



## **When Growth Cannot Pay for Itself: The Municipal Impacts of Idaho H389 (2021)**

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# Table of Contents

Executive Summary.....	4
1. Introduction.....	6
Purpose of the White Paper .....	6
Why This Matters .....	7
Scope of Research.....	7
2. Overview of Idaho H389 (2021) .....	8
Legislative Background .....	8
Major Provisions of H389.....	9
3. Research Questions .....	10
4. Methodology.....	11
Data Sources.....	11
Metrics Evaluated .....	12
Limits of the Analysis .....	12
Treatment of Cities with Missing SCO Data .....	13
5. Findings.....	13
Statewide Findings.....	14
Impacts by Type of City .....	14
Small cities – 10,000 Residents or less (171 cities out 197).....	14
Mid-sized cities – 10,001 – 30,000 Residents (14 cities out of 197) .....	15
Large cities – 30,001 Residents and Above (12 cities out of 197) .....	15
High-growth cities .....	16
Built-out or slow-growth cities .....	16
Rural versus urban communities.....	17
Revenue Capacity Effects .....	17
Service Delivery and Operational Effects .....	18
Equity and Distributional Effects .....	19
6. Discussion.....	19
Did H389 Achieve Its Goals?.....	20

Tradeoffs Created by the Bill.....	20
Unintended Consequences.....	21
7. Policy Options and Recommendations.....	22
Return New Construction and Annexation Value to 100% .....	23
Return to the Previous Year’s Levy Rate.....	23
Remove the 8% Cap for Cities Under 10,000 .....	23
Increase the Cap to 15% for Cities Between 10,000 and 30,000 .....	24
Retain the 8% Cap for Cities at or Above 30,000 .....	24
Recommended Approach .....	24
8. Conclusion .....	25
Appendices .....	27
Appendix A -2025 Analysis of City Budget Capacity and Growth Potential.....	27
Appendix B – 2025 Estimates of Unreported Cities .....	31
Appendix C – SCO Reported Budget Data Location.....	32
Appendix D – House Bill 389 (2021) Bill Text.....	35
Appendix E – Statewide Comparisons Handout.....	61
Appendix F – City Size Comparison Handout .....	62
Appendix G – District Specific Examples .....	63

# Executive Summary

House Bill 389, enacted in 2021, made significant changes to Idaho's property tax framework for cities and other taxing districts. While the bill was intended in part to provide tax relief and improve predictability for taxpayers, it also changed how cities account for growth, new construction, and budget capacity. In practice, those changes reduced the extent to which cities are able to translate new development and annexation into ongoing revenue authority.

## The Issue

This issue matters because cities are responsible for providing the core services that residents rely on every day, including police, fire protection, streets, water, wastewater, parks, planning, and other public infrastructure and services. When state law constrains local revenue capacity in ways that do not match actual growth, inflation, and service demands, cities face difficult tradeoffs. Those tradeoffs can include delaying capital projects, deferring maintenance, limiting service expansion, or relying more heavily on other local revenue sources and fees.

## The Research

This white paper examines the practical impacts of H389 on Idaho cities, with a focus on local fiscal capacity, budgeting flexibility, and the relationship between growth and service delivery. The research evaluates how H389 affected the treatment of new construction and how those changes have played out in cities of different sizes and growth rates. It also considers whether the law has operated evenly across communities with very different development patterns and service needs.

## The Findings

The research indicates that H389 has had uneven but meaningful impacts across Idaho cities. The effects appear most significant in fast-growing communities, where infrastructure and service demands are increasing quickly and where the ability to recognize growth-related value is especially important. In many cases, H389 has limited cities' ability to ensure that growth helps pay for the public costs that growth creates. The findings also suggest that the law has added administrative complexity and made it harder for some cities to align allowable budget growth with actual development, inflation, and ongoing service obligations. In effect, the current structure places disproportionate

pressure on growing communities while producing different outcomes for slower-growth or more built-out cities.

### **Policy Implications and Recommendations**

The policy implications are substantial. If Idaho wants to maintain taxpayer protections while also allowing cities to provide adequate services and responsibly accommodate growth, the property tax system should better align local revenue authority with actual development patterns and public service demands. Potential reforms could include restoring greater recognition of new construction and annexation, revisiting limitations that prevent growth from paying for itself, simplifying administration, and adopting a more tailored framework that reflects the differences between small, mid-sized, and fast-growing communities. At a minimum, **the research supports revisiting H389 to ensure that Idaho's tax policy does not unintentionally weaken local service delivery, delay infrastructure investment, or undermine long-term planning at the city level.**

# 1. Introduction

Idaho House Bill 389, enacted in 2021, changed the property tax framework in ways that continue to impact how cities budget, plan, and respond to growth. Although the legislation was intended in part to provide taxpayer relief and greater predictability, its practical effect on cities has been more complicated. For many local governments, the issue is not simply whether property taxes were constrained, but whether the revised system allows cities to keep pace with rising service demands, new development, and the cost of maintaining public infrastructure.

This white paper was prepared to examine that question from the perspective of Idaho cities. City officials are responsible for delivering essential public services and planning for future growth, yet they must do so within a statutory framework established at the state level. When that framework changes, the effects are not experienced uniformly. A fast-growing city adding roads, utility capacity, public safety staffing, and development review functions may experience the law differently than a smaller or more built-out community with slower growth and fewer capital demands. As a result, understanding the practical operation of H389 requires more than a summary of the legislation. It requires examining how the law functions on the ground.

## Purpose of the White Paper

The purpose of this white paper is to evaluate the practical impacts of H389 on Idaho cities. More specifically, it examines how the law has affected city fiscal capacity, budget flexibility, and the ability of local governments to respond to growth, maintain infrastructure, and provide core public services. The paper is not intended to restate the statutory language or summarize legislative intent. Instead, it seeks to assess how the changes made by H389 have operated in practice and whether the law has aligned local revenue authority with the real-world demands facing cities.

This paper is also intended to provide a city-focused analysis for policymakers, local officials, and other stakeholders. State property tax policy decisions can have significant downstream effects on municipal operations, long-term planning, and local service delivery. By examining those effects through a practical lens, this white paper aims to contribute to a more informed discussion of whether Idaho's current property tax structure is functioning as intended for cities of different sizes and growth patterns.

## Why This Matters

This issue matters because cities depend on stable and predictable revenue systems to fund the services and infrastructure that residents expect and rely on every day. Police and fire protection, streets, water and wastewater systems, parks, planning, and other municipal functions all require dependable funding and thoughtful long-term budgeting. When local revenue systems become less predictable or less responsive to changing conditions, cities are placed in a more difficult position when trying to balance service expectations, infrastructure needs, and fiscal sustainability.

H389 is especially important in the context of growth. As cities grow, they often must expand service capacity, construct or improve infrastructure, and absorb new operational demands. Growth can require additional streets, utility extensions, public safety staffing, development review capacity, and other investments that do not occur in isolation. When the property tax framework limits a city's ability to capture the value associated with that growth, the result can be a widening gap between the cost of serving development and the revenue authority available to support it. In that environment, growth may no longer fully pay for itself.

State-level tax changes can also affect communities unevenly. A statewide policy may appear neutral on its face while having significantly different effects depending on a city's population size, rate of development, existing infrastructure, tax base composition, and service obligations. A community experiencing rapid residential and commercial growth may face pressures very different from those of a slower-growth or largely built-out city. For that reason, evaluating H389 requires attention not only to what the law says, but to how it affects different kinds of cities in practice.

## Scope of Research

This white paper focuses on the period following enactment of H389 (2021). The research looks at all cities, including a breakdown by small, mid-sized, and larger communities, as well as cities experiencing different rates and patterns of growth. Because the impacts of state tax policy are not uniform, examining multiple types of cities is necessary to understand how the law operates across Idaho.

The analysis relies on available city budget information, levy and tax data, new construction data, population and development trends, and other relevant local finance information. It also draws on state and local reports, city examples, and comparative modeling to illustrate how H389 has functioned in practice. Idaho State Tax Commission

data is particularly useful in showing what actually occurred in terms of taxable value growth, new construction, and related trends. However, those data do not tell the full story. They do not capture projects, including commercial, industrial, and residential development, that may have been delayed, scaled back, or denied because cities lacked the fiscal capacity, infrastructure, staffing, or service levels necessary to support them. The available quantitative data can show realized growth, but it may not fully reflect constrained or foregone growth. To better understand the impacts of unrealized projects, a survey was conducted soliciting feedback from cities on projects that were proposed but that could not be approved due to constraints caused by H389(2021).

## **2. Overview of Idaho H389 (2021)**

House Bill 389 was a broad 2021 property tax bill that changed several parts of Idaho's property tax system. It addressed not only local budget limitation formulas, but also the homeowner's exemption, the circuit breaker program, the disabled veterans property tax reduction, the property tax deferral program, and the taxation of certain personal property. However, this white paper is focused only on the portions of H389 most relevant to cities. Accordingly, this section does not attempt to provide an exhaustive analysis of every component of the bill. Instead, it concentrates on the changes affecting municipal fiscal capacity, growth-related revenue authority, budgeting flexibility, and the ability of cities to provide services and infrastructure in response to development.

### **Legislative Background**

H389 emerged during a period of significant concern in Idaho over rising property values, increasing property tax bills, and broader housing affordability pressures. In many parts of the state, especially fast-growing areas, rapidly increasing home values were a major political and economic issue. The bill was advanced as part of a broader effort to respond to taxpayer frustration and provide relief, while also placing tighter limits on how quickly local property tax collections could grow. Contemporary reporting on the bill and the surrounding debate reflects that H389 was seen not simply as a technical tax measure, but as a high-profile response to statewide concerns over affordability and the pace of local tax growth. Governor Brad Little, in signing the bill, acknowledged the demand for relief but also expressed concern about the legislation's long-term consequences. In his signing

letter, as reported by the Associated Press<sup>1</sup>, he said he was approving H389 because it provided some relief to taxpayers, but warned that its long-term effects might outweigh the temporary reprieve.

For cities, that background matters because the pressures driving H389 were not experienced evenly across Idaho. Some communities were seeing rapid residential and commercial growth, rising construction activity, and expanding service demands, while others were experiencing slower and more stable patterns of development. A statewide property tax bill adopted in that environment was therefore likely to produce uneven local effects. Although the bill was presented in part as a taxpayer relief measure, it also altered the framework through which cities account for new construction, annexation, and budget growth. That is the aspect of H389 most relevant to this white paper.

## Major Provisions of H389

H389 contained a number of statewide property tax changes, but several provisions are especially important to cities.

- **Homeowner and targeted tax relief changes.** The bill increased the homeowner's exemption from **\$100,000 to \$125,000**, increased the maximum circuit breaker property tax reduction for qualifying low-income seniors, widows, and others from \$1,320 to \$1,500, and increased the disabled veterans property tax reduction maximum from \$1,320 to \$1,500. It also revised other deferral and personal property tax provisions.
- **Personal property tax changes.** H389 increased the business personal property tax exemption from **\$100,000 to \$250,000** and exempted transient personal property from taxation beginning in 2022. These provisions were part of the broader tax relief package but are less central to the city-budgeting issues addressed in this paper.
- **Changes to section 63-802 and annual budget capacity.** The city-relevant core of H389 was its amendment of Idaho Code section 63-802<sup>2</sup>. Under guidance later provided in Idaho State Tax Commission training materials, the total increase from the regular 3% growth factor, new construction, and **annexation could not exceed 8% in total**. Those same training materials explained that new construction budget capacity is calculated using the preliminary levy rate and that annexation value is recognized at 90% for purposes of that calculation. The Tax Commission's later budget and levy training also described the new construction roll as including **90% of taxable value first placed on the roll, and 80% in certain urban renewal dissolution contexts**.

<sup>1</sup> See <https://apnews.com/article/idaho-legislation-personal-taxes-business-government-and-politics-eb6a1107bd4667145819840c389cfcbc>.

<sup>2</sup> See <https://legislature.idaho.gov/statutesrules/idstat/Title63/T63CH8/SECT63-802/>.

- **Administrative complexity.** The implementation of H389 also introduced substantial complexity into the levy and budget process. By forcing cities to use a complex set of calculations to determine what is referred to as a “preliminary levy rate.” Prior to H389, cities were able to simply use the previous year’s levy rate when determining budget numbers for the upcoming year.

For purposes of this white paper, the provisions that most affected cities were the section 63-802 changes limiting how much growth-related value could be recognized and the new overall 8% budget-growth limitation. Those are the provisions most closely tied to the question of whether growth can pay for itself and whether cities can keep pace with the service and infrastructure demands created by new development.

### 3. Research Questions

To guide that analysis, the research focuses on several key questions concerning city budgeting, growth, service delivery, and long-term planning.

The central questions examined in this paper are:

**How did H389 affect city budget growth capacity?**

Did the changes made by H389 alter the ability of cities to increase budget authority in response to rising costs, development, and service needs?

**Did H389 affect cities differently based on population size, growth rate, or development pattern?**

Did the law have uneven effects across Idaho cities, including differences between small, mid-sized, and larger communities, as well as between fast-growing and slower-growth cities?

**How did the bill affect the relationship between new construction, annexation, and allowable revenue growth?**

Did the revised statutory framework allow cities to adequately recognize and respond to the value associated with growth, or whether it weakened the principle that growth should help pay for itself?

**What service, staffing, or infrastructure pressures emerged where revenue authority trailed actual growth?**

Did cities experience growing pressure in areas such as police, fire, streets, water, wastewater, parks, planning, and development review when fiscal capacity did not keep pace with development and population increases?

### **Did H389 create planning uncertainty or administrative complexity for cities?**

Did the bill make budgeting, levy calculations, forecasting, and long-term planning more difficult for city officials, even apart from the direct fiscal limitations imposed by the law?

### **Did the practical impacts of H389 extend beyond what can be seen in realized tax and construction data?**

This question recognizes that available tax and growth data may show what development occurred, but may not fully capture projects, including residential, commercial, or industrial development, that were delayed, reduced, or denied because cities lacked the service capacity, infrastructure, or fiscal flexibility needed to support them.

Taken together, these questions are intended to frame a practical, city-focused analysis of whether H389 has functioned as intended and whether its effects have been consistent with the realities facing Idaho communities. Rather than asking only whether the law constrained property tax growth, this paper asks how that constraint operated in practice and what consequences it has had for cities trying to manage growth responsibly.

## **4. Methodology**

This paper uses a practical, city-focused approach to evaluate the effects of H389 on municipal fiscal capacity, budget flexibility, and the relationship between growth and service delivery. Because the central issue is not simply what the statute says, but how it functions in practice, the analysis focuses on both quantitative indicators and real-world local government impacts. The methodology is designed to examine how the law has affected cities of different sizes and growth patterns, while also recognizing the limits of the available data.

### **Data Sources**

The analysis relies on a combination of state and local data sources relevant to city finance, growth, and development. These sources included Idaho State Tax Commission data (namely the “September Values,” and their “Data Dump” vales), city levy and budget records, new construction roll information, population and development trend data from the Realtors Association, and survey answers from cities that responded to .

Particular attention is given to data showing taxable value growth, new construction, annexation-related value, and other indicators relevant to city budget authority. At the

same time, the analysis recognizes that data showing realized growth does not necessarily capture the full local impact of the law. **Quantitative data may show what development occurred, but it does not fully show projects, including commercial, industrial, and residential development, that may have been delayed, reduced, or denied because a city lacked the infrastructure, staffing, service capacity, or fiscal flexibility necessary to support them.**

To estimate the practical effect of the cap on common development scenarios, the analysis also used approximate assessed values for certain representative commercial projects, including grocery stores and McDonald's restaurants. Those estimates were developed by contacting various counties, requesting assessed values for multiple examples of those property types, recording the values provided, and averaging them to produce rough statewide comparison figures. These figures were used as illustrative benchmarks rather than as precise universal values, but they helped show how quickly common commercial development could consume a city's available room under the cap.

## Metrics Evaluated

The analysis considers several types of indicators in evaluating the impacts of H389, including:

- Changes in allowable property tax budget growth
- The treatment of new construction and annexation value
- Differences between realized growth and allowable budget authority
- Per capita or comparative measures of fiscal capacity
- Evidence of service, staffing, or infrastructure strain in growing communities
- Comparative effects on small, mid-sized, large, fast-growing, and more stable cities

These measures are intended to help answer not only whether H389 constrained growth in local property tax collections, but whether it did so in a way that affected cities' ability to accommodate growth, maintain service levels, and plan responsibly for the future.

## Survey Responses

In addition to the quantitative budget, levy, and growth data used in this analysis, the Association of Idaho Cities collected survey responses from city officials regarding the practical effects of H389. The survey was distributed statewide to Idaho cities, and a targeted effort was made to ensure that at least one city from each legislative district submitted a response. The survey was used to capture information that is not always visible in statewide fiscal data alone, including missed economic opportunities,

constraints on residential or commercial development, infrastructure pressures, and the extent to which H389 made long-term financial planning more difficult. In this way, the survey served as a supplemental source of geographic and experiential context, helping to identify how the effects of H389 were being felt across different parts of the state and in different types of communities.

## Limits of the Analysis

This white paper is intended to evaluate the practical role of H389 within a broader municipal finance environment, not to suggest that H389 alone explains every budget pressure facing Idaho cities. City finances are influenced by many factors, including inflation, labor costs, construction costs, service expectations, local policy decisions, and broader economic conditions. For that reason, the analysis should be understood as examining the contribution of H389 to city fiscal constraints rather than assigning it sole responsibility for all local financial challenges.

Again, the paper also recognizes that some local impacts are difficult to quantify with precision. Available tax and budget data can show how cities grew, what value was added to the tax base, and how budget authority changed over time. However, those data do not fully capture foregone opportunities. As a result, the findings in this paper should be read as identifying practical patterns and consequences rather than claiming to measure every indirect effect of the law.

## Treatment of Cities with Missing SCO Data

The following cities did not report budget data to the State Controller's Office (SCO) for the period analyzed: Butte City, Crouch, Irwin, Onaway, State Line, Warm River, and Clayton. For these cities, the analysis used rough estimates based on the budgets of reporting cities with the closest population sizes. This method was used to approximate what the budget scale and potential H389-related impact might look like for those jurisdictions.

These estimates were included to preserve a more complete statewide picture, particularly for smaller cities, but they should be treated as approximations rather than exact measures. Because they are based on population-based comparisons rather than city-specific reported financial data, they are less precise than the figures available for reporting cities.

## 5. Findings

The analysis shows that the effects of H389 were broader than the number of cities that actually hit the 8% cap in a given year. The data show a recurring pattern across Idaho cities: H389 constrained the amount of growth-related value that could translate into usable budget authority, and that constraint was most acute where cities had either a small tax base, rapid population growth, or rising service demands that outpaced allowable revenue growth. **The strongest evidence is not simply the number of cities that exceeded the cap, but the number of cities for which even modest additional growth would have triggered the cap or materially reduced fiscal flexibility.**

### Statewide Findings

At a statewide level, the data shows that the number of cities that actually hit the 8% cap declined from 18 in 2022, to 15 in 2023, to 11 in 2024, and to 8 in 2025. That trend might suggest at first glance that the practical impact of H389 lessened over time. But the broader data shows that the cap continued to constrain a much larger group of cities even when they did not literally hit the cap. In 2025, **79 cities would have been taken over the cap by the construction of only ten average<sup>3</sup> houses, and 141 cities would have been taken over the cap by a 50-house subdivision.** By contrast, under the alternative 15% scenario (as proposed by AIC and discussed later in this paper), no cities would have hit the cap in 2025, and only **37 cities** would have been taken over by ten average houses. That broader pattern suggests that the most important statewide effect of H389 was not just actual cap hits, but the reduction in headroom available to absorb ordinary growth.

The data also shows the clear impact of the 90% treatment of new construction in practice. In 2025, 8 cities hit the 8% cap under the existing framework, but 10 would have hit it if 100% of value had been counted. That difference is not the largest effect of H389, but it reinforces the broader finding that the law reduced the amount of growth-related value cities could actually use for budget purposes.

A second statewide pattern is that the effect of H389 was not limited to one type of city. The spreadsheet in **Appendix A** shows practical constraints across the state, with the nature of those constraints differing depending on city size and growth pattern. In some places a relatively small amount of development could push a city over the cap. In others, even

<sup>3</sup> The National Realtors Association provides the average housing value on a per county level. Accordingly, the average used for city relies on data for the broader county.

substantial new construction did not produce enough usable revenue to keep up with the cost of roads, utilities, staffing, and public safety.

## Impacts by Type of City

### Small cities – 10,000 Residents or less (171 cities out 197)

The data shows<sup>4</sup> that small cities were the most vulnerable to relatively modest development. Among the cities in the analysis with populations of 10,000 or less, the average city could build only about 28.33 houses before hitting the 8% cap. Under the alternative 15% scenario, that figure rises to roughly 68 houses. The data shows that the average maximum new construction value before hitting the 8% cap for small cities was only about \$12.4 million.

That vulnerability is also visible in the broader spreadsheet counts. In the small-city category, 78 cities would have been taken over the cap by ten average houses in 2025, and 140 would have been taken over by a 50-house neighborhood. A 50-house neighborhood is often considered a small neighborhood by most development standards. In practical terms, this means that for many smaller cities, even routine growth can trigger major fiscal consequences.

### Mid-sized cities – 10,001 – 30,000 Residents (14 cities out of 197)

Mid-sized cities had more room under the cap than small cities, but they still faced meaningful constraints, especially when growth accelerated. The data shows that the average mid-sized city could build about 250 houses before hitting the 8% cap, compared with roughly 600 under a 15% scenario.

Three mid-sized cities actually hit the cap in 2025, and all three were fast-growing communities: Star, Middleton, and Rathdrum. This finding highlights that the most immediate cap pressure for mid-sized cities tended to fall on communities that are growing quickly enough to generate both new tax base and new service demands at the same time.

### Large cities – 30,001 Residents and Above (12 cities out of 197)

Large cities had substantially more room under the cap than either small or mid-sized cities. The data shows that the average large city in the analysis could build about 1,322 houses before hitting the 8% cap, compared with roughly 3,173 houses under a 15%

<sup>4</sup> See Appendix A.

scenario. The data also shows that the average maximum new construction value before hitting the 8% cap for large cities was about \$660.5 million.

Even with that larger nominal capacity, the practical effects of H389 were still significant for large cities because the cost of serving growth was much greater in absolute terms. While large cities generally had more room before actually hitting the cap, they also faced larger demands for public safety, roads, utilities, and other infrastructure needed to support continued development.

The district materials reinforce that point. Cities such as Caldwell, Nampa, Coeur d'Alene, Lewiston, and Post Falls all reported significant pressure tied to H389 in the conducted survey, particularly in trying to keep up with infrastructure, staffing, and public safety demands created by growth. This is an important finding because it shows that for large cities, the issue was often not whether they could absorb a small amount of development before technically hitting the cap, but whether the revenue authority produced by that growth was enough to keep pace with the real cost of serving it.

### High-growth cities

The data strongly suggests that high-growth cities were disproportionately affected in practical terms, even when they did not all literally hit the cap. Among cities with more than 10% population growth from 2020 to 2024, the analysis includes examples such as Star, Rathdrum, Middleton, Caldwell, Kuna, Meridian, Post Falls, and Nampa. Several of these cities either hit the cap in 2025 or came close enough that ordinary additional development would have created serious pressure. Star grew nearly 59% over that period and hit the cap. Rathdrum grew nearly 36% and hit the cap. Middleton grew about 22.6% and also hit the cap. Caldwell, Meridian, Post Falls, and Nampa had substantial nominal room under the cap, but their city-specific materials show that the available revenue authority still lagged behind the practical cost of growth. In the survey, Caldwell stated that H389 had stymied cities' ability to pay for needed infrastructure and made it difficult to catch up on police, fire, street, and other project demands associated with significant population growth. Nampa likewise reported that H389 stymied the city's ability to fund needed infrastructure. Post Falls reported that the 90% cap on new construction and annexation and the 80% cap on urban renewal closure value had tremendously affected the city.

### Built-out or slow-growth cities

The spreadsheet suggests that built-out or slower-growth cities were generally less likely to hit the cap outright, but they were not unaffected. Cities such as Boise, Lewiston, Rexburg, and Pocatello showed relatively low population growth between 2020 and 2024 and had much larger nominal room under the cap than small towns. Even so, the survey

respondents indicated that these cities could still face pressure where inflation, staffing needs, and infrastructure costs consumed most of the available budget growth. Lewiston reported that the missed opportunities created by the law add up over time. Craigmont, while smaller, provides a similar example of a city where cost growth and limited fiscal capacity combined to reduce the city's ability to move forward with needed infrastructure and grant-supported improvements.

In other words, the spreadsheet suggests that the practical problem for slower-growth or more built-out cities was less often an immediate cap hit and more often the erosion of long-term flexibility. The law may therefore have operated differently across city types, but not necessarily benignly for those cities outside the most obvious high-growth category.

### Rural versus urban communities

The data shows a clear difference between rural and urban communities in how H389 operated. For the smallest and most rural communities, the problem was extreme sensitivity to relatively small projects. Using a practical proxy of cities under 5,000 population, the spreadsheet shows an average of only about 23.8 houses before hitting the 8% cap. In that same group, 78 cities would be taken over the cap by ten average houses and 140 by fifty average houses. By contrast, the larger urban cities in the spreadsheet had average room for more than 1,300 houses before hitting the cap and none would be taken over the cap by ten or fifty average houses under the 2025 assumptions.

But the practical impact in urban communities was different, not absent. Larger cities faced far greater staffing, street, utility, and public safety costs per increment of growth. So while a rural town might be pushed to the cap by a small subdivision, a larger urban city could remain below the cap and still be unable to fund the level of infrastructure and service expansion that its growth required.

### Revenue Capacity Effects

The data support the conclusion that H389 constrained allowable city budget growth. In 2025, 8 cities hit the current 8% cap, while none would have hit a 15% cap. The average number of houses before hitting the cap also increased substantially under the 15% scenario, particularly for small and mid-sized cities. This indicates that the current structure meaningfully reduces city capacity to translate new growth into usable revenue authority.

The data also support the conclusion that fast-growing cities were disproportionately affected. Actual 2025 cap hits in the data included several fast-growing cities, and the district materials from Caldwell, Nampa, and Post Falls all describe situations in which

substantial growth was occurring, but the resulting budget authority still lagged behind service and infrastructure needs. In that sense, the bill did not merely restrain revenue growth in the abstract. It weakened the connection between growth in the tax base and the amount of revenue cities could actually use to respond to that growth.

That mismatch is illustrated especially well by Coeur d'Alene's example. The district material states that the city experienced \$93.1 million in new construction growth and that, if that growth were translated into single-family homes, it could represent roughly 186 additional homes. Yet the city qualified for only \$201,566 in revenue to address the service demands associated with that growth. According to the city, that amount would not even fund half of an additional fire or police shift, much less the broader costs of serving the new development. That example captures one of the central findings of the paper: **In Idaho, tax base growth and actual usable budget authority no longer move in proportion with one another.**

## Service Delivery and Operational Effects

The research shows that the practical effects of H389 were felt in day-to-day city operations. The clearest examples relate to public safety, streets and utilities, deferred infrastructure, and staffing.

On public safety, according to data from the State Controller's Office (at the time data was pulled in February 2026), \$654,558,027 was spent on fire, police, and EMS while cities collected only \$636,344,375 from property tax. That does not prove that H389 caused the gap, but it does underscore the narrowness of city fiscal capacity in the very service areas most directly tied to growth and basic public expectations. Coeur d'Alene's survey response example is especially stark, and Caldwell specifically noted difficulty catching up to needed numbers of police officers and firefighters while also balancing street funding and other projects.

On streets and infrastructure, the district materials are consistent across different parts of the state. Cascade cited ongoing road infrastructure improvement needs. Caldwell and Nampa described the law as stymying the ability to pay for needed infrastructure. Ponderay described delayed investments in streets, utilities, and stormwater systems needed to support new neighborhoods. Craigmont reported difficulty moving forward with infrastructure improvements necessary for infill, subdivision interest, and business investment.

On planning and development capacity, the clearest pattern is staffing pressure. Ponderay described limited staffing growth in planning and public works. Post Falls stated that it could not afford staffing needed to keep up with growth without using forgone levy amounts. These examples are important because they suggest that H389 affected not only the ability to build infrastructure after growth occurred, but also the ability to review, process, and support development as it was happening.

The city examples also point to deferred maintenance and project delays. Hayden's statement from the survey makes that especially clear, warning that basic local improvements such as chip sealing roads and fixing potholes would increasingly be met with the explanation that city budgets could not afford more. Lewiston likewise emphasized that missed opportunities accumulate over time.

The submitted materials are less explicit on parks and recreation than on public safety, streets, and utilities. For that reason, the clearest evidence in the record concerns infrastructure, public safety, and staffing rather than parks specifically. Still, as a practical matter, constrained growth-related revenue affects all discretionary and capital functions competing within the same city budget, including parks and recreation.

## Equity and Distributional Effects

The data strongly suggest that the impacts of H389 varied significantly depending on city size, development pace, and local valuation trends. Small cities were much more likely to be constrained by ordinary-sized projects. Mid-sized high-growth cities were more likely to actually hit the cap. Larger cities generally had more nominal room under the cap, but often faced much larger service and infrastructure burdens that made the remaining room less meaningful in practical terms.

This means the law did not affect all communities in the same way. A 50-house subdivision might be fiscally destabilizing for a very small city, while barely registering against the tax base of a larger one. At the same time, a large city experiencing tens of millions of dollars in new construction could still receive too little usable revenue to support the additional public safety, transportation, and utility demands generated by that growth. In that sense, H389 produced unequal practical outcomes across Idaho cities, even though it applied statewide.

The materials also suggest that similarly situated residents or taxpayers may not have been affected equally in practice. Where cities could not capture enough revenue from growth, the costs of serving that growth were more likely to be absorbed by existing residents,

existing infrastructure, or deferred improvements. Hayden's statement that new construction was effectively being subsidized by existing residents, and Ponderay's description of missed opportunities to reinvest locally in infrastructure supporting expansion, both reflect that distributional concern.

## 6. Discussion

The findings suggest that H389 should be understood not simply as a tax-relief measure, but as a structural policy change that altered the relationship between growth, local revenue authority, and the ability of cities to provide services. The data do not show a narrow problem affecting only a handful of cities that happened to exceed the 8% cap in a given year. Instead, they show a broader pattern in which the law reduced fiscal headroom across much of the state and made many cities more vulnerable to ordinary residential and commercial growth. In that sense, **the most important effect of H389 may not have been the number of cities that actually hit the cap, but the number of cities that lost the capacity to absorb growth without creating strain elsewhere in the budget.**

### Did H389 Achieve Its Goals?

If H389 is evaluated only in terms of its stated purpose of restraining growth in local property tax collections, then the answer is at least partly yes. The law did what it was designed to do in that respect. It constrained the extent to which cities could convert new construction, annexation, and related growth into ongoing budget authority. The statewide and city-size analyses make clear that the law reduced available fiscal room and, in many cases, prevented cities from fully recognizing the value of growth for budget purposes.

But that is only part of the question. The more important issue for this white paper is whether H389 achieved its goals in a way that remained workable for cities. On that question, the findings are more mixed and, from a municipal perspective, more troubling. The evidence suggests that the law did not merely constrain growth in tax collections; it constrained the ability of cities to respond to growth itself. In practical terms, that means the law may have succeeded in limiting city budget growth, while at the same time undermining the fiscal relationship needed for growth to pay for the public costs it creates. The examples from across the state suggest that this was not a theoretical concern, but an operational one tied to infrastructure, staffing, and public safety demands.

There is also a difference between short-term political success and long-term policy performance. A bill can achieve its immediate goal of slowing tax growth while still producing outcomes that are difficult to sustain over time. The findings here suggest that H389 fits that pattern. It addressed visible pressure over rising property taxes, but in doing so it appears to have shifted part of the long-term burden onto city infrastructure, service capacity, and local fiscal flexibility.

## Tradeoffs Created by the Bill

The clearest tradeoff created by H389 was between taxpayer relief and service capacity. The bill was part of a broader effort to respond to taxpayer concern about rising property values and tax bills, but the city-level data suggest that the resulting limits on growth-related revenue authority came at a cost. In many cities, especially smaller or faster-growing ones, reduced fiscal flexibility meant less capacity to expand public safety coverage, build or improve roads, extend utilities, or add staff needed to process and support new development. That tradeoff may not have been visible immediately in every community, but it becomes more apparent over time as growth continues and capital and operational needs accumulate.

A second tradeoff was between uniform statewide rules and local variation. The appeal of a single statewide cap is its simplicity and consistency. But the findings suggest that the same rule can operate very differently depending on city size, growth rate, development pattern, and existing tax base. A 50-house subdivision can be an ordinary project in one city and a major fiscal event in another. Likewise, a large city may have more nominal room under the cap, but the absolute cost of growth may still far exceed the usable revenue generated by that growth. The city-size data underscore this point. Small cities, on average, had room for only about 28 houses before hitting the cap, while medium-sized cities averaged about 253 houses and large cities averaged about 1,322. Yet each category also faced different cost structures and service expectations.

A third tradeoff was between short-term taxpayer benefit and long-term infrastructure strain. A policy that restrains budget growth may provide immediate political and financial relief, but if it also reduces the ability of cities to maintain infrastructure or keep up with growth, the deferred costs do not disappear. They are pushed forward. Additional evidence of this can be found in AIC's Utility Survey. The district materials suggest that in several cities this translated into delayed infrastructure, limited staffing growth, reduced ability to fund capital needs, and missed opportunities to support new residential and commercial

activity. Over time, that kind of strain can make the system less efficient, not more, because cities are forced to address growth reactively rather than proactively.

## Unintended Consequences

One unintended consequence of H389 appears to have been a revenue lag in growth areas. The law did not stop growth from occurring, but it reduced the extent to which cities could convert that growth into usable budget authority. That created a lag between when growth imposed costs and when, or whether, cities could build enough fiscal capacity to respond. That kind of lag is especially significant in fast-growing communities, where infrastructure and staffing needs can arise quickly.

A second unintended consequence was increased pressure on alternative revenue tools, one-time funding sources, or deferred obligations. When recurring growth-related costs cannot be fully supported by recurring revenue authority, cities are more likely to rely on foregone amounts, grants, fees, delayed capital projects, or temporary solutions. Responses to our survey suggest that several cities were already moving in that direction. This kind of shift may help cities cope in the short term, but it is not the same as having a stable recurring revenue structure that keeps pace with development.

A third unintended consequence was reduced local flexibility. H389 limited the ability of cities to adapt their fiscal response to local conditions. That matters because cities do not experience growth in the same way. Some face greenfield expansion, others infill and redevelopment, and others a mix of residential, commercial, and industrial demand. A rigid statewide limitation can flatten those differences in a way that may look even-handed in statute but prove uneven in practice.

Finally, H389 appears to have increased the disconnect between growth and the principle that growth should pay for itself. That may be the most important unintended consequence identified by the findings. Several of the city examples suggest that when new value cannot be fully translated into budget authority, the costs of growth are more likely to be shifted onto existing residents, deferred infrastructure, or constrained service levels. In that sense, H389 may have weakened one of the central principles of sound local finance: that development should contribute meaningfully to the cost of the public systems it depends on.

Taken together, the findings suggest that H389 did not simply limit city budget growth; it reshaped the fiscal conditions under which cities manage growth. From a municipal perspective, the bill appears to have achieved its constraint-oriented goal, but in a way that imposed substantial tradeoffs and produced meaningful unintended consequences. The result is a system in which many cities remain able to grow in theory, but are less able to

ensure that growth contributes adequately to the infrastructure, staffing, and services necessary to support it.

## 7. Policy Options and Recommendations

The findings of this white paper support targeted modification of H389 rather than leaving the current structure in place. The evidence suggests that the current framework constrains city fiscal capacity in ways that are most severe for smaller and mid-sized cities, while still creating meaningful strain for larger high-growth communities. The most practical response is therefore not a single statewide change applied uniformly to every city, but a set of revisions that better align allowable revenue growth with actual development patterns, infrastructure demands, and city size.

The recommendations advanced in this paper focus on five principal changes.

### Return New Construction and Annexation Value to 100%

The first recommendation is to return the value shown on the new construction and annexation roll from **90% of taxable value back to the full 100% value**. One of the clearest effects of H389 has been to reduce the amount of growth-related value that cities can recognize for budget purposes.

Restoring full recognition of new construction and annexation value would better reflect the real taxable value being added to the city and would move the system closer to the principle that growth should pay for itself. This change would not eliminate all constraints on city budget growth, but it would remove one of the most direct structural barriers preventing cities from converting actual development into usable budget authority.

### Return to the Previous Year's Levy Rate

The second recommendation is to remove the use of the complex “**preliminary levy rate**” calculation that was created with H389 and return cities to the use of the **previous year's levy rate** for purposes of calculating new construction and annexation-related budget capacity. The use of the preliminary levy rate has added complexity and has reduced predictability in how growth-related value translates into budget authority.

Returning to the prior year's levy rate would simplify administration and produce a more stable and understandable calculation. It would also better align the calculation with how

cities have historically understood and planned for levy-related growth. This would help reduce uncertainty in the budget process and make the system easier for cities, elected officials, and taxpayers to understand.

### Remove the 8% Cap for Cities Under 10,000

The third recommendation is to remove the **8% cap entirely for cities under 10,000 population**. Smaller cities were shown to be the most vulnerable to even modest development, with many cities capable of absorbing only a handful of homes or a relatively small neighborhood before hitting the cap. Because these communities often have limited existing tax base and fewer alternative revenue options, the cap can operate as a severe restriction on their ability to support routine growth.

Removing the cap for these cities would allow smaller communities more flexibility to respond to new development, extend infrastructure, and provide services without being constrained by a limit that is often reached too quickly to be workable in practice.

### Increase the Cap to 15% for Cities Between 10,000 and 30,000

The fourth recommendation is to increase the current **8% cap to 15% for cities with populations between 10,000 and 30,000**. The findings show that mid-sized cities had more room under the cap than smaller communities, but still faced meaningful strain, especially when growth accelerated. These cities are often in a stage of development where growth requires increasingly expensive investments in roads, utilities, staffing, and public safety, but where the overall tax base is still not large enough to easily absorb those costs.

A 15% cap would provide substantially more flexibility for these communities while still preserving a meaningful limit on budget growth. It would better reflect the fiscal realities of cities in this size range and reduce the risk that ordinary residential or commercial growth will immediately create major budgetary strain.

### Retain the 8% Cap for Cities at or Above 30,000

The fifth recommendation is to **leave the 8% cap in place for cities at or above 30,000 population**. The findings show that larger cities generally had more room under the cap than small and mid-sized cities, even though they still faced substantial infrastructure and

service pressures. Retaining the 8% cap for this group preserves the original policy concern about constraining growth in local property tax collections while recognizing that larger cities generally have broader tax bases and greater ability to absorb growth before immediately reaching the cap.

This recommendation also reflects the compromise at the heart of the proposal. The goal is not to eliminate taxpayer protections altogether, but to adopt a more tailored framework that reflects the differing realities of Idaho cities.

## Recommended Approach

Taken together, these five changes would create a more workable and more balanced structure for cities:

1. Return new construction and annexation value from **90% to 100%**.
2. Remove the **preliminary levy rate** and return to the **previous year's levy rate** for city calculations.
3. Remove the **8% cap** for cities under **10,000** population.
4. Increase the cap from **8% to 15%** for cities between **10,000 and 30,000** population.
5. Leave the **8% cap** in place for cities at or above **30,000** population.

This approach directly addresses the patterns identified in the findings. It restores fuller recognition of growth, simplifies administration, and creates population-based flexibility that better aligns the law with the practical fiscal realities facing Idaho cities. Most importantly, it would move the system closer to a structure in which growth can once again contribute more meaningfully to the cost of the infrastructure and services that growth requires.

The core recommendation of this white paper is not that all limits on city property tax growth should be removed. It is that H389 should be revised so that its constraints are more rational, more transparent, and more responsive to the differing conditions facing Idaho communities. The five changes outlined above would preserve taxpayer protections while improving the ability of cities to accommodate growth, maintain service levels, and plan responsibly for the future.

## 8. Conclusion

H389 remains an important issue for Idaho cities because it sits at the intersection of tax policy, growth, and local service delivery. Although the bill was enacted in response to legitimate concerns about rising property taxes and affordability, the evidence examined in this paper suggests that its practical effects on cities have been significant and uneven. The issue is not simply whether H389 constrained growth in local property tax collections. The more important question is whether it did so in a way that still allows cities to respond to development, maintain infrastructure, and provide the services Idaho residents rely on every day.

The findings of this paper show that H389 did more than restrain a small number of outlier cities. It reduced fiscal headroom across much of the state and weakened the connection between new growth and the revenue authority needed to support that growth. Small cities were shown to be especially vulnerable to even modest development. Mid-sized cities faced meaningful strain as growth accelerated. Large cities often had more room before hitting the cap. However, they have struggled with the scale of infrastructure and service demands created by continued residential, commercial, and industrial expansion. Across these categories, the broader pattern was consistent: growth in taxable value did not translate cleanly into growth in usable city budget authority.

That matters because local fiscal capacity is not an abstract budgeting issue. It affects whether streets are maintained, whether utility systems can be expanded, whether police and fire staffing can keep pace with population growth, whether development can be supported in a timely way, and whether cities can plan proactively rather than reactively. When cities lack the fiscal flexibility to respond to ordinary growth, the effects are felt not only by local governments, but by Idaho residents, businesses, and communities more broadly.

For those reasons, the findings of this paper support legislative refinement of H389. **The strongest path forward is not to ignore the concerns that led to the bill, but to modify the law so that it better aligns taxpayer protections with the practical realities facing Idaho cities.** Restoring full recognition of new construction and annexation value, returning to the use of the previous year's levy rate, and adopting a population-based cap structure would move the law toward a more workable balance. The next step is a more targeted legislative approach that recognizes differences among Idaho communities and better ensures that growth can contribute to the cost of the infrastructure and services it requires.

## 2025 Analysis - Appendix A

County Name	District Name	Actual New Construction Value	New Value		Max Budget Increase			New Construction		New on Limit Hit 8%	Limit Hit if 15%	Limit Hit 8%/100 % Value	Limit Hit 15%/10 Value	Average Home Price by County	Number of House to exceed cap	Number of Houses to Exceed 15% Cap	Property Tax Per Resident	Population
			Construction if 100% Valuation	Highest Budget Amount Allowed	from New Construction	Max Increase if 15% Cap	Max New Construction Value	Max New if 15% Cap										
Ada	City of Boise	\$ 448,078,341	\$ 497,864,823	\$ 190,201,007	\$ 9,510,050.35	\$ 22,824,120.84	\$ 2,497,501,578.79	\$ 5,994,003,789.09	No	No	No	No	\$ 578,450.00	4317.58	10362.18	\$ 799.29	237,963	
Ada	City of Eagle	\$ 146,482,200	\$ 162,758,000	\$ 4,954,689	\$ 247,734.45	\$ 594,562.68	\$ 569,554,012.77	\$ 1,366,929,630.64	No	No	No	No	\$ 578,450.00	984.62	2363.09	\$ 148.12	33,451	
Ada	City of Garden City	\$ 69,630,075	\$ 77,366,750	\$ 5,441,441	\$ 272,072.05	\$ 652,972.92	\$ 146,526,327.33	\$ 351,663,185.59	No	No	No	No	\$ 578,450.00	253.31	607.94	\$ 420.64	12,936	
Ada	City of Kuna	\$ 141,677,842	\$ 157,419,824	\$ 4,819,942	\$ 240,997.10	\$ 578,393.04	\$ 216,906,401.84	\$ 520,575,364.43	No	No	No	No	\$ 578,450.00	374.98	899.95	\$ 165.48	29,127	
Ada	City of Meridian	\$ 692,310,493	\$ 769,233,881	\$ 50,959,108	\$ 2,547,955.40	\$ 6,115,092.96	\$ 1,314,591,918.20	\$ 3,155,520,603.69	No	No	No	No	\$ 578,450.00	2272.61	5454.27	\$ 364.67	139,740	
Ada	City of Star	\$ 304,660,933	\$ 338,512,148	\$ 2,018,885	\$ 100,944.25	\$ 242,266.20	\$ 197,330,359.76	\$ 473,592,863.42	Yes	No	Yes	No	\$ 578,450.00	341.14	818.73	\$ 110.88	18,208	
Adams	City of Council	\$ 460,642	\$ 511,824	\$ 228,051	\$ 11,402.55	\$ 27,366.12	\$ 3,906,928.98	\$ 9,376,629.55	No	No	No	No	\$ 355,510.00	10.99	26.38	\$ 233.90	975	
Adams	City of New Meadows	\$ 3,254,658	\$ 3,616,287	\$ 186,274	\$ 9,313.70	\$ 22,352.88	\$ 3,415,471.55	\$ 8,197,131.73	No	No	Yes	No	\$ 355,510.00	9.61	23.06	\$ 282.66	659	
Bannock	City of Arimo	\$ 99,203	\$ 110,226	\$ 48,651	\$ 2,432.55	\$ 5,838.12	\$ 1,497,552.23	\$ 3,594,125.36	No	No	No	No	\$ 374,150.00	4.00	9.61	\$ 134.02	363	
Bannock	City of Chubbuck	\$ 29,632,590	\$ 32,925,100	\$ 8,485,368	\$ 424,268.40	\$ 1,018,244.16	\$ 78,307,138.40	\$ 187,937,132.16	No	No	No	No	\$ 374,150.00	209.29	502.30	\$ 511.88	16,577	
Bannock	City of Downey	\$ 1,268,733	\$ 1,409,703	\$ 163,716	\$ 8,185.80	\$ 19,645.92	\$ 2,748,758.88	\$ 6,597,021.32	No	No	No	No	\$ 374,150.00	7.35	17.63	\$ 282.27	580	
Bannock	City of Inkom	\$ 1,511,221	\$ 1,679,134	\$ 323,729	\$ 16,186.45	\$ 38,847.48	\$ 3,625,858.59	\$ 8,702,060.62	No	No	No	No	\$ 374,150.00	9.69	23.26	\$ 384.02	843	
Bannock	City of Lava Hot Springs	\$ 469,011	\$ 521,123	\$ 172,123	\$ 8,606.15	\$ 20,654.76	\$ 4,757,316.26	\$ 11,417,559.03	No	No	No	No	\$ 374,150.00	12.71	30.52	\$ 458.99	375	
Bannock	City of McCammon	\$ 876,803	\$ 974,226	\$ 283,210	\$ 14,160.50	\$ 33,985.20	\$ 4,275,956.89	\$ 10,262,296.54	No	No	No	No	\$ 374,150.00	11.43	27.43	\$ 343.70	824	
Bannock	City of Pocatello	\$ 51,653,363	\$ 57,392,626	\$ 34,337,665	\$ 1,716,883.25	\$ 4,120,519.80	\$ 287,806,685.73	\$ 690,736,045.75	No	No	No	No	\$ 374,150.00	769.23	1846.15	\$ 589.68	58,321	
Bear Lake	City of Bloomington	\$ 895,698	\$ 995,200	\$ 28,184	\$ 1,409.20	\$ 3,282.08	\$ 2,285,142.57	\$ 5,484,342.17	No	No	No	No	\$ 254,390.00	8.98	21.56	\$ 131.70	214	
Bear Lake	City of Georgetown	\$ 945,400	\$ 1,050,444	\$ 35,372	\$ 1,768.60	\$ 4,244.64	\$ 1,936,417.52	\$ 4,647,402.06	No	No	No	No	\$ 254,390.00	7.61	18.27	\$ 69.49	509	
Bear Lake	City of Montpelier	\$ 2,591,175	\$ 2,879,083	\$ 883,777	\$ 44,188.85	\$ 106,053.24	\$ 13,782,862.43	\$ 33,078,869.83	No	No	No	No	\$ 254,390.00	54.18	130.03	\$ 327.81	2,696	
Bear Lake	City of Paris	\$ 1,761,754	\$ 1,957,504	\$ 75,909	\$ 3,795.45	\$ 9,109.08	\$ 3,922,030.63	\$ 9,412,873.51	No	No	No	No	\$ 254,390.00	15.42	37.00	\$ 113.77	555	
Bear Lake	City of St Charles	\$ 697,406	\$ 774,896	\$ 42,192	\$ 2,109.60	\$ 5,063.04	\$ 2,675,265.49	\$ 6,420,637.17	No	No	No	No	\$ 254,390.00	10.52	25.24	\$ 228.06	185	
Benewah	City of Plummer	\$ 725,122	\$ 805,691	\$ 134,027	\$ 6,701.35	\$ 16,083.24	\$ 2,636,576.17	\$ 6,327,782.80	No	No	No	No	\$ 277,850.00	9.49	22.77	\$ 119.14	1,125	
Benewah	City of St Maries	\$ 1,252,359	\$ 1,391,510	\$ 855,081	\$ 42,754.05	\$ 102,609.72	\$ 10,188,732.38	\$ 24,452,957.71	No	No	No	No	\$ 277,850.00	36.67	88.01	\$ 343.82	2,487	
Benewah	City of Tensed	\$ -	\$ -	\$ 16,019	\$ 800.95	\$ 1,922.28	\$ 265,505.10	\$ 637,212.23	No	No	No	No	\$ 277,850.00	0.96	2.29	\$ 166.86	96	
Bingham	City of Aberdeen	\$ 359,596	\$ 399,551	\$ 526,804	\$ 26,340.20	\$ 63,216.48	\$ 4,831,395.87	\$ 11,595,350.10	No	No	No	No	\$ 280,240.00	17.24	41.38	\$ 283.84	1,856	
Bingham	City of Basalt	\$ -	\$ -	\$ 21,904	\$ 1,095.20	\$ 2,628.48	\$ 901,653.30	\$ 2,163,967.92	No	No	No	No	\$ 280,240.00	3.22	7.72	\$ 58.57	374	
Bingham	City of Blackfoot	\$ 14,375,674	\$ 15,972,971	\$ 6,027,404	\$ 301,370.20	\$ 723,288.48	\$ 46,038,210.10	\$ 110,491,704.23	No	No	No	No	\$ 280,240.00	164.28	394.28	\$ 455.79	13,224	
Bingham	City of Firth	\$ -	\$ -	\$ 88,901	\$ 4,445.05	\$ 10,668.12	\$ 1,072,174.47	\$ 2,573,218.72	No	No	No	No	\$ 280,240.00	3.83	9.18	\$ 164.02	542	
Bingham	City of Shelley	\$ 8,744,458	\$ 9,716,064	\$ 1,461,776	\$ 73,088.80	\$ 175,413.12	\$ 21,542,867.14	\$ 51,702,881.13	No	No	No	No	\$ 280,240.00	76.87	184.50	\$ 277.80	5,262	
Blaine	City of Bellevue	\$ 5,302,017	\$ 5,891,130	\$ 852,307	\$ 42,615.35	\$ 102,276.84	\$ 26,703,402.09	\$ 64,088,165.01	No	No	No	No	\$ 721,020.00	37.04	88.89	\$ 330.10	2,582	
Blaine	City of Carey	\$ 2,735,885	\$ 3,039,872	\$ 76,657	\$ 3,832.85	\$ 9,198.84	\$ 4,717,863.25	\$ 11,322,871.81	No	No	No	No	\$ 721,020.00	6.54	15.70	\$ 109.04	703	
Blaine	City of Hailey	\$ 25,878,880	\$ 28,754,311	\$ 3,318,553	\$ 165,927.65	\$ 398,226.36	\$ 128,922,149.85	\$ 309,413,159.65	No	No	No	No	\$ 721,020.00	178.81	429.13	\$ 332.65	9,976	
Blaine	City of Ketchum	\$ 43,848,545	\$ 48,720,606	\$ 5,284,289	\$ 264,214.45	\$ 634,114.68	\$ 337,764,947.91	\$ 810,635,874.99	No	No	No	No	\$ 721,020.00	468.45	1124.29	\$ 1,464.20	3,609	
Blaine	City of Sun Valley	\$ 104,081,461	\$ 115,646,068	\$ 2,775,413	\$ 138,770.65	\$ 333,049.56	\$ 318,272,184.17	\$ 763,853,242.02	No	No	No	No	\$ 721,020.00	441.42	1059.41	\$ 1,567.14	1,771	
Boise	City of Horseshoe Bend	\$ 1,686,441	\$ 1,873,823	\$ 235,323	\$ 11,766.15	\$ 28,238.76	\$ 5,947,662.38	\$ 14,274,389.71	No	No	No	No	\$ 466,740.00	12.74	30.58	\$ 283.52	830	
Boise	City of Idaho City	\$ 1,596,263	\$ 1,773,626	\$ 169,924	\$ 8,496.20	\$ 20,390.88	\$ 3,986,841.46	\$ 9,568,419.50	No	No	No	No	\$ 466,740.00	8.54	20.50	\$ 317.02	536	
Boise	City of Placerville	\$ 57,435	\$ 63,817	\$ 39,689	\$ 1,984.45	\$ 4,762.68	\$ 857,228.45	\$ 2,057,348.27	No	No	No	No	\$ 466,740.00	1.84	4.41	\$ 826.85	48	
Bonner	City of Clark Fork	\$ 478,102	\$ 531,224	\$ 95,750	\$ 4,787.50	\$ 11,490.00	\$ 3,123,441.60	\$ 7,496,259.84	No	No	No	No	\$ 470,760.00	6.63	15.92	\$ 166.23	576	
Bonner	City of Dover	\$ 847,476	\$ 941,640	\$ 105,891	\$ 5,294.55	\$ 12,706.92	\$ 11,477,268.50	\$ 27,545,444.39	No	No	No	No	\$ 470,760.00	24.38	58.51	\$ 93.13	1,137	
Bonner	City of East Hope	\$ 1,104,944	\$ 1,227,716	\$ 59,592	\$ 2,979.60	\$ 7,151.04	\$ 7,827,364.51	\$ 18,785,674.83	No	No	No	No	\$ 470,760.00	16.63	39.90	\$ 238.37	250	
Bonner	City of Hope	\$ 186,267	\$ 206,963	\$ 57,799	\$ 2,889.95	\$ 6,935.88	\$ 2,274,421.31	\$ 5,458,611.15	No	No	No	No	\$ 470,760.00	4.83	11.60	\$ 540.18	107	
Bonner	City of Kootenai	\$ 857,075	\$ 952,306	\$ 74,693	\$ 3,734.65	\$ 8,963.16	\$ 8,714,068.20	\$ 20,913,763.69	No	No	No	No	\$ 470,760.00	18.51	44.43	\$ 68.97	1,083	
Bonner	City of Oldtown	\$ 639,029	\$ 710,032	\$ 34,489	\$ 1,724.45	\$ 4,138.68	\$ 2,111,261.17	\$ 5,067,026.80	No	No	No	No	\$ 470,760.00	4.48	10.76	\$ 132.65	260	
Bonner	City of Ponderay	\$ 11,332,519	\$ 12,591,688	\$ 1,304,051	\$ 65,202.55	\$ 156,486.12	\$ 22,125,310.58	\$ 53,100,745.40	No	No	No	No	\$ 470,760.00	47.00	112.80	\$ 648.46	2,011	
Bonner	City of Priest River	\$ 5,866,479	\$ 6,518,310	\$ 947,604	\$ 47,380.20	\$ 113,712.48	\$ 15,334,067.67	\$ 36,801,762.41	No	No	No	No	\$ 470,760.00	32.57	78.18	\$ 513.05	1,847	
Bonner	City of Sandpoint	\$ 32,067,486	\$ 35,630,540	\$ 5,153,806	\$ 257,690.30	\$ 618,456.72	\$ 99,636,156.12	\$ 239,126,774.68	No	No	No	No	\$ 470,760.00	211.65	507.96	\$ 493.47	10,444	
Bonneville	City of Ammon	\$ 63,831,053	\$ 70,923,392	\$ 2,672,364	\$ 133,618.20	\$ 320,683.68	\$ 114,183,252.28	\$ 274,039,805.48	No	No	No	No	\$ 390,390.00	292.49	701.96	\$ 132.99	20,095	
Bonneville	City of Idaho Falls	\$ 159,774,908	\$ 177,527,676	\$ 48,306,372	\$ 2,415,318.60	\$ 5,796,764.64	\$ 420,169,654.66	\$ 1,008,407,171.18	No	No	No	No	\$ 390,390.00	1076.28	2583.08	\$ 694.83	69,523	
Bonneville	City of Iona	\$ 8,627,414	\$ 9,586,016	\$ 383,237	\$ 19,161.85	\$ 45,988.44	\$ 36,549,949.75	\$ 36,549,949.75	No	No	No	No	\$ 390,390.00	39.01	93.62	\$ 123.11	3,113	
Bonneville	City of Swan Valley	\$ 3,989,014	\$ 4,432,238	\$ 21,947	\$ 1,097.35	\$ 2,633.64	\$ 7,597,227.43	\$ 18,233,345.83	No	No	No	No	\$ 390,390.00	19.46	46.71	\$ 70.80	310	
Bonneville	City of Ucon	\$ 3,045,288	\$ 3,383,653	\$ 97,892	\$ 4,894.60	\$ 11,747.04	\$ 6,495,807.67	\$ 15,589,938.41	No	No	No	No	\$ 390,390.00	16.64	39.93	\$ 80.37	1,218	
Boundary	City of Bonners Ferry	\$ 1,578,969	\$ 1,754,410	\$ 753,994	\$ 37,699.70	\$ 90,479.28	\$ 15,278,396.41	\$ 36,668,151.38	No	No	No	No	\$ 373,760.00	40.88	98.11	\$ 270.44	2,788	
Boundary	City of Moyie Springs	\$ 3,675,424	\$ 4,083,804	\$ 91,712	\$ 4,585.60	\$ 11,005.44	\$ 5,360,948.25	\$ 12,866,275.81	No	No	No	No	\$ 373,760.00	14.34	34.42	\$ 74.87	1,225	

## 2025 Analysis - Appendix A

County Name	District Name	Actual New Construction Value	New Value		Max Budget Increase			New				Number of House to exceed cap	Number of Houses to Exceed 15% Cap	Property Tax Per Resident	Population			
			Construction Value	Construction If 100% Valuation	Highest Budget Amount Allowed	Construction from New	Max Increase if 15% Cap	Max New Construction Value	Max New if 15% Cap	on Limit Hit	Limit Hit if 15%					Limit Hit 8%/100 % Value	Limit Hit 15%/10 Value	Average Home Price by County
Butte	City of Arco	\$ 30,537	\$ 33,930	\$ 278,778	\$ 13,938.90	\$ 33,453.36	\$ 2,744,295.73	\$ 6,586,309.75	No	No	No	No	\$ 212,680.00	12.90	30.97	\$ 306.01	911	
Butte	City of Moore	\$ 68,748	\$ 76,387	\$ 9,000	\$ 450.00	\$ 1,080.00	\$ 459,087.48	\$ 1,101,809.94	No	No	No	No	\$ 212,680.00	2.16	5.18	\$ 51.43	175	
Camas	City of Fairfield	\$ 243,756	\$ 270,840	\$ 202,704	\$ 10,135.20	\$ 24,324.48	\$ 2,101,414.42	\$ 5,043,394.60	No	No	No	No	\$ 270,350.00	7.77	18.66	\$ 418.81	484	
Canyon	City of Caldwell	\$ 339,954,485	\$ 377,727,206	\$ 29,334,793	\$ 1,466,739.65	\$ 3,520,175.16	\$ 451,907,827.96	\$ 1,084,578,787.11	No	No	No	No	\$ 416,670.00	1084.57	2602.97	\$ 401.36	73,088	
Canyon	City of Greenleaf	\$ 1,162,410	\$ 1,291,567	\$ 104,878	\$ 5,243.90	\$ 12,585.36	\$ 4,983,576.60	\$ 11,960,583.84	No	No	No	No	\$ 416,670.00	11.96	28.71	\$ 132.42	792	
Canyon	City of Melba	\$ 1,678,205	\$ 1,864,672	\$ 128,383	\$ 6,419.15	\$ 15,405.96	\$ 2,717,637.86	\$ 6,522,330.87	No	No	No	No	\$ 416,670.00	6.52	15.65	\$ 205.41	625	
Canyon	City of Middleton	\$ 87,500,831	\$ 97,223,146	\$ 3,363,673	\$ 168,183.65	\$ 403,640.76	\$ 82,941,666.70	\$ 199,060,000.08	Yes	No	Yes	No	\$ 416,670.00	199.06	477.74	\$ 286.76	11,730	
Canyon	City of Nampa	\$ 329,547,758	\$ 366,164,176	\$ 45,867,739	\$ 2,293,386.95	\$ 5,504,128.68	\$ 810,401,356.60	\$ 1,944,963,255.84	No	No	No	No	\$ 416,670.00	1944.95	4667.87	\$ 390.86	117,350	
Canyon	City of Notus	\$ 280,958	\$ 312,176	\$ 111,717	\$ 5,585.85	\$ 13,406.04	\$ 2,922,775.10	\$ 7,014,660.23	No	No	No	No	\$ 416,670.00	7.01	16.84	\$ 184.35	606	
Canyon	City of Parma	\$ 1,518,357	\$ 1,687,063	\$ 844,977	\$ 42,248.85	\$ 101,397.24	\$ 10,450,621.94	\$ 25,081,492.66	No	No	No	No	\$ 416,670.00	25.08	60.20	\$ 384.43	2,198	
Canyon	City of Wilder	\$ 2,258,872	\$ 2,509,858	\$ 458,524	\$ 22,926.20	\$ 55,022.88	\$ 5,189,317.33	\$ 12,454,361.59	No	No	No	No	\$ 416,670.00	12.45	29.89	\$ 265.81	1,725	
Caribou	City of Bancroft	\$ -	\$ -	\$ 228,208	\$ 11,410.40	\$ 27,384.96	\$ 1,091,305.05	\$ 2,619,132.12	No	No	No	No	\$ 239,180.00	4.56	10.95	\$ 726.78	314	
Caribou	City of Grace	\$ 366,120	\$ 406,800	\$ 323,831	\$ 16,191.55	\$ 38,859.72	\$ 3,621,178.88	\$ 8,690,829.32	No	No	No	No	\$ 239,180.00	15.14	36.34	\$ 342.68	945	
Caribou	City of Soda Springs	\$ 10,285,740	\$ 11,428,600	\$ 1,162,258	\$ 58,112.90	\$ 139,470.96	\$ 12,188,718.79	\$ 29,252,925.09	No	No	No	No	\$ 239,180.00	50.96	122.31	\$ 367.57	3,162	
Cassia	City of Albion	\$ -	\$ -	\$ 36,212	\$ 1,810.60	\$ 4,345.44	\$ 1,399,838.40	\$ 3,359,612.16	No	No	No	No	\$ 279,840.00	5.00	12.01	\$ 140.90	257	
Cassia	City of Burley	\$ 12,929,229	\$ 14,365,810	\$ 3,390,775	\$ 169,538.75	\$ 406,893.00	\$ 55,614,063.20	\$ 133,473,751.69	No	No	No	No	\$ 279,480.00	198.99	477.58	\$ 277.68	12,211	
Cassia	City of Declo	\$ 420,651	\$ 467,390	\$ 36,595	\$ 1,829.75	\$ 4,391.40	\$ 930,060.83	\$ 2,232,145.98	No	No	No	No	\$ 279,480.00	3.33	7.99	\$ 100.81	363	
Cassia	City of Malta	\$ -	\$ -	\$ 5,342	\$ 267.10	\$ 641.04	\$ 593,485.78	\$ 1,424,365.86	No	No	No	No	\$ 279,480.00	2.12	5.10	\$ 30.01	178	
Cassia	City of Oakley	\$ 255,033	\$ 283,370	\$ 64,069	\$ 3,203.45	\$ 7,688.28	\$ 2,950,439.90	\$ 7,081,055.77	No	No	No	No	\$ 279,480.00	10.56	25.34	\$ 77.10	831	
Clark	City of Dubois	\$ 174,555	\$ 193,950	\$ 68,481	\$ 3,424.05	\$ 8,217.72	\$ 1,314,965.83	\$ 3,155,917.98	No	No	No	No	\$ 220,500.00	5.96	14.31	\$ 130.94	523	
Clark	City of Spencer	\$ 30,150	\$ 33,500	\$ 3,018	\$ 150.90	\$ 362.16	\$ 384,828.40	\$ 683,588.16	No	No	No	No	\$ 220,500.00	1.29	3.10	\$ 97.35	31	
Clearwater	City of Elk River	\$ 7,119	\$ 7,910	\$ 88,769	\$ 4,438.45	\$ 10,652.28	\$ 942,431.36	\$ 2,261,835.26	No	No	No	No	\$ 261,560.00	3.60	8.65	\$ 616.45	144	
Clearwater	City of Orofino	\$ 1,500,664	\$ 1,667,404	\$ 1,402,610	\$ 70,130.50	\$ 168,313.20	\$ 11,043,312.09	\$ 26,503,949.01	No	No	No	No	\$ 261,560.00	42.22	101.33	\$ 426.97	3,285	
Clearwater	City of Pierce	\$ 358,452	\$ 398,280	\$ 154,628	\$ 7,731.40	\$ 18,555.36	\$ 1,528,825.73	\$ 3,669,181.75	No	No	No	No	\$ 261,560.00	5.85	14.03	\$ 297.36	520	
Clearwater	City of Weippe	\$ 778	\$ 864	\$ 204,118	\$ 10,205.90	\$ 24,494.16	\$ 2,718,553.35	\$ 6,524,528.04	No	No	No	No	\$ 261,560.00	10.39	24.94	\$ 493.04	414	
Custer	City of Challis	\$ 223,021	\$ 247,801	\$ 349,293	\$ 17,464.65	\$ 41,915.16	\$ 4,939,402.23	\$ 11,854,565.36	No	No	No	No	\$ 321,080.00	15.38	36.92	\$ 370.01	944	
Custer	City of Mackay	\$ 182,601	\$ 202,890	\$ 98,278	\$ 4,913.90	\$ 11,793.36	\$ 3,277,765.39	\$ 7,866,636.93	No	No	No	No	\$ 321,080.00	10.21	24.50	\$ 204.75	480	
Custer	City of Stanley	\$ -	\$ -	\$ 100,758	\$ 5,037.90	\$ 12,090.96	\$ 4,366,409.17	\$ 10,479,382.02	No	No	No	No	\$ 321,080.00	13.60	32.64	\$ 825.89	122	
Elmore	City of Glenns Ferry	\$ 1,010,617	\$ 1,122,908	\$ 730,699	\$ 36,534.95	\$ 87,683.88	\$ 5,731,218.35	\$ 13,754,924.04	No	No	No	No	\$ 302,290.00	18.96	45.50	\$ 567.31	1,288	
Elmore	City of Mountain Home	\$ 33,176,685	\$ 36,862,983	\$ 8,222,523	\$ 411,126.15	\$ 986,702.76	\$ 75,822,355.78	\$ 181,973,653.86	No	No	No	No	\$ 302,290.00	250.83	601.98	\$ 486.19	16,912	
Franklin	City of Clifton	\$ 1,420,362	\$ 1,578,180	\$ 36,766	\$ 1,838.30	\$ 4,411.92	\$ 1,855,817.82	\$ 4,453,962.76	No	No	No	No	\$ 318,600.00	5.82	13.98	\$ 79.75	461	
Franklin	City of Dayton	\$ 654,136	\$ 726,818	\$ 35,436	\$ 1,771.80	\$ 4,252.32	\$ 3,013,172.28	\$ 7,231,613.48	No	No	No	No	\$ 318,600.00	9.46	22.70	\$ 65.74	539	
Franklin	City of Franklin	\$ 2,268,546	\$ 2,520,607	\$ 167,915	\$ 8,395.75	\$ 20,149.80	\$ 4,218,778.30	\$ 10,125,067.92	No	No	No	No	\$ 318,600.00	13.24	31.78	\$ 148.86	1,128	
Franklin	City of Preston	\$ 11,478,299	\$ 12,753,666	\$ 1,279,982	\$ 63,999.10	\$ 153,597.84	\$ 27,786,810.53	\$ 66,688,345.28	No	No	No	No	\$ 318,600.00	87.22	209.32	\$ 207.79	6,160	
Franklin	City of Weston	\$ 1,540,802	\$ 1,712,002	\$ 64,553	\$ 3,227.65	\$ 7,746.36	\$ 2,406,785.68	\$ 5,776,285.63	No	No	No	No	\$ 318,600.00	7.55	18.13	\$ 112.85	572	
Fremont	City of Ashton	\$ 2,574,273	\$ 2,860,303	\$ 459,688	\$ 22,984.40	\$ 55,162.56	\$ 4,032,522.14	\$ 9,678,053.13	No	No	No	No	\$ 306,090.00	13.17	31.62	\$ 468.11	982	
Fremont	City of Drummond	\$ -	\$ -	\$ 833	\$ 41.65	\$ 99.96	\$ 86,239.76	\$ 206,975.42	No	No	No	No	\$ 306,090.00	0.28	0.68	\$ 55.53	15	
Fremont	City of Island Park	\$ 12,582,755	\$ 13,980,839	\$ 32,270	\$ 1,613.50	\$ 3,872.40	\$ 17,455,548.16	\$ 41,893,315.57	No	No	No	No	\$ 306,090.00	57.03	136.87	\$ 168.95	191	
Fremont	City of Newdale	\$ -	\$ -	\$ 61,332	\$ 3,066.60	\$ 7,359.84	\$ 1,259,834.61	\$ 3,023,603.07	No	No	No	No	\$ 306,090.00	4.12	9.88	\$ 184.73	332	
Fremont	City of Parker	\$ 41,529	\$ 46,143	\$ 32,696	\$ 1,634.80	\$ 3,923.52	\$ 936,194.90	\$ 2,246,867.77	No	No	No	No	\$ 306,090.00	3.06	7.34	\$ 109.72	298	
Fremont	City of St Anthony	\$ 2,291,460	\$ 2,546,067	\$ 955,536	\$ 47,776.80	\$ 114,664.32	\$ 11,990,711.84	\$ 28,777,708.43	No	No	No	No	\$ 306,090.00	39.17	94.02	\$ 233.46	4,093	
Fremont	City of Teton	\$ 30,493	\$ 33,881	\$ 28,856	\$ 1,442.80	\$ 3,462.72	\$ 2,630,066.12	\$ 6,312,158.68	No	No	No	No	\$ 306,090.00	8.59	20.62	\$ 33.95	850	
Gem	City of Emmett	\$ 21,440,198	\$ 23,822,442	\$ 2,439,390	\$ 121,969.50	\$ 292,726.80	\$ 43,066,300.29	\$ 103,359,120.70	No	No	No	No	\$ 404,230.00	106.54	255.69	\$ 277.11	8,803	
Gooding	City of Bliss	\$ 563,154	\$ 625,727	\$ 87,617	\$ 4,380.85	\$ 10,514.04	\$ 1,455,766.26	\$ 3,493,839.03	No	No	No	No	\$ 251,780.00	5.78	13.88	\$ 330.63	265	
Gooding	City of Gooding	\$ 3,731,155	\$ 4,145,728	\$ 1,319,224	\$ 65,961.20	\$ 158,306.88	\$ 12,390,082.04	\$ 29,736,196.89	No	No	No	No	\$ 251,780.00	49.21	118.10	\$ 344.90	3,825	
Gooding	City of Hagerman	\$ 233,223	\$ 259,137	\$ 254,233	\$ 12,711.65	\$ 30,507.96	\$ 4,965,543.16	\$ 11,917,303.57	No	No	No	No	\$ 251,780.00	19.72	47.33	\$ 256.54	991	
Gooding	City of Wendell	\$ 1,454,697	\$ 1,616,330	\$ 804,512	\$ 40,225.60	\$ 96,541.44	\$ 10,224,426.46	\$ 24,538,623.50	No	No	No	No	\$ 251,780.00	40.61	97.46	\$ 265.34	932	
Idaho	City of Cottonwood	\$ 301,401	\$ 334,890	\$ 334,266	\$ 16,713.30	\$ 40,111.92	\$ 4,492,741.17	\$ 10,782,578.80	No	No	No	No	\$ 309,130.00	14.53	34.88	\$ 362.94	921	
Idaho	City of Ferdinand	\$ -	\$ -	\$ 26,834	\$ 1,341.70	\$ 3,220.08	\$ 462,478.35	\$ 1,109,948.04	No	No	No	No	\$ 309,130.00	1.50	3.59	\$ 193.05	139	
Idaho	City of Grangeville	\$ 299,544	\$ 332,827	\$ 1,239,090	\$ 61,954.50	\$ 148,690.80	\$ 14,922,301.02	\$ 35,813,522.45	No	No	No	No	\$ 309,130.00	48.27	115.85	\$ 341.63	3,627	
Idaho	City of Kooskia	\$ 340,398	\$ 378,220	\$ 124,787	\$ 6,239.35	\$ 14,974.44	\$ 1,888,868.40	\$ 4,533,284.16	No	No	No	No	\$ 309,130.00	6.11	14.66	\$ 224.44	556	
Idaho	City of Riggins	\$ 1,665,833	\$ 1,850,926	\$ 86,779	\$ 4,338.95	\$ 10,413.48	\$ 3,407,773.11	\$ 8,178,655.46	No	No	No	No	\$ 309,130.00	11.02	26.46	\$ 220.25	394	

## 2025 Analysis - Appendix A

County Name	District Name	Actual New Construction Value	New Value		Max Budget Increase				New Construction					Number of House to exceed cap	Number of Houses to Exceed 15% Cap	Property Tax Per Resident	Population	
			Construction Valuation	Construction if 100% Valuation	Highest Budget Amount Allowed	from New Construction	Max Increase if 15% Cap	Max New Construction Value	Max New if 15% Cap	on Limit Hit 8%	Limit Hit if 15%	Limit Hit 8%/100 % Value	Limit Hit 15%/10 % Value					Average Home Price by County
Idaho	City of Stites	\$ -	\$ -	\$ 24,822	\$ 1,241.10	\$ 2,978.64	\$ 494,206.75	\$ 1,186,096.19	No	No	No	No	\$ 309,130.00	1.60	3.84	\$ 132.74	187	
Idaho	City of White Bird	\$ 233,456	\$ 259,396	\$ 21,203	\$ 1,060.15	\$ 2,544.36	\$ 330,979.85	\$ 794,351.65	No	No	No	No	\$ 309,130.00	1.07	2.57	\$ 243.71	87	
Jefferson	City of Lewisville	\$ 858,516	\$ 953,907	\$ 72,626	\$ 3,631.30	\$ 8,715.12	\$ 2,035,691.07	\$ 4,885,658.56	No	No	No	No	\$ 348,930.00	5.83	14.00	\$ 162.84	446	
Jefferson	City of Menan	\$ 533,729	\$ 593,032	\$ 167,514	\$ 8,375.70	\$ 20,101.68	\$ 2,869,329.61	\$ 6,886,391.07	No	No	No	No	\$ 348,930.00	8.22	19.74	\$ 228.22	734	
Jefferson	City of Mud Lake	\$ -	\$ -	\$ 52,468	\$ 2,623.40	\$ 6,296.16	\$ 499,915.39	\$ 1,199,796.93	No	No	No	No	\$ 348,930.00	1.43	3.44	\$ 146.15	359	
Jefferson	City of Rigby	\$ 12,322,421	\$ 13,691,579	\$ 1,980,841	\$ 99,042.05	\$ 237,700.92	\$ 25,279,348.11	\$ 60,670,435.46	No	No	No	No	\$ 348,930.00	72.45	173.88	\$ 348.56	5,683	
Jefferson	City of Ririe	\$ 99,026	\$ 110,029	\$ 122,835	\$ 6,141.75	\$ 14,740.20	\$ 2,104,553.20	\$ 5,050,927.69	No	No	No	No	\$ 348,930.00	6.03	14.48	\$ 171.80	715	
Jefferson	City of Roberts	\$ 432,341	\$ 480,379	\$ 135,052	\$ 6,752.60	\$ 16,206.24	\$ 1,270,465.49	\$ 3,049,117.17	No	No	No	No	\$ 348,930.00	3.64	8.74	\$ 231.65	583	
Jerome	City of Eden	\$ -	\$ -	\$ 60,428	\$ 3,021.40	\$ 7,251.36	\$ 901,491.12	\$ 2,163,578.68	No	No	No	No	\$ 275,890.00	3.27	7.84	\$ 148.84	406	
Jerome	City of Hazelton	\$ -	\$ -	\$ 159,713	\$ 7,985.65	\$ 19,165.56	\$ 1,789,944.90	\$ 4,295,867.77	No	No	No	No	\$ 275,890.00	6.49	15.57	\$ 192.89	828	
Jerome	City of Jerome	\$ 22,303,760	\$ 24,781,956	\$ 6,657,013	\$ 332,850.65	\$ 798,841.56	\$ 59,031,923.79	\$ 141,676,617.09	No	No	No	No	\$ 275,890.00	213.97	513.53	\$ 493.81	13,481	
Kootenai	City of Athol	\$ 13,219,393	\$ 14,688,214	\$ 203,777	\$ 10,188.85	\$ 24,453.24	\$ 7,238,400.39	\$ 17,372,160.93	Yes	No	Yes	No	\$ 578,060.00	12.52	30.05	\$ 276.12	738	
Kootenai	City of Coeur d'Alene	\$ 83,828,876	\$ 93,143,196	\$ 27,857,905	\$ 1,392,895.25	\$ 3,342,948.60	\$ 579,262,961.99	\$ 1,390,231,108.78	No	No	No	No	\$ 578,060.00	1002.08	2404.99	\$ 485.71	57,355	
Kootenai	City of Dalton Gardens	\$ 4,769,507	\$ 5,299,452	\$ 189,791	\$ 9,489.55	\$ 22,774.92	\$ 39,509,445.78	\$ 94,822,669.86	No	No	No	No	\$ 578,060.00	68.35	164.04	\$ 75.98	2,498	
Kootenai	City of Fernan Lake	\$ -	\$ -	\$ 49,713	\$ 2,485.65	\$ 5,965.56	\$ 3,023,248.11	\$ 7,255,795.46	No	No	No	No	\$ 578,060.00	5.23	12.55	\$ 310.71	160	
Kootenai	City of Harrison	\$ 200,691	\$ 222,990	\$ 140,903	\$ 7,045.15	\$ 16,908.36	\$ 3,845,356.65	\$ 9,228,855.96	No	No	No	No	\$ 578,060.00	6.65	15.97	\$ 631.85	223	
Kootenai	City of Hauser Lake	\$ 12,942,542	\$ 14,380,602	\$ 26,544	\$ 1,327.20	\$ 3,185.28	\$ 9,685,082.28	\$ 23,244,197.48	Yes	No	Yes	No	\$ 578,060.00	16.75	40.21	\$ 29.69	894	
Kootenai	City of Hayden	\$ 83,863,583	\$ 93,181,759	\$ 2,626,074	\$ 131,303.70	\$ 315,128.88	\$ 171,593,825.19	\$ 411,825,180.47	No	No	No	No	\$ 578,060.00	296.84	712.43	\$ 155.17	16,924	
Kootenai	City of Hayden Lake	\$ 3,751,413	\$ 4,168,237	\$ 279,656	\$ 13,982.80	\$ 33,558.72	\$ 24,216,417.43	\$ 58,119,401.83	No	No	No	No	\$ 578,060.00	41.89	100.54	\$ 416.15	672	
Kootenai	City of Huetter	\$ -	\$ -	\$ 69,452	\$ 3,472.60	\$ 8,334.24	\$ 1,480,038.88	\$ 3,552,093.32	No	No	No	No	\$ 578,060.00	2.56	6.14	\$ 667.81	104	
Kootenai	City of Post Falls	\$ 162,241,729	\$ 180,268,588	\$ 16,890,853	\$ 844,502.65	\$ 2,026,806.36	\$ 368,809,131.36	\$ 885,141,915.26	No	No	No	No	\$ 578,060.00	638.01	1531.23	\$ 368.78	45,800	
Kootenai	City of Rathdrum	\$ 110,905,625	\$ 123,228,472	\$ 3,789,347	\$ 189,467.35	\$ 454,721.64	\$ 91,644,489.13	\$ 219,946,773.90	Yes	No	Yes	No	\$ 578,060.00	158.54	380.49	\$ 300.12	12,626	
Kootenai	City of Spirit Lake	\$ 1,334,232	\$ 1,482,480	\$ 670,875	\$ 33,543.75	\$ 80,505.00	\$ 19,064,689.51	\$ 45,755,254.83	No	No	No	No	\$ 578,060.00	32.98	79.15	\$ 272.16	2,465	
Kootenai	City of Worley	\$ -	\$ -	\$ 36,930	\$ 1,846.50	\$ 4,431.60	\$ 1,028,742.62	\$ 2,468,982.29	No	No	No	No	\$ 578,060.00	1.78	4.27	\$ 147.72	250	
Latah	City of Bovill	\$ 230,940	\$ 256,600	\$ 49,479	\$ 2,473.95	\$ 5,937.48	\$ 452,124.71	\$ 1,085,099.30	No	No	No	No	\$ 378,020.00	1.20	2.87	\$ 246.16	201	
Latah	City of Deary	\$ 670,661	\$ 745,179	\$ 163,407	\$ 8,170.35	\$ 19,608.84	\$ 2,417,185.73	\$ 5,801,245.75	No	No	No	No	\$ 372,020.00	6.50	15.59	\$ 303.73	538	
Latah	City of Genesee	\$ 359,492	\$ 399,436	\$ 297,477	\$ 14,873.85	\$ 35,697.24	\$ 4,962,652.23	\$ 11,910,365.36	No	No	No	No	\$ 372,020.00	13.34	32.02	\$ 269.70	1,103	
Latah	City of Juliaetta	\$ 235,381	\$ 261,534	\$ 152,999	\$ 7,649.95	\$ 18,359.88	\$ 1,851,290.10	\$ 4,443,096.23	No	No	No	No	\$ 372,020.00	4.98	11.94	\$ 235.38	650	
Latah	City of Kendrick	\$ 13,464	\$ 14,960	\$ 124,236	\$ 6,211.80	\$ 14,908.32	\$ 1,460,771.31	\$ 3,505,851.15	No	No	No	No	\$ 372,020.00	3.93	9.42	\$ 408.67	304	
Latah	City of Moscow	\$ 38,768,950	\$ 43,076,611	\$ 7,686,246	\$ 384,312.30	\$ 922,349.52	\$ 124,213,396.17	\$ 298,112,150.80	No	No	No	No	\$ 372,020.00	333.89	801.33	\$ 285.80	26,894	
Latah	City of Pottlatch	\$ 50,407	\$ 56,008	\$ 191,950	\$ 9,597.50	\$ 23,034.00	\$ 2,804,261.80	\$ 6,730,228.31	No	No	No	No	\$ 372,020.00	7.54	18.09	\$ 236.98	810	
Latah	City of Troy	\$ 100,463	\$ 111,626	\$ 265,048	\$ 13,252.40	\$ 31,805.76	\$ 4,048,014.51	\$ 9,715,234.83	No	No	No	No	\$ 372,020.00	10.88	26.11	\$ 281.37	942	
Lemhi	City of Leadore	\$ -	\$ -	\$ 18,438	\$ 921.90	\$ 2,212.56	\$ 311,984.42	\$ 748,762.60	No	No	No	No	\$ 306,420.00	1.02	2.44	\$ 184.38	100	
Lemhi	City of Salmon	\$ 3,026,727	\$ 3,363,030	\$ 1,305,902	\$ 65,295.10	\$ 156,708.24	\$ 18,221,991.02	\$ 43,732,778.45	No	No	No	No	\$ 306,420.00	59.47	142.72	\$ 400.95	3,257	
Lewis	City of Craigmont	\$ 87,534	\$ 97,260	\$ 268,057	\$ 13,402.85	\$ 32,166.84	\$ 1,697,262.57	\$ 4,073,430.17	No	No	No	No	\$ 219,850.00	7.72	18.53	\$ 561.96	477	
Lewis	City of Kamiah	\$ 28,499	\$ 31,666	\$ 260,382	\$ 13,019.10	\$ 31,245.84	\$ 3,828,232.04	\$ 9,187,756.89	No	No	No	No	\$ 219,850.00	17.41	41.79	\$ 223.89	1,163	
Lewis	City of Nez Perce	\$ 144,320	\$ 160,356	\$ 194,747	\$ 9,737.35	\$ 23,369.64	\$ 1,416,905.68	\$ 3,400,573.63	No	No	No	No	\$ 219,850.00	6.44	15.47	\$ 409.99	475	
Lewis	City of Reubens	\$ -	\$ -	\$ 10,835	\$ 541.75	\$ 1,300.20	\$ 191,552.86	\$ 459,726.87	No	No	No	No	\$ 219,850.00	0.87	2.09	\$ 225.73	48	
Lewis	City of Winchester	\$ 86,776	\$ 96,418	\$ 139,100	\$ 6,955.00	\$ 16,692.00	\$ 930,574.03	\$ 2,233,377.67	No	No	No	No	\$ 219,850.00	4.23	10.16	\$ 380.05	366	
Lincoln	City of Dietrich	\$ 215,334	\$ 239,260	\$ 31,557	\$ 1,577.85	\$ 3,786.84	\$ 821,937.62	\$ 1,972,650.29	No	No	No	No	\$ 224,520.00	3.66	8.79	\$ 101.47	311	
Lincoln	City of Richfield	\$ 426,690	\$ 474,100	\$ 83,262	\$ 4,163.10	\$ 9,991.44	\$ 1,231,635.73	\$ 2,955,925.75	No	No	No	No	\$ 224,520.00	5.49	13.17	\$ 174.92	476	
Lincoln	City of Shoshone	\$ 621,724	\$ 690,804	\$ 627,455	\$ 31,372.75	\$ 75,294.60	\$ 4,983,073.79	\$ 11,983,377.09	No	No	No	No	\$ 224,520.00	22.24	53.37	\$ 357.12	1,757	
Madison	City of Rexburg	\$ 28,185,426	\$ 31,317,140	\$ 7,006,270	\$ 350,313.50	\$ 840,752.40	\$ 112,691,523.16	\$ 270,459,655.57	No	No	No	No	\$ 396,460.00	284.24	682.19	\$ 172.17	40,695	
Madison	City of Sugar City	\$ 18,966,078	\$ 21,073,420	\$ 240,882	\$ 12,044.10	\$ 28,905.84	\$ 11,363,790.63	\$ 27,273,097.51	Yes	No	Yes	No	\$ 396,460.00	28.66	68.79	\$ 100.58	2,395	
Minidoka	City of Acequia	\$ -	\$ -	\$ 22,193	\$ 1,109.65	\$ 2,663.16	\$ 680,164.37	\$ 1,632,394.49	No	No	No	No	\$ 255,580.00	2.66	6.39	\$ 163.18	136	
Minidoka	City of Heyburn	\$ 7,395,085	\$ 8,216,761	\$ 1,416,444	\$ 70,822.20	\$ 169,973.28	\$ 18,998,952.38	\$ 45,597,485.71	No	No	No	No	\$ 255,580.00	74.34	178.41	\$ 378.32	3,744	
Minidoka	City of Minidoka	\$ 61,484	\$ 68,316	\$ 22,079	\$ 1,103.95	\$ 2,649.48	\$ 289,635.05	\$ 695,124.12	No	No	No	No	\$ 255,580.00	1.13	2.72	\$ 262.85	84	
Minidoka	City of Paul	\$ 703,691	\$ 781,879	\$ 304,926	\$ 15,246.30	\$ 36,591.12	\$ 5,183,630.15	\$ 12,440,712.35	No	No	No	No	\$ 255,580.00	20.28	48.68	\$ 177.08	1,722	
Minidoka	City of Rupert	\$ 6,292,931	\$ 6,992,146	\$ 1,243,027	\$ 62,151.35	\$ 149,163.24	\$ 21,882,728.25	\$ 52,518,547.81	No	No	No	No	\$ 255,580.00	85.62	205.49	\$ 195.97	6,343	
Nez Perce	City of Culesac	\$ 401,220	\$ 445,800	\$ 134,798	\$ 6,739.90	\$ 16,175.76	\$ 718,059.61	\$ 1,723,343.07	No	No	No	No	\$ 325,360.00	2.21	5.30	\$ 323.26	417	
Nez Perce	City of Lapwai	\$ -	\$ -	\$ 76,757	\$ 3,837.85	\$ 9,210.84	\$ 308,983.54	\$ 741,560.50	No	No	No	No	\$ 325,360.00	0.95	2.28	\$ 61.45	1,249	
Nez Perce	City of Lewiston	\$ 34,142,475	\$ 37,936,083	\$ 24,129,750	\$ 1,206,487.50	\$ 2,895,570.00	\$ 202,230,208.45	\$ 485,352,500.27	No	No	No	No	\$ 325,360.00	621.56	1491.74	\$ 695.52	34,693	

## 2025 Analysis - Appendix A

County Name	District Name	Actual New Construction Value	New Value		Max Budget Increase from New Construction				New Constructi on Limit Hit 8%	Limit Hit if 15%	Limit Hit 8%/100 % Value	Limit Hit 15%/10 0 Value	Average Home Price by County	Number of House to exceed cap	Number of Houses to Exceed 15% Cap	Property Tax Per Resident	Population
			Construction if 100% Valuation	Highest Budget Amount Allowed	Max Increase if 15% Cap	Max New Construction Value	Max New if 15% Cap										
Nez Perce	City of Peck	\$ 121,478	\$ 134,976	\$ 43,779	\$ 2,188.95	\$ 5,253.48	\$ 477,947.91	\$ 1,147,074.99	No	No	No	No	\$ 325,360.00	1.47	3.53	\$ 254.53	172
Oneida	City of Malad	\$ 3,225,700	\$ 3,584,111	\$ 908,938	\$ 45,446.90	\$ 109,072.56	\$ 8,506,217.18	\$ 20,414,921.24	No	No	No	No	\$ 247,760.00	34.33	82.40	\$ 390.77	2,326
Owyhee	City of Grandview	\$ 577,899	\$ 642,110	\$ 13,043	\$ 652.15	\$ 1,565.16	\$ 1,492,255.73	\$ 3,581,413.75	No	No	No	No	\$ 309,920.00	4.81	11.56	\$ 28.11	464
Owyhee	City of Homedale	\$ 1,429,290	\$ 1,588,100	\$ 629,019	\$ 31,450.95	\$ 75,482.28	\$ 10,046,658.74	\$ 24,111,980.97	No	No	No	No	\$ 309,920.00	32.42	77.80	\$ 199.88	3,147
Owyhee	City of Marsing	\$ 798,570	\$ 887,300	\$ 235,813	\$ 11,790.65	\$ 28,297.56	\$ 4,975,331.94	\$ 11,940,796.66	No	No	No	No	\$ 309,920.00	16.05	38.53	\$ 189.41	1,245
Payette	City of Fruitland	\$ 22,005,467	\$ 24,450,519	\$ 3,030,469	\$ 151,523.45	\$ 363,656.28	\$ 43,221,005.58	\$ 103,730,413.40	No	No	No	No	\$ 337,480.00	128.07	307.37	\$ 428.15	7,078
Payette	City of New Plymouth	\$ 3,402,581	\$ 3,780,646	\$ 599,495	\$ 29,974.75	\$ 71,939.40	\$ 7,458,748.25	\$ 17,900,995.81	No	No	No	No	\$ 337,480.00	22.10	53.04	\$ 372.82	1,608
Payette	City of Payette	\$ 15,598,564	\$ 17,331,738	\$ 3,130,015	\$ 156,500.75	\$ 375,601.80	\$ 36,887,270.87	\$ 88,529,450.10	No	No	No	No	\$ 337,480.00	109.30	262.33	\$ 357.55	8,754
Power	City of American Falls	\$ 3,671,201	\$ 4,079,112	\$ 1,485,191	\$ 74,259.55	\$ 178,222.92	\$ 12,974,547.04	\$ 31,138,912.89	No	No	No	No	\$ 209,300.00	61.99	148.78	\$ 305.41	4,863
Power	City of Rockland	\$ 189,371	\$ 210,412	\$ 33,181	\$ 1,659.05	\$ 3,981.72	\$ 694,826.84	\$ 1,667,584.43	No	No	No	No	\$ 209,300.00	3.32	7.97	\$ 126.16	263
Shoshone	City of Kellogg	\$ 451,906	\$ 502,118	\$ 1,498,017	\$ 74,900.85	\$ 179,762.04	\$ 19,589,333.45	\$ 47,014,400.27	No	No	No	No	\$ 241,900.00	80.98	194.35	\$ 613.69	2,441
Shoshone	City of Mullan	\$ 675,116	\$ 750,129	\$ 197,662	\$ 9,883.10	\$ 23,719.44	\$ 3,442,501.84	\$ 8,262,004.43	No	No	No	No	\$ 241,900.00	14.23	34.15	\$ 292.83	675
Shoshone	City of Osbum	\$ 1,363,552	\$ 1,515,058	\$ 400,220	\$ 20,011.00	\$ 48,026.40	\$ 6,917,112.86	\$ 16,601,070.87	No	No	No	No	\$ 241,900.00	28.59	68.63	\$ 238.51	1,678
Shoshone	City of Pinehurst	\$ 298,684	\$ 331,871	\$ 236,718	\$ 11,835.90	\$ 28,406.16	\$ 7,989,978.25	\$ 19,175,947.81	No	No	No	No	\$ 241,900.00	33.03	79.27	\$ 132.69	1,784
Shoshone	City of Smelterville	\$ 5,723,037	\$ 6,358,930	\$ 93,826	\$ 4,691.30	\$ 11,259.12	\$ 3,814,131.84	\$ 9,153,916.43	Yes	No	Yes	No	\$ 241,900.00	15.77	37.84	\$ 133.09	705
Shoshone	City of Wallace	\$ 624,589	\$ 693,988	\$ 543,524	\$ 27,176.20	\$ 65,222.88	\$ 7,287,299.66	\$ 17,489,519.18	No	No	No	No	\$ 241,900.00	30.13	72.30	\$ 660.42	823
Shoshone	City of Wardner	\$ 24,185	\$ 26,872	\$ 75,626	\$ 3,781.30	\$ 9,075.12	\$ 1,806,935.29	\$ 4,336,644.70	No	No	No	No	\$ 241,900.00	7.47	17.93	\$ 370.72	204
Teton	City of Driggs	\$ 51,497,695	\$ 57,219,661	\$ 787,661	\$ 39,383.05	\$ 94,519.32	\$ 56,864,261.89	\$ 136,474,228.54	No	No	Yes	No	\$ 647,260.00	87.85	210.85	\$ 337.76	2,332
Teton	City of Teton	\$ 3,297,067	\$ 3,663,408	\$ 37,734	\$ 1,886.70	\$ 4,528.08	\$ 2,629,769.47	\$ 6,311,446.72	Yes	No	Yes	No	\$ 647,260.00	4.06	9.75	\$ 134.28	281
Teton	City of Victor	\$ 21,963,169	\$ 24,403,521	\$ 606,143	\$ 30,307.15	\$ 72,737.16	\$ 35,069,524.85	\$ 84,166,859.65	No	No	No	No	\$ 647,260.00	54.18	130.04	\$ 248.22	2,442
Twin Falls	City of Buhl	\$ 2,637,959	\$ 2,931,066	\$ 2,211,168	\$ 110,558.40	\$ 265,340.16	\$ 16,010,148.20	\$ 38,424,355.69	No	No	No	No	\$ 357,360.00	44.80	107.52	\$ 464.43	4,761
Twin Falls	City of Castlefjord	\$ -	\$ -	\$ 17,450	\$ 872.50	\$ 2,094.00	\$ 499,894.81	\$ 1,199,747.53	No	No	No	No	\$ 357,360.00	1.40	3.36	\$ 77.21	226
Twin Falls	City of Filer	\$ 1,836,513	\$ 2,040,570	\$ 1,262,008	\$ 63,100.40	\$ 151,440.96	\$ 9,742,897.91	\$ 23,382,954.99	No	No	No	No	\$ 357,360.00	27.26	65.43	\$ 415.13	3,040
Twin Falls	City of Hansen	\$ 276,174	\$ 306,860	\$ 184,906	\$ 9,245.30	\$ 22,188.72	\$ 2,637,786.70	\$ 6,330,688.08	No	No	No	No	\$ 357,360.00	7.38	17.72	\$ 165.39	1,118
Twin Falls	City of Hollister	\$ 241,661	\$ 268,512	\$ 32,645	\$ 1,632.25	\$ 3,917.40	\$ 802,953.40	\$ 1,927,088.16	No	No	No	No	\$ 357,360.00	2.25	5.39	\$ 122.27	267
Twin Falls	City of Kimberly	\$ 17,802,877	\$ 19,780,974	\$ 1,763,545	\$ 88,177.25	\$ 211,625.40	\$ 22,063,354.22	\$ 52,952,050.14	No	No	No	No	\$ 357,360.00	61.74	148.18	\$ 315.37	5,592
Twin Falls	City of Murtaugh	\$ -	\$ -	\$ 69,036	\$ 3,451.80	\$ 8,284.32	\$ 638,872.23	\$ 1,533,293.36	No	No	No	No	\$ 357,360.00	1.79	4.29	\$ 561.27	123
Twin Falls	City of Twin Falls	\$ 83,867,304	\$ 93,185,893	\$ 31,058,323	\$ 1,552,916.15	\$ 3,726,998.76	\$ 311,161,839.85	\$ 746,788,415.65	No	No	No	No	\$ 357,360.00	870.72	2089.74	\$ 558.71	55,589
Valley	City of Cascade	\$ 5,516,189	\$ 6,129,099	\$ 1,000,621	\$ 50,031.05	\$ 120,074.52	\$ 14,896,827.43	\$ 35,752,385.83	No	No	No	No	\$ 651,170.00	22.88	54.90	\$ 975.26	1,026
Valley	City of Donnelly	\$ 243,774	\$ 270,860	\$ 149,078	\$ 7,453.90	\$ 17,889.36	\$ 3,058,944.76	\$ 7,341,467.42	No	No	No	No	\$ 651,170.00	4.70	11.27	\$ 584.62	255
Valley	City of McCall	\$ 90,315,542	\$ 100,350,602	\$ 8,042,386	\$ 402,119.30	\$ 965,086.32	\$ 190,862,451.65	\$ 458,069,883.96	No	No	No	No	\$ 651,170.00	293.11	703.46	\$ 1,959.65	4,104
Washington	City of Cambridge	\$ 27,432	\$ 30,480	\$ 70,348	\$ 3,517.40	\$ 8,441.76	\$ 1,244,114.22	\$ 2,985,874.14	No	No	No	No	\$ 271,870.00	4.58	10.98	\$ 192.73	365
Washington	City of Midvale	\$ 166,995	\$ 185,550	\$ 29,619	\$ 1,480.95	\$ 3,554.28	\$ 762,755.15	\$ 1,830,612.35	No	No	No	No	\$ 271,870.00	2.81	6.73	\$ 135.87	218
Washington	City of Weiser	\$ 8,495,786	\$ 9,439,762	\$ 2,181,927	\$ 109,096.35	\$ 261,831.24	\$ 19,898,218.69	\$ 47,755,724.85	No	No	No	No	\$ 271,870.00	73.19	175.66	\$ 356.99	6,112

## 2025 Est. of Unreported Cities - Appendix B

County Name	District Type	District Name	Population	Number of Houses Before hitting cap	Number of Houses Before hitting 15% cap	Max New Const Value
Butte	City	City of Butte City	89	1.13	2.72	\$ 289,635.05
Boise	City	City of Crouch	189	1.47	3.53	\$ 477,947.91
Bonneville	City	City of Irwin	301	3.06	7.34	\$ 936,194.90
Latah	City	City of Onaway	223	1.4	3.36	\$ 499,894.81
Kootenai	City	City of State Line	37	0.87	2.09	\$ 191,552.86
Fremont	City	City of Warm River	1	0.28	0.68	\$ 86,239.76
Custer	City	City of Clayton	10	0.28	0.68	\$ 86,239.76

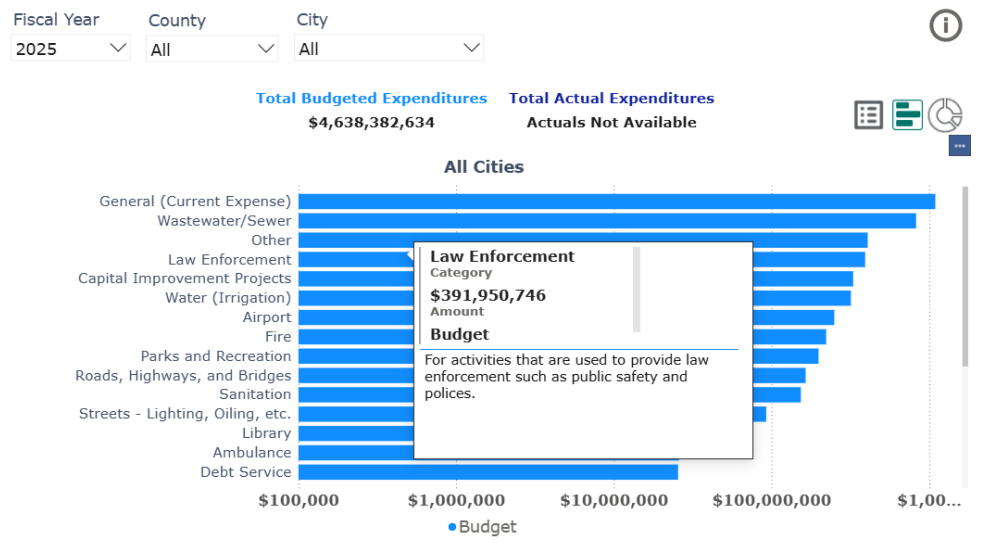
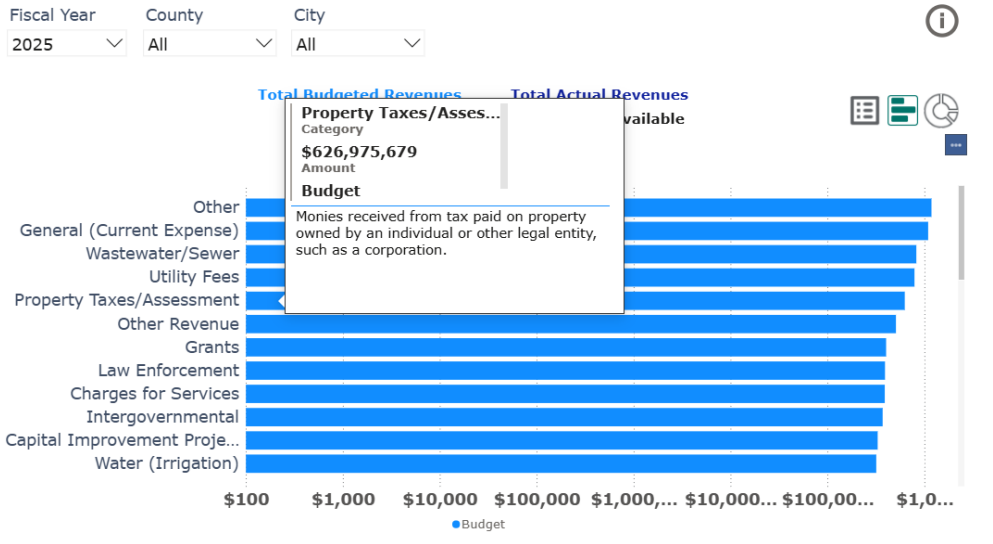
## Appendix C – SCO Reported Budget Data Location

The Idaho State Controller’s Office collects and maintains city budget information through the Transparent Idaho portal, which allows the public to review budget and actual financial data for Idaho cities. The statewide data used and included in this white paper was pulled in **February 2026** and reflects the information available at that time. Because cities continue to submit updated data and may amend their budgets, the figures on the portal can change over time. Accordingly, the images or screenshots included below were pulled **June 2026** and may differ from the February data used in the statewide reports.

The SCO Transparent Idaho Website can be found here: <https://transparent.idaho.gov/city>



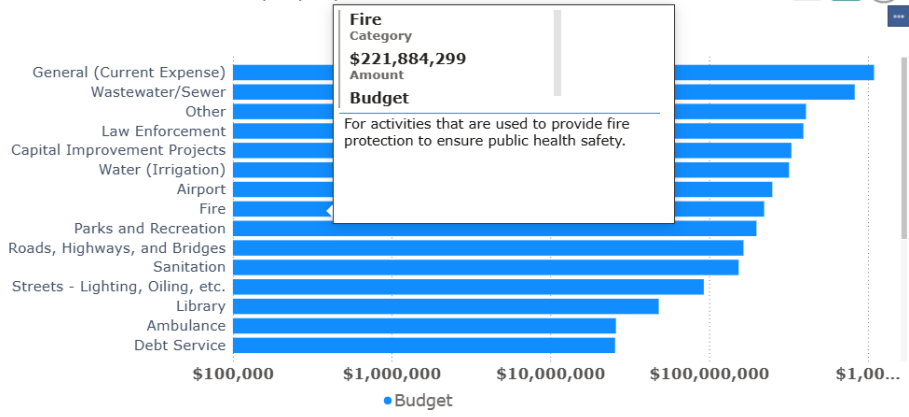
Revenue		Expenses	
Property Tax	\$626,975,679	Law Enforcement	\$391,950,746
*cities do have other forms of revenue no counted here for this example.		Fire	\$221,884,299
		EMS	\$25,860,062
Total	\$626,975,679	Total	\$639,695,107
<b>\$12,719,428</b> more spent on first responders than collected in property as of 6/5/2026.			



Fiscal Year: 2025  
 County: All  
 City: All



Total Budgeted Expenditures: \$4,638,382,634  
 Total Actual Expenditures: Actuals Not Available

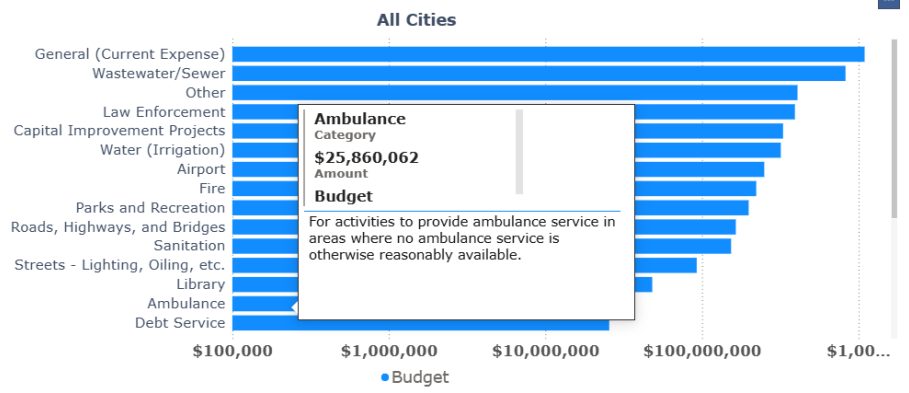


**Fire**  
 Category  
**\$221,884,299**  
 Amount  
**Budget**  
 For activities that are used to provide fire protection to ensure public health safety.

Fiscal Year: 2025  
 County: All  
 City: All



Total Budgeted Expenditures: \$4,638,382,634  
 Total Actual Expenditures: Actuals Not Available



**Ambulance**  
 Category  
**\$25,860,062**  
 Amount  
**Budget**  
 For activities to provide ambulance service in areas where no ambulance service is otherwise reasonably available.

# Appendix D

LEGISLATURE OF THE STATE OF IDAHO  
Sixty-sixth Legislature First Regular Session - 2021

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 389

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO TAXATION; AMENDING SECTION 63-602G, IDAHO CODE, TO REVISE PRO-  
2 VISIONS REGARDING THE HOMEOWNER EXEMPTION; AMENDING SECTION 63-301A,  
3 IDAHO CODE, TO REVISE PROVISIONS REGARDING THE NEW CONSTRUCTION ROLL;  
4 AMENDING SECTION 63-602W, IDAHO CODE, TO REVISE PROVISIONS REGARDING  
5 CERTAIN BUSINESS PROPERTY TAX EXEMPTIONS; AMENDING SECTION 63-705,  
6 IDAHO CODE, TO REVISE PROVISIONS REGARDING PROPERTY TAX REDUCTION IN-  
7 COME LIMITATIONS AND BENEFIT AMOUNTS AND TO ESTABLISH PROVISIONS FOR  
8 REFERRAL OF CERTAIN APPLICANTS TO THE PROPERTY TAX DEFERRAL PROGRAM;  
9 AMENDING SECTION 63-705A, IDAHO CODE, TO REVISE PROVISIONS REGARDING  
10 TAX REDUCTIONS FOR CERTAIN DISABLED VETERANS; AMENDING SECTION 63-715,  
11 IDAHO CODE, TO REVISE PROVISIONS REGARDING THE PROPERTY TAX DEFERRAL  
12 PROGRAM; AMENDING SECTION 63-802, IDAHO CODE, TO REVISE PROVISIONS  
13 REGARDING THE LIMITATION ON TAXING DISTRICT BUDGET REQUESTS; AMENDING  
14 SECTION 63-313, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE TAXA-  
15 TION OF TRANSIENT PERSONAL PROPERTY; AMENDING SECTION 63-602KK, IDAHO  
16 CODE, TO REVISE PROVISIONS REGARDING THE TAXATION OF PERSONAL PROPERTY;  
17 AMENDING SECTION 63-803, IDAHO CODE, TO REVISE A DEFINITION AND TO MAKE  
18 TECHNICAL CORRECTIONS; AMENDING SECTION 63-3638, IDAHO CODE, TO REVISE  
19 PROVISIONS REGARDING PERSONAL PROPERTY TAX REPLACEMENT MONEYS; PROVID-  
20 ING SEVERABILITY; AND DECLARING AN EMERGENCY, PROVIDING RETROACTIVE  
21 APPLICATION, AND PROVIDING EFFECTIVE DATES.  
22

23 Be It Enacted by the Legislature of the State of Idaho:

24 SECTION 1. That Section 63-602G, Idaho Code, be, and the same is hereby  
25 amended to read as follows:

26 63-602G. PROPERTY EXEMPT FROM TAXATION -- HOMESTEAD. (1) For each tax  
27 year, the first one hundred twenty-five thousand dollars (~~\$100~~25,000) of the  
28 market value for assessment purposes of the homestead as that term is defined  
29 in section 63-701, Idaho Code, or fifty percent (50%) of the market value  
30 for assessment purposes of the homestead as that term is defined in section  
31 63-701, Idaho Code, whichever is the lesser, shall be exempt from property  
32 taxation.

33 (2) The exemption allowed by this section may be granted only if:

34 (a) The homestead is owner-occupied and used as the primary dwelling  
35 place of the owner. The homestead may consist of part of a multidwelling  
36 or multipurpose building and shall include all of such dwelling or  
37 building except any portion used exclusively for anything other than  
38 the primary dwelling of the owner. The presence of an office in a home-  
39 stead, which office is used for multiple purposes, including business  
40 and personal use, shall not prevent the owner from claiming the exemp-  
41 tion provided in this section; and

# Appendix D

1 (b) The state tax commission has certified to the board of county com-  
2 missioners that all properties in the county which are subject to ap-  
3 praisal by the county assessor have, in fact, been appraised uniformly  
4 so as to secure a just valuation for all property within the county; and

5 (c) The owner has certified to the county assessor that:

6 (i) He is making application for the exemption allowed by this  
7 section;

8 (ii) The homestead is his primary dwelling place; and

9 (iii) He has not made application in any other county for the ex-  
10 emption, and has not made application for the exemption on any  
11 other homestead in the county.

12 (d) For the purpose of this section, the definition of "owner" shall be  
13 the same definition set forth in section 63-701(7), Idaho Code.

14 When an "owner," pursuant to the provisions of section 63-701(7),  
15 Idaho Code, is any person who is the beneficiary of a revocable or irrev-  
16 ocable trust, or who is a partner of a limited partnership, a member of  
17 a limited liability company, or shareholder of a corporation, he or she  
18 may provide proof of the trust, limited partnership, limited liability  
19 company, or corporation in the manner set forth in section 63-703(4),  
20 Idaho Code.

21 (e) Any owner may request in writing the return of all copies of any  
22 documents submitted with the affidavit set forth in section 63-703(4),  
23 Idaho Code, that are held by a county assessor, and the copies shall  
24 be returned by the county assessor upon submission of the affidavit in  
25 proper form.

26 (f) For the purpose of this section, the definition of "primary  
27 dwelling place" shall be the same definition set forth in section  
28 63-701(8), Idaho Code.

29 (g) For the purpose of this section, the definition of "occupied" shall  
30 be the same definition set forth in section 63-701(6), Idaho Code.

31 (3) An owner need only make application for the exemption described in  
32 subsection (1) of this section once, as long as all of the following condi-  
33 tions are met:

34 (a) The owner has received the exemption during the previous year as  
35 a result of his making a valid application as set forth in subsection  
36 (2)(c) of this section.

37 (b) The owner or beneficiary, partner, member or shareholder, as appro-  
38 priate, still occupies the same homestead for which the owner made ap-  
39 plication.

40 (c) The homestead described in paragraph (b) of this subsection is  
41 owner-occupied or occupied by a beneficiary, partner, member or share-  
42 holder, as appropriate, and used as the primary dwelling place of the  
43 owner or beneficiary, partner, member or shareholder, as appropriate.

44 (4) The exemption allowed by this section shall be effective upon the  
45 date of the application and must be taken before the reduction in taxes pro-  
46 vided by sections 63-701 through 63-710, Idaho Code, is applied.

47 (5) Recovery of property tax exemptions allowed by this section but im-  
48 properly claimed or approved:

49 (a) Upon discovery of evidence, facts or circumstances indicating any  
50 exemption allowed by this section was improperly claimed or approved,

# Appendix D

1 the county assessor shall decide whether the exemption claimed should  
2 have been allowed and, if not, notify the taxpayer in writing, assess  
3 a recovery of property tax and notify the county treasurer of this as-  
4 sessment. If the county assessor determined that an exemption was im-  
5 properly approved as a result of county error, the county assessor shall  
6 present the discovered evidence, facts or circumstances from the im-  
7 properly approved exemption to the board of county commissioners, at  
8 which time the board may waive a recovery of the property tax and notify  
9 such taxpayer in writing.

10 (b) When information indicating that an improper claim for the exemp-  
11 tion allowed by this section is discovered by the state tax commission,  
12 the state tax commission may disclose this information to the ap-  
13 propriate county assessor, board of county commissioners and county  
14 treasurer. Information disclosed to county officials by the state tax  
15 commission under this subsection may be used to decide the validity of  
16 any entitlement to the exemption provided in this section and is not  
17 otherwise subject to public disclosure pursuant to chapter 1, title 74,  
18 Idaho Code.

19 (c) The assessment and collection of the recovery of property tax must  
20 begin within the seven (7) year period beginning the date the assessment  
21 notice reflecting the improperly claimed or approved exemption was re-  
22 quired to be mailed to the taxpayer.

23 (d) The taxpayer may appeal to the county board of equalization the  
24 decision by the county assessor to assess the recovery of property tax  
25 within thirty (30) days of the date the county assessor sent the notice  
26 to the taxpayer pursuant to this section. The board may waive the col-  
27 lection of all or part of any costs, late charges, and interest in order  
28 to facilitate the collection of the recovery of the property tax.

29 (e) For purposes of calculating the tax, the amount of the recovered  
30 property tax shall be for each year the exemption allowed by this sec-  
31 tion was improperly claimed or approved, up to a maximum of seven (7)  
32 years. The amount of the recovery of property tax shall be calculated  
33 using the product of the amount of exempted value for each year multi-  
34 plied by the levy for that year plus costs, late charges and interest for  
35 each year at the rates equal to those provided for delinquent property  
36 taxes during that year.

37 (f) Any recovery of property tax shall be due and payable no later than  
38 the date provided for property taxes in section 63-903, Idaho Code, and  
39 if not timely paid, late charges and interest, beginning the first day  
40 of January in the year following the year the county assessor sent the  
41 notice to the taxpayer pursuant to this section, shall be calculated at  
42 the current rate provided for property taxes.

43 (g) Recovered property taxes shall be billed, collected and dis-  
44 tributed in the same manner as property taxes, except each taxing dis-  
45 trict or unit shall be notified of the amount of any recovered property  
46 taxes included in any distribution.

47 (h) Thirty (30) days after the taxpayer is notified, as provided in  
48 paragraph (a) of this subsection, the assessor shall record a notice  
49 of intent to attach a lien. Upon the payment in full of such recover-  
50 ed property taxes prior to the attachment of the lien as provided in

# Appendix D

1 paragraph (i) of this subsection, or upon the successful appeal by the  
2 taxpayer, the county assessor shall record a rescission of the intent to  
3 attach a lien within seven (7) business days of receiving such payment  
4 or within seven (7) business days of the county board of equalization  
5 decision granting the appeal. If the real property is sold to a bona  
6 fide purchaser for value prior to the recording of the notice of the in-  
7 tent to attach a lien, the county assessor and treasurer shall cease the  
8 recovery of such unpaid recovered property tax.

9 (i) Any unpaid recovered property taxes shall become a lien upon the  
10 real property in the same manner as provided for property taxes in sec-  
11 tion 63-206, Idaho Code, except such lien shall attach as of the first  
12 day of January in the year following the year the county assessor sent  
13 the notice to the taxpayer pursuant to this section.

14 (j) For purposes of the limitation provided by section 63-802, Idaho  
15 Code, moneys received pursuant to this subsection as recovery of prop-  
16 erty tax shall be treated as property tax revenue.

17 (6) The legislature declares that this exemption is necessary and just.

18 (7) A homestead, having previously qualified for exemption under this  
19 section in the preceding year, shall not lose such qualification due to: the  
20 owner's, beneficiary's, partner's, member's or shareholder's absence in the  
21 current year by reason of active military service, or because the homestead  
22 has been leased because the owner, beneficiary, partner, member or share-  
23 holder is absent in the current year by reason of active military service.  
24 An owner subject to the provisions of this subsection must apply for the ex-  
25 emption with the county assessor every year on or before a deadline date as  
26 specified by the county assessor for the county in which the homestead is  
27 claimed. If an owner fails to apply on or before the established deadline,  
28 the county may, at its discretion, discontinue the exemption for that year.

29 (8) A homestead, having previously qualified for exemption under this  
30 section in the preceding year, shall not lose such qualification due to  
31 the owner's, beneficiary's, partner's, member's or shareholder's death  
32 during the year of the owner's, beneficiary's, partner's, member's or share-  
33 holder's death and the tax year immediately following such death provided  
34 that the homestead continues to be a part of the owner's, beneficiary's,  
35 partner's, member's or shareholder's estate. After such time, the new owner  
36 shall reapply to receive the exemption pursuant to this section and shall  
37 meet the qualification criteria contained in this section.

38 (9) The amount by which each exemption approved under this section ex-  
39 ceeds one hundred thousand dollars (\$100,000) may, in the discretion of the  
40 governing board of a taxing district, be deducted from the new construction  
41 roll for the following year prepared by the county assessor in accordance  
42 with section 63-301A, Idaho Code, but only to the extent that the amount ex-  
43 ceeds the same deduction made in the previous year.

44 SECTION 2. That Section 63-301A, Idaho Code, be, and the same is hereby  
45 amended to read as follows:

46 63-301A. NEW CONSTRUCTION ROLL. (1) The county assessor shall prepare  
47 a new construction roll, which shall be in addition to the property roll,  
48 which new construction roll shall show:

49 (a) The name of the taxpayer;

# Appendix D

5

1 (b) The description of the new construction, suitably detailed to meet  
2 the requirements of the individual county;

3 (c) A description of the land and its change in use, suitably detailed  
4 to meet the needs of the individual county;

5 (d) The amount of taxable market value added to the property on the cur-  
6 rent year's property roll that is directly the result of new construc-  
7 tion ~~or~~, including a change in use of the land or both associated with  
8 the new construction;

9 (e) The amount of taxable market value added as provided in subsection  
10 (3) (g) of this section as a result of dissolution of any revenue alloca-  
11 tion area;

12 (f) The amount of taxable market value to be deducted to reflect the  
13 adjustments required in this paragraphs ~~(f) (i), (f) (ii), (f) (iii) and~~  
14 ~~(f) (iv) of this subsection~~:

15 (i) Any board of tax appeals or court-ordered value change, if  
16 property has a taxable value lower than that shown on any new con-  
17 struction roll in any one (1) of the immediate five (5) tax years  
18 preceding the current tax year;

19 (ii) Any reduction in value resulting from correction of value im-  
20 properly included on any previous new construction roll as a re-  
21 sult of double or otherwise erroneous assessment;

22 (iii) Any reduction in value, in any one (1) of the immediate five  
23 (5) tax years preceding the current tax year, resulting from a  
24 change of land use classification;

25 (iv) Any reduction in value resulting from the exemption provided  
26 in section 63-602W(4), Idaho Code, in any one (1) of the immediate  
27 five (5) tax years preceding the current tax year; and

28 (v) Any voluntary reduction in value reflecting a portion of  
29 certain homestead exemptions as provided in section 63-602G(9),  
30 Idaho Code.

31 (2) As soon as possible, but in any event by no later than the first Mon-  
32 day in June, the new construction roll shall be certified to the county audi-  
33 tor and a listing showing the amount of value on the new construction roll in  
34 each taxing district or unit be forwarded to the state tax commission on or  
35 before the fourth Monday in July. Provided however, the value shown in sub-  
36 section (3) (f) of this section shall be reported to the appropriate county  
37 auditor by the state tax commission by the third Monday in July and the value  
38 sent by the county auditor to each taxing district. The value established  
39 pursuant to subsection (3) (f) of this section is subject to correction by the  
40 state tax commission until the first Monday in September and any such correc-  
41 tions shall be sent to the appropriate county auditor, who shall notify any  
42 affected taxing districts.

43 (3) Except as otherwise provided in this subsection, tThe value shown  
44 on the new construction roll shall include ninety percent (90%) of the tax-  
45 able market value increase from:

46 (a) Construction of any new structure that previously did not exist; or

47 (b) Additions or alterations to existing nonresidential structures; or

48 (c) Installation of new or used manufactured housing that did not pre-  
49 viously exist within the county; or

# Appendix D

- 1 (d) Change of land use classification associated with the new struc-  
2 ture; or
- 3 (e) Property newly taxable as a result of loss of the exemption provided  
4 by section 63-602W(3) or (4), Idaho Code; or
- 5 (f) The construction of any improvement or installation of any equip-  
6 ment used for or in conjunction with the generation of electricity and  
7 the addition of any improvement or equipment intended to be so used, ex-  
8 cept property that has a value allocated or apportioned pursuant to sec-  
9 tion 63-405, Idaho Code, or that is owned by a cooperative or municipal-  
10 ity as those terms are defined in section 61-332A, Idaho Code, or that  
11 is owned by a public utility as that term is defined in section 61-332A,  
12 Idaho Code, owning any other property that is allocated or apportioned.  
13 No replacement equipment or improvements may be included; or
- 14 (g) Provided such increases do not include increases already reported  
15 on the new construction roll as permitted in paragraphs (j) and (k) of  
16 this subsection, increases in value over the base value of property on  
17 the base assessment roll within an urban renewal revenue allocation  
18 area that has been terminated pursuant to section 50-2909(4), Idaho  
19 Code, to the extent that this increment exceeds the incremental value as  
20 of December 31, 2006, or, for revenue allocation areas formed after De-  
21 cember 31, 2006, ~~the entire~~ eighty percent (80%) of the increment value.  
22 Notwithstanding other provisions of this section, the new construction  
23 roll shall not include new construction located within an urban renewal  
24 district's revenue allocation area, except as provided in this para-  
25 graph; or
- 26 (h) New construction, in any one (1) of the immediate five (5) tax years  
27 preceding the current tax year, allowable but never included on a new  
28 construction roll, provided however, that, for such property, the value  
29 on the new construction roll shall reflect the taxable value that would  
30 have been included on the new construction roll for the first year in  
31 which the property should have been included.
- 32 (i) Formerly exempt improvements on state college or state university-  
33 owned land for student dining, housing, or other education-related pur-  
34 poses approved by the state board of education and board of regents of  
35 the university of Idaho as proper for the operation of such state col-  
36 lege or university provided however, such improvements were never in-  
37 cluded on any previous new construction roll.
- 38 (j) Increases in base value when due to previously determined incre-  
39 ment value added to the base value as required in sections 50-2903 and  
40 50-2903A, Idaho Code, due to a modification of the urban renewal plan.  
41 In this case, the amount added to the new construction roll will equal  
42 eighty percent (80%) of the amount by which the increment value in the  
43 year immediately preceding the year in which the base value adjustment  
44 described in this subsection occurs exceeds the incremental value as of  
45 December 31, 2006, or, for revenue allocation areas formed after Decem-  
46 ber 31, 2006, the entire increment value.
- 47 (k) Increases in base value when due to previously determined incre-  
48 ment value added to the base value as a result of a de-annexation within  
49 a revenue allocation area as defined in section 50-2903, Idaho Code.  
50 In this case, the amount added to the new construction roll will equal

# Appendix D

7

1 eighty percent (80%) of the amount by which the increment value in the  
2 year immediately preceding the year in which the de-annexation de-  
3 scribed in this subsection occurs exceeds the incremental value as of  
4 December 31, 2006, or, for revenue allocation areas formed after Decem-  
5 ber 31, 2006, the entire increment value within the area subject to the  
6 de-annexation.

7 (4) The amount of taxable market value of new construction shall be the  
8 change in net taxable market value that is attributable directly to the new  
9 construction ~~or,~~ a change in use of the land upon completion of the new con-  
10 struction, or loss of the exemption provided by section 63-602W(3) or (4),  
11 Idaho Code. It shall not include any change in value of existing property  
12 that is due to external market forces such as general or localized inflation,  
13 except as provided in subsection (3) (g) of this section.

14 (5) The amount of taxable market value of new construction shall not in-  
15 clude any new construction of property that has been granted a provisional  
16 property tax exemption, pursuant to section 63-1305C, Idaho Code. A prop-  
17 erty owner may apply to the board of county commissioners, if an application  
18 is required pursuant to section 63-602, Idaho Code, for an exemption from  
19 property tax at the time the initial building permits are applied for or at  
20 the time construction of the property has begun, whichever is earlier, or at  
21 any time thereafter.

22 (6) The amount of taxable market value of new construction shall not in-  
23 clude any new construction of property for which an exemption from sales and  
24 use tax has been granted pursuant to section 63-3622VV, Idaho Code.

25 SECTION 3. That Section 63-602W, Idaho Code, be, and the same is hereby  
26 amended to read as follows:

27 63-602W. BUSINESS INVENTORY EXEMPT FROM TAXATION -- BUSINESS IN-  
28 VENTORY THAT IS A COMPONENT OF REAL PROPERTY THAT IS A SINGLE FAMILY  
29 DWELLING. The following property is exempt from property taxation: business  
30 inventory. For the purpose of this section, "business inventory" means all  
31 items of tangible personal property or other property, including site im-  
32 provements, described as:

33 (1) All livestock, fur-bearing animals, fish, fowl and bees.

34 (2) All nursery stock, stock-in-trade, merchandise, products, fin-  
35 ished or partly finished goods, raw materials, and all forest products  
36 subject to the provisions of chapter 17, title 63, Idaho Code, supplies,  
37 containers and other personal property that is held for sale or consumption  
38 in the ordinary course of the taxpayer's manufacturing, farming, wholesale  
39 jobbing, or merchandising business.

40 (3) Residential improvements never occupied. Once residential im-  
41 provements are occupied as defined in section 63-317, Idaho Code, they shall  
42 be subject to the tax provided by section 63-317, Idaho Code. The provisions  
43 of section 63-602Y, Idaho Code, shall not apply to the exemption provided by  
44 this subsection. The exemption provided by this subsection applies only to  
45 improvements to real property, and only until first occupied. For purposes  
46 of this section, the term "residential improvements" means only:

47 (a) Single family residences; or

48 (b) Residential townhouses; or

49 (c) Residential condominium units.

1 The nonresidential portion of an improvement to real property that is used  
 2 or is to be used for residential and nonresidential purposes does not qualify  
 3 for the exemption provided by this section. If an improvement contains mul-  
 4 tiple residential units, each such unit shall lose the exemption provided in  
 5 this section when it becomes occupied.

6 (4) Site improvements that are associated with land, such as roads and  
 7 utilities, on real property held by the land developer, either as owner or  
 8 vendee in possession under a land sale contract, for sale or consumption in  
 9 the ordinary course of the land developer's business until other improve-  
 10 ments, such as buildings or structural components of buildings, are ~~begun~~  
 11 completed or the real property is conveyed to a third party. For purposes of  
 12 this subsection, a transfer of title to real property to a legal entity of  
 13 which at least fifty percent (50%) is owned by the land developer, the land  
 14 developer's original entity or the same principals who owned the land devel-  
 15 oper's original entity shall not be considered a conveyance to a third party.  
 16 For purposes of this subsection, the amount of the exemption shall be the  
 17 difference between the market value of the land with site improvements and  
 18 the market value of the land without site improvements as shall be determined  
 19 by a comparative market analysis of a similarly situated parcel or parcels  
 20 of real property that have not been improved with such site improvements con-  
 21 templated by this subsection. In the case the market value of land without  
 22 site improvements cannot be reasonably assessed because of the absence of  
 23 comparable sales, an exemption value of seventy-five percent (75%) of the  
 24 market value of land with site improvements shall be granted to that parcel.  
 25 An application is required for the exemption provided in this subsection in  
 26 the first year the exemption is claimed; in subsequent consecutive years no  
 27 new application is required. The application must be made to the board of  
 28 county commissioners by April 15 and the taxpayer and county assessor must be  
 29 notified of any decision and assessment of property by May 15. The decision  
 30 or assessment of property, or both, of the board of county commissioners may  
 31 be appealed to the county board of equalization no later than the fourth Mon-  
 32 day in June. The applicant shall notify the board of county commissioners in  
 33 writing of any change in eligibility for the parcel by April 15.

34 SECTION 4. That Section 63-705, Idaho Code, be, and the same is hereby  
 35 amended to read as follows:

36 63-705. PUBLICATION OF CHANGES IN INCOME LIMITATIONS AND PROPERTY TAX  
 37 OR OCCUPANCY TAX REDUCTION AMOUNTS.

38 (1) (a) The state tax commission shall publish adjustments to the income  
 39 limitations, which shall be the greater of:

40 ~~(a) an~~ (i) An individual's income as defined in section 63-701,  
 41 Idaho Code, of not more than ~~twenty-eight~~ thirty-one thousand nine  
 42 hundred dollars (\$~~28,031,900~~) per household for tax year ~~2006~~ 2021  
 43 and each tax year thereafter; or

44 ~~(b) one~~ (ii) One hundred eighty-five percent (185%) of the federal  
 45 poverty guidelines for a household of two (2) for tax year ~~2006~~  
 46 2021 and each tax year thereafter.

47 (b) On and after January 1, 2022, if the current year's assessed value  
 48 of the home owned by the individual, according to the current year's  
 49 assessment notice, exceeds one hundred twenty-five percent (125%) of

1        the median assessed valuation for all homes in the county receiving  
 2        the homestead exemption pursuant to section 63-602G, Idaho Code, then  
 3        the individual will instead be referred to the property tax deferral  
 4        program set forth in sections 63-712 through 63-721, Idaho Code. Using  
 5        the current year's assessed values, each county shall report the median  
 6        assessed value of all properties receiving the homestead exemption in  
 7        such county as of that date to the state tax commission no later than  
 8        the first Monday in June. Provided, however, the provisions of this  
 9        paragraph do not apply to a veteran with either a service-connected  
 10       disability of one hundred percent (100%) or a disability rating based on  
 11       individual unemployability rating that is compensated at the one hun-  
 12       dred percent (100%) disability rate, as certified by the United States  
 13       department of veterans affairs.

14       (c) The lowest income limitation shall allow a maximum reduction of one  
 15       thousand ~~three hundred twenty five~~ hundred dollars (\$1,320~~500~~) in tax  
 16       year ~~2006~~ 2021 and thereafter, or actual property taxes or occupancy  
 17       taxes, as applicable, whichever is less. Each income limitation and re-  
 18       duction amount shall be prorated based on the basic maximum reduction,  
 19       in practicable increments so that the highest income limitation will  
 20       provide for a reduction of ~~one two~~ hundred fifty dollars (\$~~1~~250), or  
 21       actual property taxes, whichever is less.

22       (2) The tax commission shall publish the adjustments required by this  
 23 section each and every year the secretary of health and human services an-  
 24 nounces cost-of-living modifications, pursuant to 42 U.S.C. 415(i). The ad-  
 25 justments shall be published no later than October 1 of each such year and  
 26 shall be effective for claims filed in and for the following property tax  
 27 year.

28       (3) The publication of adjustments under this section shall be exempt  
 29 from the provisions of chapter 52, title 67, Idaho Code, but shall be pro-  
 30 vided to each county and to members of the public upon request and without  
 31 charge.

32       SECTION 5. That Section 63-705A, Idaho Code, be, and the same is hereby  
 33 amended to read as follows:

34       63-705A. SPECIAL PROPERTY TAX OR OCCUPANCY TAX REDUCTION FOR DISABLED  
 35 VETERANS. (1) For tax year 2020~~1~~ and thereafter, regardless of any reduc-  
 36 tion received under section 63-705, Idaho Code, a veteran with a service-  
 37 connected disability of one hundred percent (100%) or a disability rating  
 38 based on individual unemployability rating that is compensated at the one  
 39 hundred percent (100%) disability rate, as certified by the United States  
 40 department of veterans affairs, shall receive a special reduction in prop-  
 41 erty taxes or occupancy taxes levied on his homestead, as defined in sec-  
 42 tion 63-701, Idaho Code. The special tax reduction shall be in the amount of  
 43 one thousand ~~three~~ five hundred ~~twenty~~ dollars (\$1,320~~500~~) or for the amount  
 44 of the veteran's actual property taxes or occupancy taxes, as applicable,  
 45 whichever is less. If a veteran qualifies for tax reduction under both this  
 46 section and section 63-705, Idaho Code, the combined tax reduction amount  
 47 may not exceed the actual amount of the veteran's property taxes or occupancy  
 48 taxes on his homestead.

1 (2) An applicant for a special property tax or occupancy tax reduction  
 2 under this section shall comply with all procedural requirements set forth  
 3 in sections 63-701 through 63-710, Idaho Code, with the exception of any in-  
 4 come documentation.

5 (3) In the event that a qualified veteran applies for the special tax  
 6 reduction in this section but then dies, the veteran's surviving spouse is  
 7 entitled to receive the special tax reduction in that year and subsequent  
 8 years, until such time as the surviving spouse remarries, dies, or no longer  
 9 has property tax levied on the homestead.

10 SECTION 6. That Section 63-715, Idaho Code, be, and the same is hereby  
 11 amended to read as follows:

12 63-715. PROCEDURES -- APPEALS. Elections for deferral of payment of  
 13 property tax shall be subject to the provisions of section 63-706, Idaho  
 14 Code, and shall be included on the property tax reduction roll and processed  
 15 and reviewed as provided in section 63-707, Idaho Code, for claims for prop-  
 16 erty tax relief, except that an application for deferral must be submitted to  
 17 the state tax commission by no later than the first Monday in September.

18 SECTION 7. That Section 63-802, Idaho Code, be, and the same is hereby  
 19 amended to read as follows:

20 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --  
 21 EXCEPTIONS. (1) Except as otherwise provided in ~~subsections (3) and (4) of~~  
 22 this section, no taxing district shall certify a budget request for an amount  
 23 of property tax revenues to finance an annual budget that exceeds the ~~greater~~  
 24 ~~of paragraphs (a) through (k) of this subsection, inclusive~~ maximum sum per-  
 25 mitted under this section:

26 (a) ~~(i)~~ (i) The highest dollar amount of property taxes certified for  
 27 its annual budget for any one (1) of the three (3) tax years pre-  
 28 ceding the current tax year, ~~whichever is greater, for the past~~  
 29 ~~tax year,~~ which amount may be increased by a growth factor of not  
 30 to exceed three percent (3%) plus the amount of revenue calculated  
 31 as described in this subsection. ~~Multiply the levy of the previ-~~  
 32 ~~ous year, not including any levy described in subsection (4) of~~  
 33 ~~this section, or any school district levy reduction resulting from~~  
 34 ~~a distribution of state funds pursuant to section 63-3638(11) or~~  
 35 ~~(13), Idaho Code, The taxing district shall determine what por-~~  
 36 ~~tion of the three percent (3%) increase permitted under this sub-~~  
 37 ~~paragraph that it requires and then calculate a preliminary levy~~  
 38 ~~rate based on the percent chosen. In calculating the preliminary~~  
 39 ~~levy rate, the most current taxable market value shall be used, ex-~~  
 40 ~~cept that for taxable market values of centrally assessed operat-~~  
 41 ~~ing property, the prior year's valuation may be used instead of the~~  
 42 ~~current year's taxable market values. The preliminary levy rate~~  
 43 ~~shall be multiplied by the value shown on the new construction roll~~  
 44 ~~compiled pursuant to section 63-301A, Idaho Code,~~ and by ninety  
 45 percent (90%) of the value of annexation during the previous cal-  
 46 endar year, as certified by the state tax commission for taxable  
 47 market values of operating property of public utilities and by the

1 county assessor; except for a fire protection district annexing  
 2 property prior to July 1, 2021, pursuant to section 31-1429, Idaho  
 3 Code, the new levy rate shall be multiplied by one hundred percent  
 4 (100%) of the value of any such property annexed prior to July 1,  
 5 2021.

6 (ii) The total budget increase calculated under this paragraph  
 7 must not exceed eight percent (8%), except that any distribution  
 8 of funds to a taxing district as a result of the termination of a  
 9 revenue allocation area of an urban renewal district pursuant to  
 10 section 50-2909(4), Idaho Code, shall not be subject to such limi-  
 11 tation.

12 (iii) Following the first year in which a fire protection district  
 13 has annexed city property pursuant to section 31-1429, Idaho Code,  
 14 the city shall subtract an amount equal to the moneys spent on fire  
 15 protection services during the last full year the city provided  
 16 fire protection services to its residents from its budget limita-  
 17 tion under this section.

18 (b) If the taxing district has not imposed a levy for three (3) or more  
 19 years, the highest dollar amount of property taxes certified for its an-  
 20 ual budget for the purpose of paragraph (a) (i) of this subsection shall  
 21 be tThe dollar amount of property taxes certified for its annual budget  
 22 during the last year in which a levy was made.

23 (c) The dollar amount of the actual budget request, may be substituted  
 24 for the amount in paragraph (a) of this subsection if the taxing dis-  
 25 trict is newly created, except as may be provided in paragraph (i) of  
 26 this subsection.

27 (d) ~~In the case of school districts, the restriction~~ This section does  
 28 not apply to school district levies imposed in section 33-802, Idaho  
 29 Code.

30 (e) (i) In the case of a nonschool district for which less than the  
 31 maximum allowable increase in the dollar amount of property taxes  
 32 is certified for annual budget purposes in any one (1) year, such a  
 33 district may, in any following year, recover the forgone increase  
 34 by certifying, in addition to any increase otherwise allowed, an  
 35 amount not to exceed one hundred percent (100%) any or all of the  
 36 increase originally forgone. Provided however, that prior to bud-  
 37 geting any forgone increase, the district must provide notice of  
 38 its intent to do so, hold a public hearing, which may be in con-  
 39 junction with its annual budget hearing, and certify by resolution  
 40 the amount of forgone increase to be budgeted and the specific pur-  
 41 pose for which the forgone increase is being budgeted. Upon adop-  
 42 tion of the resolution, the clerk of the district shall file a copy  
 43 of the resolution with the county clerk and the state tax commis-  
 44 sion. Said additional amount shall be included in future calcula-  
 45 tions for increases as allowed, except as provided in subpara-  
 46 graph (iii) of this paragraph.

47 (ii) If the forgone increase is budgeted for the purpose of main-  
 48 tenance and operations, the rate of recovering the reserved for-  
 49 gone moneys may increase the taxing district's budget by no more  
 50 than one percent (1%) per year. Provided, however, this cap shall

1 not apply to a taxing district that budgets its reserved forgone  
 2 moneys for the purpose of maintenance and operations as long as it  
 3 does not budget, or reserve as forgone, any portion of the three  
 4 percent (3%) increase otherwise allowed and does not budget any  
 5 new construction or annexation increases.

6 (iii) If the forgone increase is budgeted for a capital project or  
 7 projects, the rate of recovering the reserved forgone moneys may  
 8 not exceed three percent (3%) of the taxing district's budget for  
 9 the year in which the forgone increase is budgeted. Forgone moneys  
 10 budgeted for a capital project must be deducted from the taxing  
 11 district's forgone balance in the year in which it is budgeted.  
 12 Upon completion of such a capital project, the taxing district  
 13 shall certify such completion to the state tax commission and  
 14 county clerk. If, upon certification, the state tax commission  
 15 finds that the taxing district included forgone moneys for a capi-  
 16 tal project in calculating the increase permitted under paragraph  
 17 (a) of this subsection, the state tax commission shall direct the  
 18 taxing district to reduce its property tax budget for any year  
 19 in which the forgone moneys were used to calculate a budget in-  
 20 crease, in an amount equal to the forgone moneys budgeted plus any  
 21 increases attributed to the forgone moneys improperly included in  
 22 the taxing district's property tax budget. For the purpose of this  
 23 paragraph, a capital project includes:

24 1. The construction, expansion, renovation, or replacement  
 25 of public facilities, including the acquisition of land and  
 26 other site improvements;

27 2. The construction, expansion, or reconstruction of public  
 28 works improvements, including roads, bridges, water sys-  
 29 tems, sewer systems, and broadband systems; and

30 3. The purchase of equipment with a useful life of ten (10)  
 31 years or more.

32 (f) If a taxing district elects to budget less than the maximum allow-  
 33 able increase in the dollar amount of property taxes, the taxing dis-  
 34 trict may reserve the right to recover all or any portion of that year's  
 35 forgone increase in a subsequent year by adoption of a resolution spec-  
 36 ifying the dollar amount of property taxes being reserved. Otherwise,  
 37 that year's forgone increase may not be recovered under paragraph (e) of  
 38 this subsection. The district must provide notice of its intent to do  
 39 so and hold a public hearing, which may be in conjunction with its an-  
 40 nual budget hearing if applicable. The resolution to reserve the right  
 41 to recover the forgone increase for that year shall be adopted at the an-  
 42 nual budget hearing of the taxing district if the district has a budget  
 43 hearing requirement.

44 (g) In the case of cities, if the immediately preceding year's levy  
 45 subject to the limitation provided by this section is less than 0.004,  
 46 the city may increase its budget by an amount not to exceed the differ-  
 47 ence between 0.004 and actual prior year's levy multiplied by the prior  
 48 year's market value for assessment purposes. The additional amount  
 49 must be approved by sixty percent (60%) of the voters voting on the ques-  
 50 tion at an election called for that purpose and held on the date in May or

1 November provided by law and may be included in the annual budget of the  
2 city for purposes of this section.

3 (h) A taxing district may submit to the electors within the district  
4 the question of whether the budget from property tax revenues may be  
5 increased beyond the amount authorized in this section, but not beyond  
6 the levy authorized by statute. The additional amount must be approved  
7 by sixty-six and two-thirds percent (66 2/3%) or more of the voters  
8 voting on the question at an election called for that purpose and held  
9 on the May or November dates provided by section 34-106, Idaho Code.  
10 If approved by the required minimum sixty-six and two-thirds percent  
11 (66 2/3%) of the voters voting at the election, the new budget amount  
12 shall be the base budget for the purposes of this section.

13 (i) When a nonschool district consolidates with another nonschool  
14 district or dissolves and a new district performing similar governmen-  
15 tal functions as the dissolved district forms with the same boundaries  
16 within three (3) years, the maximum amount of a budget of the district  
17 from property tax revenues shall not be greater than the sum of the  
18 amounts that would have been authorized by this section for the district  
19 itself or for the districts that were consolidated or dissolved and in-  
20 corporated into a new district.

21 ~~(j) In the instance or case of cooperative service agencies, the re-~~  
22 ~~strictions imposed in sections 33-315 through 33-318, Idaho Code. This~~  
23 ~~section does not apply to cooperative service agency levies imposed in~~  
24 ~~sections 33-317 and 33-317A, Idaho Code.~~

25 (k) The amount of money received in the twelve (12) months immediately  
26 preceding June 30 of the current tax year as a result of distributions of  
27 the tax provided in section 63-3502B(2), Idaho Code.

28 (2) In the case of fire districts, during the year immediately follow-  
29 ing the election of a public utility or public utilities to consent to be pro-  
30 vided fire protection pursuant to section 31-1425, Idaho Code, the maximum  
31 amount of property tax revenues permitted in subsection (1) of this section  
32 may be increased by an amount equal to the current year's taxable value of the  
33 consenting public utility or public utilities multiplied by that portion of  
34 the prior year's levy subject to the limitation provided by subsection (1) of  
35 this section.

36 (3) No board of county commissioners shall set a levy, nor shall the  
37 state tax commission approve a levy for annual budget purposes, which ex-  
38 ceeds the limitation imposed in subsection (1) of this section unless au-  
39 thority to exceed such limitation has been approved by a majority of the tax-  
40 ing district's electors voting on the question at an election called for that  
41 purpose and held pursuant to section 34-106, Idaho Code, provided however,  
42 that such voter approval shall be for a period of not to exceed two (2) years.

43 (4) The amount of property tax revenues to finance an annual budget does  
44 not include revenues from nonproperty tax sources and does not include rev-  
45 enue from levies for the payment of judicially confirmed obligations pur-  
46 suant to sections 63-1315 and 63-1316, Idaho Code, and revenue from levies  
47 that are voter-approved for bonds, override levies or supplemental levies,  
48 plant facilities reserve fund levies, school emergency fund levies or for  
49 levies applicable to newly annexed property or for levies applicable to new  
50 construction as evidenced by the value of property subject to the occupancy

1 tax pursuant to section 63-317, Idaho Code, for the preceding tax year. The  
 2 amount of property tax revenues to finance an annual budget does not include  
 3 any property taxes that were collected and refunded on property that is ex-  
 4 empt from taxation, pursuant to section 63-1305C, Idaho Code.

5 (5) The amount of property tax revenues to finance an annual budget  
 6 shall include moneys received as recovery of property tax for a revoked pro-  
 7 visional property tax exemption under section 63-1305C, Idaho Code.

8 SECTION 8. That Section 63-313, Idaho Code, be, and the same is hereby  
 9 amended to read as follows:

10 63-313. SPECIAL PROVISIONS FOR TRANSIENT PERSONAL PROPERTY. (1) All  
 11 transient personal property shall be listed by the owner and shall show the  
 12 quantity, name, model, serial number, if any, year of manufacture, date of  
 13 purchase, cost, whether new or used and other identifying information re-  
 14 quired by the county assessor. The list of transient personal property shall  
 15 identify the owner of the property and shall be filed with the home county  
 16 assessor on or before the first day of November of each year. The owner of  
 17 transient personal property may elect to treat as his home county that county  
 18 in which he maintains his residence or usual place of business or in which  
 19 the transient personal property is usually kept. The report shall be made on  
 20 forms prescribed by the state tax commission and shall identify periods of  
 21 thirty (30) days or more during which the personal property is located in a  
 22 county, specifying the location of the transient personal property for each  
 23 month of the current calendar year with a projection of the location for the  
 24 remaining months of November and December.

25 (2) The county assessor of the home county or the receiving county of  
 26 the listing shall file within ten (10) days with the county assessor of all  
 27 counties identified on the report a copy of the report. Each county so iden-  
 28 tified shall then place a prorated assessment on such personal property on  
 29 the subsequent or missed property roll only for the length of time that the  
 30 personal property was located in their county.

31 (3) In the event that any transient personal property has been or will  
 32 be taxed for the current year in another state, the property shall be taxed  
 33 for only that portion of the year that the transient personal property is  
 34 kept and does remain in the state of Idaho.

35 (4) The provisions of this section shall not apply to transient per-  
 36 sonal property in transit through this state, or to transient personal prop-  
 37 erty sold by the owner thereof in the home county upon which the taxes for  
 38 the full year have been paid or secured, which said transient personal prop-  
 39 erty is kept, moved, transported, shipped or hauled into and remaining in  
 40 another county, and there kept or remaining either for the purpose of use or  
 41 sale within the current year.

42 (5) For transient personal property valued at ~~over~~ more than one hun-  
 43 dred thousand dollars (\$100,000), any exemption in section 63-602KK, Idaho  
 44 Code, available to the taxpayer shall be allocated among counties based on  
 45 the prorated value provided in subsection (2) of this section.

46 (6) Beginning January 1, 2022, all transient personal property is ex-  
 47 empt from taxation. No replacement moneys shall be provided as a result of  
 48 this subsection.

1 SECTION 9. That Section 63-602KK, Idaho Code, be, and the same is hereby  
2 amended to read as follows:

3 63-602KK. PROPERTY EXEMPT FROM TAXATION -- CERTAIN PERSONAL PROPERTY.

4 (1) (a) An item of taxable personal property purchased on or after Jan-  
5 uary 1, 2013, shall be exempt from property taxation if the item of tax-  
6 able personal property has an acquisition price of three thousand dol-  
7 lars (\$3,000) or less.

8 (b) For purposes of this section, the term "acquisition cost" means all  
9 costs required to put an item of taxable personal property into service  
10 and includes:

11 (i) The purchase price of a new or used item;

12 (ii) The cost of freight and shipping;

13 (iii) The cost of installation, engineering, erection or assem-  
14 bly; and

15 (iv) Sales and use taxes.

16 (c) For purposes of this subsection, an "item of taxable personal prop-  
17 erty" means equipment, machinery, furniture or other personal property  
18 that is functioning at its highest and best use for the purpose it was  
19 designed and constructed and is generally capable of performing that  
20 function without being combined with other items of personal property.  
21 An item of taxable personal property is not an individual component part  
22 of a piece of equipment, machinery, furniture or other personal prop-  
23 erty as a whole. An item of taxable personal property does not include  
24 an improvement to real property, a part that will become an improvement,  
25 or anything defined as a fixture.

26 (2) (a) On and after January 1, 2015, except as provided in subsection  
27 (8) of this section, each person's personal property, located in the  
28 county, which is not otherwise exempt, shall be exempt to the extent of  
29 one hundred thousand dollars (\$100,000).

30 (b) On and after January 1, 2022, except as provided in subsection  
31 (8) of this section, each person's personal property, located in the  
32 county, which is not otherwise exempt, shall be exempt to the extent of  
33 an additional amount of one hundred fifty thousand dollars (\$150,000).  
34 The combined exemption under this paragraph and paragraph (a) of this  
35 subsection shall not exceed a total amount of two hundred fifty thousand  
36 dollars (\$250,000).

37 (c) For the purposes of this section, a person includes two (2) or more  
38 people using the property in a common enterprise who are within a rela-  
39 tionship described in section 267 of the Internal Revenue Code, as de-  
40 fined in section 63-3004, Idaho Code.

41 (3) (a) No later than the third Monday of November 2013, the county  
42 clerk of each county shall certify to the state tax commission the  
43 amount of exemption from property taxes under subsection (2) (a) of this  
44 section, in that county for that year. No later than the third Monday  
45 of November 2022, the county clerk of each county shall certify to the  
46 state tax commission the amount of exemption from property taxes under  
47 subsection (2) (b) of this section in that county for that year. The cer-  
48 tification shall identify the property receiving tax reductions, the  
49 value of the property, the property's location, the amount of the tax

1 levy applicable to personal property in the location, and the tax before  
2 and after the exemption allowed in subsection (2) of this section. The  
3 certification shall be in the form prescribed by the state tax commis-  
4 sion and shall include such additional information as the commission  
5 may require by rule as needed to implement the purpose of this section.  
6 The certification shall be reviewed and, if necessary, corrected by the  
7 state tax commission.

8 (b) Except as provided in subsection (7) of this section, ~~the year be-~~  
9 ~~ginning January 1, 2014, and every year thereafter, a taxing district~~  
10 ~~created prior to January 1, 2013, shall be eligible for reimbursement~~  
11 ~~for the exemptions granted under subsection (2) (a) and (b) of this sec-~~  
12 ~~tion. A taxing district created on and after January 1, 2013, and prior~~  
13 ~~to January 1, 2022, shall be eligible for reimbursement of property~~  
14 ~~taxes exempted only under subsection (2) (b) of this section. A taxing~~  
15 ~~district created on or after January 1, 2022, shall not be eligible for~~  
16 ~~reimbursement of any property taxes exempted under this section. The~~  
17 amount of annual replacement of property tax on personal property ex-  
18 empted pursuant to subsection (2) of this section shall be the amount  
19 approved by the state tax commission pursuant to paragraph (a) of this  
20 subsection.

21 (4) (a) Subject to the limitations of this section, the state tax  
22 commission shall reimburse from the amount appropriated for personal  
23 property tax replacement in section 63-3638, Idaho Code, the county  
24 treasurer of each county for the reduction on the certifications pro-  
25 vided in subsection (3) of this section. The county treasurer shall  
26 reimburse from the amount received to each taxing district within the  
27 county an amount in proportion to the amount of reduction shown on the  
28 certifications in subsection (3) of this section as corrected. The  
29 amount that would otherwise be attributable to tax revenues derived  
30 from tax levies on personal property exempted by this section within  
31 an existing revenue allocation area as defined in section 50-2903(15),  
32 Idaho Code, shall be paid directly by the county treasurer to such pub-  
33 lic body or agency entitled thereto, equal to the amounts that would  
34 have been distributed in accordance with the formula for such distribu-  
35 tion set forth in section 50-2908, Idaho Code. ~~Taxing districts created~~  
36 ~~on or after January 1, 2013, shall not be eligible for the reimbursement~~  
37 ~~provided for in this paragraph.~~

38 (b) The state tax commission shall pay one-half (1/2) of the reimburse-  
39 ment provided in this section no later than December 20 of each year, and  
40 the second one-half (1/2) shall be paid by no later than June 20 of the  
41 following year. The money received by the county tax collector under  
42 the provisions of this section may be considered by counties and other  
43 taxing districts and budgeted against at the same time, and in the same  
44 manner, and in the same year as revenues from taxation. The total amount  
45 paid to the county treasurers shall not exceed the amount certified to  
46 the state tax commission under subsection (3) of this section.

47 (c) For purposes of the limitation provided by section 63-802, Idaho  
48 Code, moneys received from distributions pursuant to section 63-3638,  
49 Idaho Code, as property tax replacement for the taxable value of prop-

1 erty exempt from taxation pursuant to this section shall be treated as  
2 property tax revenues.

3 (5) (a) Nothing contained in this section shall affect the taxation of  
4 forest lands or forest products pursuant to chapter 17, title 63, Idaho  
5 Code, or the taxation of the net profits of mines pursuant to chapter 28,  
6 title 63, Idaho Code.

7 (b) The exemption from personal property tax provided for in subsec-  
8 tion (2) of this section shall not apply to motor vehicles, recreational  
9 vehicles, aircraft and boats that are not registered with the state of  
10 Idaho and for which required registration fees have not been paid.

11 (6) (a) The application for the exemption provided for in subsection  
12 (2) of this section shall be in the form prescribed by the state tax com-  
13 mission and shall include such information as the state tax commission  
14 may require by rule as needed to implement the purpose of this section  
15 including, but not limited to, a list of each item of personal property,  
16 the purchase date of each item of personal property, the unit cost of  
17 each item of personal property, if more than the exemption allowed in  
18 subsection (1) of this section, and the total cost of the items of per-  
19 sonal property.

20 (b) The application for this exemption, if the county is capable of so  
21 providing, may be transmitted by the county assessor electronically,  
22 as that term is defined in section 63-115, Idaho Code, when requested  
23 by the taxpayer, or mailed by the county assessor to the taxpayer, or  
24 his agent or representative at the taxpayer's last known post office  
25 address, no later than March 1 of each year. The transmission or mail-  
26 ing of the application shall also include the taxpayer's application  
27 for the exemption allowed by this section for the last year in which the  
28 taxpayer filed an application.

29 (c) A taxpayer need only make application for the exemption in this sec-  
30 tion once as long as all of the following conditions are met:

31 (i) The taxpayer has received the exemption during the previous  
32 year as a result of him making a valid application as defined in  
33 this section.

34 (ii) The amount of the exemption allowed by this section is more  
35 than the taxable value of personal property owned by the taxpayer.

36 (iii) The taxpayer has not made purchases of personal property,  
37 excluding items of taxable personal property exempted pursuant to  
38 subsection (1) of this section, that would cause the taxable value  
39 of the personal property owned by the taxpayer to exceed the maxi-  
40 mum amount allowed as an exemption by this section.

41 (d) Knowingly failing to report changes in the taxable value of per-  
42 sonal property that exceed the amount of the exemption allowed pursuant  
43 to this section shall subject the taxpayer to a fine not in excess of ten  
44 thousand dollars (\$10,000) in addition to other penalties set forth in  
45 this chapter.

46 (7) Recovery of property tax exemptions allowed by this section but im-  
47 properly claimed:

48 (a) Upon discovery of evidence, facts or circumstances indicating any  
49 exemption allowed by this section was improperly claimed, the county  
50 assessor shall decide whether the exemption claimed should have been

1 allowed, and if not, notify the board of county commissioners, at which  
2 time the board may waive a recovery of the property tax and notify such  
3 taxpayer in writing.

4 (b) The assessment and collection of the recovery of property tax must  
5 begin within the seven (7) year period beginning on the date the assess-  
6 ment notice reflecting the improperly claimed exemption was required to  
7 be mailed to the taxpayer.

8 (c) The taxpayer may appeal to the board of tax appeals the decision by  
9 the board of county commissioners to assess the recovery of property tax  
10 within thirty (30) days of the date the county assessor sent the notice  
11 to the taxpayer pursuant to this section.

12 (d) For purposes of calculating the tax, the amount of the recovered  
13 property tax shall be for each year the exemption allowed by this sec-  
14 tion was improperly claimed or approved, up to a maximum of seven (7)  
15 years. The amount of the recovery of property tax shall be calculated  
16 using the product of the amount of exempted value for each year multi-  
17 plied by the levy for that year plus costs, late charges and interest for  
18 each year at the rates equal to those provided for delinquent property  
19 taxes during that year. In cases of fraud, the fine set forth in subsec-  
20 tion (6) (d) of this section shall be assessed for each tax year.

21 (e) Any recovery of property tax shall be due and payable no later than  
22 the date provided for property taxes in section 63-903, Idaho Code, and  
23 if not timely paid, late charges and interest, beginning the first day  
24 of January in the year following the year the county assessor sent the  
25 notice to the taxpayer pursuant to this section, shall be calculated at  
26 the current rate provided for property taxes.

27 (f) Recovered property taxes shall be billed, collected and dis-  
28 tributed in the same manner as property taxes. If the recovery is  
29 for property tax for which the state provided replacement money, the  
30 amounts recovered shall be reported and remitted to the state tax  
31 commission, which shall reimburse the general fund. The state tax com-  
32 mission will then notify each affected taxing district or unit of its  
33 proportionate share of the recovered property tax, which amount shall  
34 be deducted from future payments to be made pursuant to subsection (3)  
35 of this section.

36 (g) Thirty (30) days after the taxpayer is notified, as provided in  
37 paragraph (a) of this subsection, the assessor shall record a notice  
38 of intent to attach a lien. Upon the payment in full of such recov-  
39 ered property taxes prior to the attachment of the lien as provided in  
40 paragraph (h) of this subsection, or upon the successful appeal by the  
41 taxpayer, the county assessor shall record a rescission of the intent to  
42 attach a lien within seven (7) business days of receiving such payment  
43 or within seven (7) business days of the county commissioners' decision  
44 granting the appeal.

45 (h) Any unpaid recovered property taxes shall become a lien upon the  
46 taxpayer's personal property in the same manner as provided for prop-  
47 erty taxes in section 63-206, Idaho Code, except such lien shall attach  
48 as of the first day of January in the year following the year the county  
49 treasurer sent the notice to the taxpayer pursuant to this section.

1 (i) For purposes of the limitation provided by section 63-802, Idaho  
 2 Code, moneys received pursuant to this subsection as recovery of prop-  
 3 erty tax shall be treated as property tax revenue.

4 (8) For operating property with values apportioned to more than one (1)  
 5 county, the personal property exemption shall be subtracted from the Idaho  
 6 allocated value prior to apportionment and, for private railcar companies,  
 7 prior to determining whether their values are to be apportioned. Notwith-  
 8 standing amounts calculated as provided in subsection (1) of this section,  
 9 the amount of the exemption otherwise provided in subsection (2) of this sec-  
 10 tion shall be calculated as follows:

11 (a) Take the lesser amount of:

12 (i) The number of counties in which a company has operating  
 13 property multiplied by ~~one~~ two hundred fifty thousand dollars  
 14 (~~\$10~~250,000); or

15 (ii) The total statewide value of eligible personal property re-  
 16 ported by the company.

17 (b) Reduce the amount calculated in paragraph (a) of this subsection by  
 18 the value of any nonoperating personal property granted the exemption  
 19 otherwise found in subsection (2) of this section, as reported by county  
 20 assessors.

21 SECTION 10. That Section 63-803, Idaho Code, be, and the same is hereby  
 22 amended to read as follows:

23 63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing  
 24 district is required by law to certify to any county treasurer, county audi-  
 25 tor, county assessor, county commissioners, or ~~to any other county officer,~~  
 26 any property tax levy, ~~upon~~ on property located within said district, such  
 27 certification shall, notwithstanding any other provision of the law appli-  
 28 cable to any such district, be made at the time and in the manner hereinafter  
 29 provided.

30 (2) The county auditor shall inform each of the taxing districts within  
 31 his county of the taxable value of that district as soon as such value is  
 32 known to the auditor, whether the value comes from the appraisal and assess-  
 33 ment of real and personal property, ~~or~~ from allocation of the taxable value  
 34 of operating property, or from other sources.

35 (3) Using the taxable value of the district, the council, trustees,  
 36 board or other governing body of any taxing district shall certify the total  
 37 amount required from a property tax upon property within the district to  
 38 raise the amount of money fixed by ~~their~~ its budget as previously prepared or  
 39 approved. The amount of money so determined shall be certified in dollars  
 40 to the appropriate county commissioners. Any taxing unit, except regional  
 41 airport authorities, located in more than one (1) county shall divide its  
 42 dollar budget for certification to the separate counties by multiplying the  
 43 amount of such budget by a fraction, the numerator of which shall be the total  
 44 taxable value of all property in such taxing unit within the county to which  
 45 such certification is to be made, and the denominator of which shall be the  
 46 total taxable value of property in such taxing unit in all such counties.  
 47 Budget certification to the participating counties of regional airport  
 48 authorities shall be made in the manner prescribed in section 21-807(10),  
 49 Idaho Code. Taxable value shall be certified by the county auditor of each

1 affected county to such taxing unit and such certification shall be used in  
 2 this formula. Except as provided in section 33-805, Idaho Code, relating to  
 3 school emergency fund levies, the certification to the county commissioners  
 4 required in this section shall be made not later than the Thursday prior  
 5 to the second Monday in September, unless, upon application therefor, the  
 6 county commissioners grant an extension of not more than seven (7) working  
 7 days. After receipt of this certification, the county commissioners shall  
 8 make a tax levy as a percent of taxable value of all property in the taxing  
 9 district which, when applied to the tax rolls, will meet the budget require-  
 10 ments certified by such taxing districts.

11 (4) Except as provided in section 50-2908(1), Idaho Code, for the pur-  
 12 pose of this section, "taxable value" shall mean the portion of the equalized  
 13 assessed value, less any exemptions, not including the additional exemption  
 14 provided for tax year 2022 in section 63-602KK(2) (b), Idaho Code, and the  
 15 value that exceeds the value of the base assessment roll for the portion of  
 16 any taxing district within a revenue allocation area of an urban renewal  
 17 district, located within each taxing district ~~which~~ that certifies a budget  
 18 to be raised from a property tax levy. When the county auditor is notified  
 19 of revenues sufficient to cover expenses as provided in section 50-2903(5),  
 20 Idaho Code, taxable value shall also include the value that exceeds the value  
 21 of the base assessment roll for the portion of any taxing district within  
 22 a revenue allocation area. For each taxing district, taxable value shall  
 23 include the value from the property and operating property rolls for the  
 24 current year and subsequent and missed property rolls for the prior year or  
 25 the best estimate of the subsequent and missed property rolls for the current  
 26 year.

27 SECTION 11. That Section 63-3638, Idaho Code, be, and the same is hereby  
 28 amended to read as follows:

29 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
 30 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,  
 31 and 63-3709, Idaho Code, and except as provided in subsection (16) of this  
 32 section, shall be distributed by the state tax commission as follows:

33 (1) An amount of money shall be distributed to the state refund account  
 34 sufficient to pay current refund claims. All refunds authorized under this  
 35 chapter by the state tax commission shall be paid through the state refund  
 36 account, and those moneys are continuously appropriated.

37 (2) Five million dollars (\$5,000,000) per year is continuously appro-  
 38 priated and shall be distributed to the permanent building fund, provided by  
 39 section 57-1108, Idaho Code.

40 (3) Four million eight hundred thousand dollars (\$4,800,000) per year  
 41 is continuously appropriated and shall be distributed to the water pollution  
 42 control fund established by section 39-3628, Idaho Code.

43 (4) An amount equal to the sum required to be certified by the chair-  
 44 man of the Idaho housing and finance association to the state tax commis-  
 45 sion pursuant to section 67-6211, Idaho Code, in each year is continuously  
 46 appropriated and shall be paid to any capital reserve fund established by  
 47 the Idaho housing and finance association pursuant to section 67-6211, Idaho  
 48 Code. Such amounts, if any, as may be appropriated hereunder to the capital  
 49 reserve fund of the Idaho housing and finance association shall be repaid for

1 distribution under the provisions of this section, subject to the provisions  
2 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-  
3 tion, as soon as possible, from any moneys available therefor and in excess  
4 of the amounts the association determines will keep it self-supporting.

5 (5) An amount equal to the sum required by the provisions of sections  
6 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
7 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
8 paid as provided by sections 63-709 and 63-717, Idaho Code.

9 (6) An amount required by the provisions of chapter 53, title 33, Idaho  
10 Code.

11 (7) An amount required by the provisions of chapter 87, title 67, Idaho  
12 Code.

13 (8) For fiscal year 2011 and each fiscal year thereafter, four million  
14 one hundred thousand dollars (\$4,100,000), of which two million two hundred  
15 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four  
16 (44) counties in equal amounts and one million nine hundred thousand dol-  
17 lars (\$1,900,000) shall be distributed to the forty-four (44) counties in  
18 the proportion that the population of the county bears to the population of  
19 the state. For fiscal year 2012 and for each fiscal year thereafter, the  
20 amount distributed pursuant to this subsection shall be adjusted annually  
21 by the state tax commission in accordance with the consumer price index for  
22 all urban consumers (CPI-U) as published by the U.S. department of labor,  
23 bureau of labor statistics, but in no fiscal year shall the total amount  
24 allocated for counties under this subsection be less than four million one  
25 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-  
26 justment required in this section shall be distributed to each county in the  
27 proportion that the population of the county bears to the population of the  
28 state. Each county shall establish a special election fund to which shall  
29 be deposited all revenues received from the distribution pursuant to this  
30 subsection. All such revenues shall be used exclusively to defray the costs  
31 associated with conducting elections as required of county clerks by the  
32 provisions of section 34-1401, Idaho Code.

33 (9) One dollar (\$1.00) on each application for certificate of title  
34 or initial application for registration of a motor vehicle, snowmobile,  
35 all-terrain vehicle or other vehicle processed by the county assessor or the  
36 Idaho transportation department, excepting those applications in which any  
37 sales or use taxes due have been previously collected by a retailer, shall be  
38 a fee for the services of the assessor of the county or the Idaho transporta-  
39 tion department in collecting such taxes and shall be paid into the current  
40 expense fund of the county or state highway account established in section  
41 40-702, Idaho Code.

42 (10) Eleven and five-tenths percent (11.5%) is continuously appro-  
43 priated and shall be distributed to the revenue-sharing account, which is  
44 hereby created in the state treasury, and the moneys in the revenue-sharing  
45 account will be paid in installments each calendar quarter by the state tax  
46 commission on and after July 1, 2020, as follows:

47 (a) Forty-five and two-tenths percent (45.2%) shall be paid to the var-  
48 ious cities as follows:

49 (i) The revenue-sharing amount calculated by the state tax com-  
50 mission for the various cities for each quarter of fiscal year 2020

1 shall be the base amount for current quarterly revenue distribu-  
 2 tion amounts. The state tax commission shall calculate the per  
 3 capita distribution for each city resulting from the previous fis-  
 4 cal year's distributions.

5 (ii) If there is no change in the amount of the revenue-sharing  
 6 account from the same quarter of the previous fiscal year, then the  
 7 various cities shall receive the same amount received for the same  
 8 quarter of the previous fiscal year.

9 (iii) If the balance of the revenue-sharing account for the cur-  
 10 rent quarter is greater than the balance of the revenue-sharing  
 11 account for the same quarter of the previous fiscal year, then:

12 1. If the distributions made to the cities during the same  
 13 quarter of the previous fiscal year were below the base  
 14 amount established in fiscal year 2020, then the various  
 15 cities shall first receive a proportional increase up to the  
 16 base amount for each city and up to a one percent (1%) in-  
 17 crease over such base amount. Any remaining moneys shall be  
 18 distributed to cities with a below-average per capita dis-  
 19 tribution in the proportion that the population of that city  
 20 bears to the population of all cities with below-average per  
 21 capita distributions within the state.

22 2. If the distributions made to the cities during the same  
 23 quarter of the previous fiscal year were at or above the  
 24 base amount established in fiscal year 2020, then the cities  
 25 shall receive the same distribution they received during the  
 26 same quarter of the previous fiscal year plus a proportional  
 27 increase up to one percent (1%). Any remaining moneys shall  
 28 be distributed to the cities with a below-average per capita  
 29 distribution in the proportion that the population of that  
 30 city bears to the population of all cities with a below-aver-  
 31 age per capita distribution within the state.

32 (iv) If the balance of the revenue-sharing account for the cur-  
 33 rent quarter is less than the balance of the revenue-sharing ac-  
 34 count for the same quarter of the previous fiscal year, then the  
 35 cities shall first receive a proportional reduction down to the  
 36 base amount established in fiscal year 2020. If further reduc-  
 37 tions are necessary, the cities shall receive reductions based on  
 38 the proportion that each city's population bears to the population  
 39 of all cities within the state.

40 (b) Forty-seven and one-tenth percent (47.1%) shall be paid to the var-  
 41 ious counties as follows:

42 (i) Fifty-nine and eight-tenths percent (59.8%) of the amount to  
 43 be distributed under this paragraph (b) of this subsection shall  
 44 be distributed as follows:

45 1. One million three hundred twenty thousand dollars  
 46 (\$1,320,000) annually shall be distributed one forty-fourth  
 47 (1/44) to each of the various counties; and

48 2. The balance of such amount shall be paid to the various  
 49 counties, and each county shall be entitled to an amount in

1           the proportion that the population of that county bears to  
2           the population of the state; and

3           (ii) Forty and two-tenths percent (40.2%) of the amount to be dis-  
4           tributed under this paragraph (b) of this subsection shall be dis-  
5           tributed as follows:

6           1. Each county that received a payment under the provisions  
7           of section 63-3638(e), Idaho Code, as that subsection ex-  
8           isted immediately prior to July 1, 2000, during the fourth  
9           quarter of calendar year 1999, shall be entitled to a like  
10          amount during succeeding calendar quarters.

11          2. If the dollar amount of money available under this sub-  
12          section (10) (b) (ii) in any quarter does not equal the amount  
13          paid in the fourth quarter of calendar year 1999, each  
14          county's payment shall be reduced proportionately.

15          3. If the dollar amount of money available under this sub-  
16          section (10) (b) (ii) in any quarter exceeds the amount paid  
17          in the fourth quarter of calendar year 1999, each county  
18          shall be entitled to a proportionately increased payment,  
19          but such increase shall not exceed one hundred five percent  
20          (105%) of the total payment made in the fourth quarter of  
21          calendar year 1999.

22          4. If the dollar amount of money available under this sub-  
23          section (10) (b) (ii) in any quarter exceeds one hundred five  
24          percent (105%) of the total payment made in the fourth quar-  
25          ter of calendar year 1999, any amount over and above such  
26          one hundred five percent (105%) shall be paid to the various  
27          counties in the proportion that the population of the county  
28          bears to the population of the state; and

29          (c) Seven and seven-tenths percent (7.7%) of the amount appropriated in  
30          this subsection shall be paid to the several counties for distribution  
31          to special purpose taxing districts as follows:

32          (i) Each such district that received a payment under the provi-  
33          sions of section 63-3638(e), Idaho Code, as such subsection ex-  
34          isted immediately prior to July 1, 2000, during the fourth quarter  
35          of calendar year 1999, shall be entitled to a like amount during  
36          succeeding calendar quarters.

37          (ii) If the dollar amount of money available under this subsec-  
38          tion (10) (c) in any quarter does not equal the amount paid in the  
39          fourth quarter of calendar year 1999, each special purpose taxing  
40          district's payment shall be reduced proportionately.

41          (iii) If the dollar amount of money available under this subsec-  
42          tion (10) (c) in any quarter exceeds the amount distributed under  
43          paragraph (c) (i) of this subsection, each special purpose tax-  
44          ing district shall be entitled to a share of the excess based on  
45          the proportion each such district's current property tax budget  
46          bears to the sum of the current property tax budgets of all such  
47          districts in the state. The state tax commission shall calculate  
48          district current property tax budgets to include any unrecovered  
49          forgone amounts as determined under section 63-802(1) (e), Idaho  
50          Code. When a special purpose taxing district is situated in more

1 than one (1) county, the state tax commission shall determine the  
2 portion attributable to the special purpose taxing district from  
3 each county in which it is situated.

4 (iv) If special purpose taxing districts are consolidated, the  
5 resulting district is entitled to a base amount equal to the sum of  
6 the base amounts received in the last calendar quarter by each dis-  
7 trict prior to the consolidation.

8 (v) If a special purpose taxing district is dissolved or disin-  
9 corporated, the state tax commission shall continuously distrib-  
10 ute to the board of county commissioners an amount equal to the  
11 last quarter's distribution prior to dissolution or disincorpora-  
12 tion. The board of county commissioners shall determine any re-  
13 distribution of moneys so received.

14 (vi) Taxing districts formed after January 1, 2001, are not en-  
15 titled to a payment under the provisions of this paragraph (c) of  
16 this subsection.

17 (vii) For purposes of this paragraph (c) of this subsection, a spe-  
18 cial purpose taxing district is any taxing district that is not a  
19 city, a county, or a school district.

20 (11) Amounts calculated in accordance with section 2, chapter 356, laws  
21 of 2001, for annual distribution to counties and other taxing districts be-  
22 ginning in October 2001 for replacement of property tax on farm machinery and  
23 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool  
24 districts, the state tax commission shall distribute one-fourth (1/4) of  
25 this amount certified quarterly to each county. For school districts, the  
26 state tax commission shall distribute one-fourth (1/4) of the amount certi-  
27 fied quarterly to each school district. For nonschool districts, the county  
28 auditor shall distribute to each district within thirty (30) calendar days  
29 from receipt of moneys from the state tax commission. Moneys received by  
30 each taxing district for replacement shall be utilized in the same manner  
31 and in the same proportions as revenues from property taxation. The moneys  
32 remitted to the county treasurer for replacement of property exempt from  
33 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the  
34 counties and other taxing districts and budgeted at the same time, in the  
35 same manner and in the same year as revenues from taxation on personal prop-  
36 erty which these moneys replace. If taxing districts are consolidated, the  
37 resulting district is entitled to an amount equal to the sum of the amounts  
38 received in the last calendar quarter by each district pursuant to this  
39 subsection prior to the consolidation. If a taxing district is dissolved  
40 or disincorporated, the state tax commission shall continuously distribute  
41 to the board of county commissioners an amount equal to the last quarter's  
42 distribution prior to dissolution or disincorporation. The board of county  
43 commissioners shall determine any redistribution of moneys so received. If  
44 a taxing district annexes territory, the distribution of moneys received  
45 pursuant to this subsection shall be unaffected. Taxing districts formed  
46 after January 1, 2001, are not entitled to a payment under the provisions  
47 of this subsection. School districts shall receive an amount determined by  
48 multiplying the sum of the year 2000 school district levy minus .004 times  
49 the market value on December 31, 2000, in the district of the property exempt  
50 from taxation pursuant to section 63-602EE, Idaho Code, provided that the

1 result of these calculations shall not be less than zero (0). The result of  
 2 these school district calculations shall be further increased by six per-  
 3 cent (6%). For purposes of the limitation provided by section 63-802, Idaho  
 4 Code, moneys received pursuant to this section as property tax replacement  
 5 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,  
 6 shall be treated as property tax revenues.

7 (12) Amounts necessary to pay refunds as provided in section 63-3641,  
 8 Idaho Code, to a developer of a retail complex shall be remitted to the demon-  
 9 stration pilot project fund created in section 63-3641, Idaho Code.

10 (13) Amounts calculated in accordance with ~~subsection (4)~~ of section  
 11 63-602KK(4), Idaho Code, for annual distribution to counties and other  
 12 taxing districts for replacement of property tax on personal property tax  
 13 exemptions pursuant to ~~subsection (2)~~ of section 63-602KK(2), Idaho Code,  
 14 which amounts are continuously appropriated unless the legislature enacts a  
 15 different appropriation for a particular fiscal year. For purposes of the  
 16 limitation provided by section 63-802, Idaho Code, moneys received pursuant  
 17 to this section as property tax replacement for property exempt from taxa-  
 18 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property  
 19 tax revenues. If taxing districts are consolidated, the resulting district  
 20 is entitled to an amount equal to the sum of the amounts that were received in  
 21 the last calendar year by each district pursuant to this subsection prior to  
 22 the consolidation. If a taxing district or revenue allocation area annexes  
 23 territory, the distribution of moneys received pursuant to this subsection  
 24 shall be unaffected. Taxing districts and revenue allocation areas formed  
 25 after January 1, ~~2013~~ 2022, are not entitled to a payment under the provi-  
 26 sions of this subsection.

27 (14) Amounts collected from purchasers and paid to the state of Idaho by  
 28 retailers that are not engaged in business in this state and which retailer  
 29 would not have been required to collect the sales tax, less amounts other-  
 30 wise distributed in subsections (1) and (10) of this section, shall be dis-  
 31 tributed to the tax relief fund created in section 57-811, Idaho Code. The  
 32 state tax commission will determine the amounts to be distributed under this  
 33 subsection.

34 (15) Any moneys remaining over and above those necessary to meet and  
 35 reserve for payments under other subsections of this section shall be dis-  
 36 tributed to the general fund.

37 (16) One percent (1%), but not less than fifteen million dollars  
 38 (\$15,000,000), is continuously appropriated and shall be distributed to the  
 39 transportation expansion and congestion mitigation fund established in sec-  
 40 tion 40-720, Idaho Code. The distribution provided for in this subsection  
 41 must immediately follow the distribution provided for in subsection (10) of  
 42 this section.

43 SECTION 12. SEVERABILITY. The provisions of this act are hereby de-  
 44 clared to be severable and if any provision of this act or the application  
 45 of such provision to any person or circumstance is declared invalid for any  
 46 reason, such declaration shall not affect the validity of the remaining por-  
 47 tions of this act.

48 SECTION 13. An emergency existing therefor, which emergency is hereby  
 49 declared to exist, Sections 1, 2, 3, 4, 5, 6, 7, and 12 of this act shall be in

## Appendix D

26

1 full force and effect on and after passage and approval, and retroactively to  
2 January 1, 2021. Sections 8, 9, 10, and 11 of this act shall be in full force  
3 and effect on and after January 1, 2022.



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## **The Statewide Effects of 389 on Idaho's Cities** *(information by legislative districts will be delivered soon)*

What is 389? HB389 (2021) created a cap on the amount a city could grow their budgets based on new construction, annexation, urban renewal expansion, and reclassification. Because of this cap, growth is not paying for itself, forcing cities to either reduce services or for costs to be absorbed by existing homeowners.

### **What Do Property Taxes Cover?**

In 2025, city budgets spent \$654,558,027 on fire, police, and EMS, while only collecting **\$636,344,375** from property tax.



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**Hitting the Cap - 157** of Idaho cities could not build a small neighborhood, McDonalds, and grocery store without hitting the cap. **143** cities would be taken over the cap by the development of a 50 household neighborhood and **85** cities would be taken over the cap by only building ten houses!

- The average house in Idaho as of 2025 is valued at **\$507,400**
- An average McDonald's in Idaho is valued at around **\$2,220,532**
- An average grocery store in Idaho is valued at **\$7,875,249**



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**What's the compromise?** Adopt a three-tiered approach: no cap for cities under 10,000, a 15% cap for cities between 10,000 and 30,000, and the existing 8% cap for cities over 30,000. This allows growth to better pay for itself in smaller and mid-sized communities while maintaining current constraints on larger cities.



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## The Effects of 389 on Idaho's Cities by City Size

Small Cities (10,000 Population and Below)	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Average Population	Max New Construction Value Before Hitting 8% Cap
<b>Average of 0-5,000 Population (161 cities)</b>	24.30	58.31	1,023	\$10,714,064
<b>Average of 5,001-10,000 Population (10 cities)</b>	93.28	223.87	6,976	\$39,055,005
<b>Average of Small Cities (171 cities)</b>	28.33	68.00	1,378	\$12,405,831
Medium Cities (10,000 – 30,000)	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Average Population	Max New Construction Value Before Hitting 8% Cap
<b>Average of 10,001-20,000 (11 cities)</b>	231.04	554.50	14,116	\$100,407,865
<b>Average of 20,001-30,000 (3 cities)</b>	333.78	801.08	25,372	\$151,767,683
<b>Average of Medium Cities (14 cities)</b>	253.06	607.34	16,528	\$111,200,486
Large Cities (30,000 Population and Above)	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Average Population	Max New Construction Value Before Hitting 8% Cap
<b>Average of 30,001-50,000 (4 Cities)</b>	632.11	1,517.06	38,660	\$313,321,219
<b>Average of 50,001-238,000 (8 Cities)</b>	1,667.25	4,001.41	101,105	\$834,100,478
<b>Average of Large Cities (12 Cities)</b>	1,322.20	3,173.29	78,934	\$660,507,392

**What's the compromise?** Adopt a three-tiered approach: no cap for cities under 10,000, a 15% cap for cities between 10,000 and 30,000, and the existing 8% cap for cities over 30,000. This allows growth to better pay for itself in smaller and mid-sized communities while maintaining current constraints on larger cities.



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## The Effects of H389 in District 1 Sample Cities

	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Population	Max New Construction Before Hitting 8% Cap
City of Bonners Ferry	40.88	98.11	2,788	\$15,278,396
City of Oldtown	4.48	10.76	256	\$2,111,261

### According to the Idaho Realtors Association



The Average Price of a Home in Boundary County is: **\$373,760**

### Testimonial

As a result of the 8% cap, the City has:

- Delayed infrastructure investments needed to support new residential neighborhoods, including streets, utilities, and stormwater systems.
- Limited staffing growth in planning, public works/maintenance.
- Constrained its ability to proactively support commercial activity, despite being the commercial engine of Bonner County and generating over \$24 million annually in sales tax revenue for the State of Idaho.
- Missed opportunities to reinvest locally in services and infrastructure that would support continued residential and commercial expansion.

The limitation imposed by House Bill 389 has resulted in a suppressed property tax base, reducing the City's long-term financial capacity to support sustainable economic development.

- City of Ponderay

**Small/Medium City Support:** Adopt a three-tiered approach: no cap for cities under 10,000, a 15% cap for cities between 10,000 and 30,000, and the existing 8% cap for cities over 30,000. This allows growth to better pay for itself in smaller and mid-sized communities while maintaining current constraints on larger cities.

**Large City Support:** Restore new construction and annexation from 90% back to 100% and maintain use of the previous year's levy rate. Together, these changes, along with the three-tiered approach we have presented, would help ensure that the costs created by growth are borne more fully by that growth, rather than shifted onto existing taxpayers.



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## The Effects of H389 in District 8 Sample Cities

	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Population	Max New Construction Before Hitting 8% Cap
City of Cascade	22.88	54.9	1,026	\$14,896,827
City of Mountain Home	250.83	601.98	16,912	\$75,822,356

### According to the Idaho Realtors Association



The Average Price of a Home in Valley County is:

**\$651,170**



### Testimonial



The city has had trouble with ongoing road infrastructure improvements each year since the cap was put in place.

- City of Cascade

**Small/Medium City Support:** Adopt a three-tiered approach: no cap for cities under 10,000, a 15% cap for cities between 10,000 and 30,000, and the existing 8% cap for cities over 30,000. This allows growth to better pay for itself in smaller and mid-sized communities while maintaining current constraints on larger cities.

**Large City Support:** Restore new construction and annexation from 90% back to 100% and maintain use of the previous year's levy rate. Together, these changes, along with the three-tiered approach we have presented, would help ensure that the costs created by growth are borne more fully by that growth, rather than shifted onto existing taxpayers.



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## The Effects of H389 in District 14 Sample Cities

	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Population	Max New Construction Before Hitting 8% Cap
<b>City of Emmett</b>	106.54	255.69	8,803	\$43,066,300
<b>City of Star</b>	341.14	818.73	18,208	\$197,330,360

### According to the Idaho Realtors Association



The Average Price of a Home in Gem County is:

**\$404,230**

### Testimonial

H389 has limited our ability to properly fund our public safety. We levy only \$2,197,000 on a \$4.5 billion taxable value. Our police costs is roughly \$4 million per year. Our Star Fire District is unable to fund staffing for a new fire station that has been built with impact fees...

Without H389, new growth would have covered and paid for the entirety of the new personnel of the fire district and keeping up with inflation and would have covered the needed officers required for Police due to growth.

- City of Star

**Small/Medium City Support:** Adopt a three-tiered approach: no cap for cities under 10,000, a 15% cap for cities between 10,000 and 30,000, and the existing 8% cap for cities over 30,000. This allows growth to better pay for itself in smaller and mid-sized communities while maintaining current constraints on larger cities.

**Large City Support:** Restore new construction and annexation from 90% back to 100% and maintain use of the previous year's levy rate. Together, these changes, along with the three-tiered approach we have presented, would help ensure that the costs created by growth are borne more fully by that growth, rather than shifted onto existing taxpayers.



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## The Effects of H389 in District 27

### Sample Cities

	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Population	Max New Construction Before Hitting 8% Cap
<b>City of Burley</b>	198.99	477.58	12,211	\$16,010,148
<b>City of Minidoka</b>	1.13	2.72	84	\$289,635

### According to the Idaho Realtors Association



The Average Price of a Home in Cassia County is:

**\$279,480**

### Testimonial

“ [The] city annexed in some property, [a] new home was built, and that alone hit the 8% cap. Turned away a small commercial business as it would exceed the 8% cap again. ”

– City of Minidoka

**Small/Medium City Support:** Adopt a three-tiered approach: no cap for cities under 10,000, a 15% cap for cities between 10,000 and 30,000, and the existing 8% cap for cities over 30,000. This allows growth to better pay for itself in smaller and mid-sized communities while maintaining current constraints on larger cities.

**Large City Support:** Restore new construction and annexation from 90% back to 100% and maintain use of the previous year's levy rate. Together, these changes, along with the three-tiered approach we have presented, would help ensure that the costs created by growth are borne more fully by that growth, rather than shifted onto existing taxpayers.



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## The Effects of H389 in District 31 Sample Cities

	Number of Houses that can be Built Before Hitting the 8% Cap	Number of Houses that could be Built Before Hitting a 15% Cap	Population	Max New Construction Before Hitting 8% Cap
City of Mud Lake	1.43	3.44	359	\$499,915
City of St. Anthony	39.17	94.02	4,093	\$11,990,712

### According to the Idaho Realtors Association



The Average Price of a Home in Fremont County is: **\$306,090**

### Testimonial

“ We are struggling to keep up infrastructure needs for new development on both ends of town that are trying to develop... To add to that burden, our general fund is not keeping up with what we need to add two Police positions and two Fire/EMS positions to cover all the growth that we are experiencing.

- City of Rexburg ”

**Small/Medium City Support:** Adopt a three-tiered approach: no cap for cities under 10,000, a 15% cap for cities between 10,000 and 30,000, and the existing 8% cap for cities over 30,000. This allows growth to better pay for itself in smaller and mid-sized communities while maintaining current constraints on larger cities.

**Large City Support:** Restore new construction and annexation from 90% back to 100% and maintain use of the previous year's levy rate. Together, these changes, along with the three-tiered approach we have presented, would help ensure that the costs created by growth are borne more fully by that growth, rather than shifted onto existing taxpayers.