATHDRUM	2019	20	2039
RIVER	2003	24	2027
SPIRIT LAKE	2005	20	2025
WEST SELTICE II	2006	24	2030
HEALTH CORRIDOR	2019	20	2039

Kootenai County **Portion** of 2019 Tax Bill

The County portion of the tax bill averaged 24.70% in 2019. The remaining was allocated to Cities, School Districts, Urban Renewal Districts to name a few. The tax bill you receive from the Treasurer will have the detail of the jurisdictions and rates. The table below shows the **County** portion by City.

City	2017	2018	2019	Change
Athol	20.6%	20.4%	21.0%	
Coeur d'Alene	22.6%	22.6%	22.8%	
Dalton Gardens	30.1%	29.4%	29.8%	
Fernan	28.3%	26.2%	26.8%	
Harrison	25.3%	24.9%	24.8%	
Hauser Lake	26.0%	26.4%	27.3%	
Hayden	29.5%	29.1%	29.6%	
Hayden Lake	31.3%	30.9%	31.2%	
Huetter	20.9%	20.6%	20.5%	
Post Falls	20.3%	20.4%	20.4%	
Rathdrum	18.1%	18.0%	18.7%	
Spirit Lake	17.6%	17.9%	18.9%	
State Line	31.6%	31.8%	31.2%	
Worley	22.9%	23.1%	22.9%	

Taxable Value

The value of your property is assessed each year by the Kootenai County Assessor's Office.

If you own your home, and live in it as your primary residence, you might be eligible for a **homeowners exemption** which exempts you from paying taxes on 50% of the value of your home up to \$100,000.

For tax purposes, what really matters is your **taxable value**:



ASSESSED VALUE - EXEMPTIONS = TAXABLE VALUE

Example: \$280,000 - \$100,000 = \$180,000



Levy Rate

A **levy rate** of .014 (rounded to three decimals) means you owe \$14 of taxes for every \$1,000 of your property's taxable value.

Levy rates for 2020 in Kootenai County were at their lowest levels in at least 5 years.

This is how your levy rate is determined:

$$\frac{\text{TOTAL PROPERTY TAX BUDGET OF ALL TAXING DISTRICTS*}}{\text{TOTAL TAXABLE PROPERTY VALUE}} = \text{LEVY RATE}$$

*This can only increase each year by up to 3% plus growth

What You Owe

Once you know your **taxable value** and **levy rate**, it's easy to calculate how much tax you owe:



TAXABLE VALUE x LEVY RATE = WHAT YOU OWE

Example: \$180,000 X .013568784 = \$2,442

▶ A Typical Tax Bill



For this taxpayer, Kootenai County's portion is **19.78%** of the total tax bill. The largest portion is allocated to the City of Post Falls.

Taxing District	Amount
Kootenai County	\$ 622.31
City of Post Falls	\$ 1,065.46
Post Falls Highway District	\$ 112.14
School District #273	\$ 518.74
KC Fire & Rescue	\$ 423.92
Kootenai EMS	\$ 34.60
Library	\$ 75.37
NIC	\$ 199.33
Solid Waste	\$ 88.00
Aquifer	\$ 5.74
Total Bill	\$ 3,145.61

Assessment Information						
Authority	Exempt	Taxable	Rate	Gross	Credits	Net Tax
1-KOOTENAI CO						
AIRPORT	100,000	250,080	0.000016106	4.03	0.00	4.03
COUNTY FAIR	100,000	250,080	0.000003987	1.00	0.00	1.00
CURRENT EXPENSE	100,000	250,080	0.00057074	142.73	0.00	142.73
DISTRICT COURT	100,000	250,080	0.000089187	22.30	0.00	22.30
HEALTH UNIT	100,000	250,080	0.000037837	9.46	0.00	9.46
HISTORICAL SOCIETY	100,000	250,080	0.00000129	0.32	0.00	0.32
INDIGENT	100,000	250,080	0	0.00	0.00	0.00
JUSTICE FUND	100,000	250,080	0.00157431	393.70	0.00	393.70
LIABILITY INSURANCE	100,000	250,080	0.000034922	8.73	0.00	8.73
NOXIOUS WEEDS	100,000	250,080	0.000016794	4.20	0.00	4.20
PARKS & REC	100,000	250,080	0.00001704	4.26	0.00	4.26
REVALUATION	100,000	250,080	0.00012628	31.58	0.00	31.58
210-CITY POST FALLS						
CITY OF POST FALLS	100,000	250,080	0.004260466	1,065.46	0.00	1,065.46
225-PF HIGHWAY #1-POST FALLS						
HD#1-DIST-M&O	100,000	250,080	0.000055734	13.94	0.00	13.94
HD#1-DIST-SPECIAL BRIDGE	100,000	250,080	0.000330462	82.64	0.00	82.64
HD#1-DIST-TORT	100,000	250,080	0.000006491	1.62	0.00	1.62
HD#1-POST FALLS-M&O	100,000	250,080	0.000055734	13.94	0.00	13.94
232-SCHOOL DIST #273-BOND						
SCHOOL DIST #273-POST FALLS	100,000	250,080	0.000746148	186.60	0.00	186.60
232-SCHOOL DIST #273-SUPP						
SCHOOL DIST #273-POST FALLS SUPP	100,000	250,080	0.001313232	328.41	0.00	328.41
232-SCHOOL DIST #273-OTHER						
SCHOOL DIST #273-POST FALLS	100,000	250,080	0.000014902	3.73	0.00	3.73
255-KC FIRE & RESCUE						
KOOTENAI CO FIRE & RESCUE	100,000	250,080	0.001695139	423.92	0.00	423.92
271-COMM LIBRARY NET J						
KOOTENAI CONSOLIDATED LIBRARY	100,000	250,080	0.00030138	75.37	0.00	75.37
351-N ID COLLEGE						
NORTH IDAHO COLLEGE	100,000	250,080	0.00079707	199.33	0.00	199.33
354-KOOTENAI-EMS						
KOOTENAI CO EMS 47173	100,000	250,080	0.000138373	34.60	0.00	34.60
457-SOLID WASTE-S/A						
SOLID WASTE FEES	0	1	88	88.00	0.00	88.00
490-S/A-Aquifer Prot District						
Aquifer Protection District	0	0	1	5.74	0.00	5.74
Total Net				3,145.61		

Questions?

More detail can be found online!

www.kcgov.us

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