

# Understanding your tax bill

By Mary Lou Hansen  
Teton County Clerk

The 2018 tax bills are in the mail and will result in the collection of \$16.9 million in property taxes. This money will be distributed to 14 different taxing districts and will provide about 34% of the funds needed for their combined budgets.<sup>1</sup>

Every year, County employees answer hundreds of questions about property values and tax bills. They explain that the amount of a specific tax bill is determined by the budget needs of the 14 taxing districts and by the percent of change in the value of that particular piece of property as compared to the overall change in county property values. They distribute a pie chart (see attachment) to illustrate how property taxes are distributed.

## What's a Taxing District?

Teton County has a total of 14 different taxing districts.<sup>2</sup> Five are county-wide: school, county, fire, mosquito and library. Every piece of taxable property<sup>3</sup> in the county may be assessed taxes to fund the budgets of these five districts.

Nine taxing districts have specific boundaries within the county. Their budgets are funded only by properties within their boundaries. The non-county-wide taxing districts include three cities (Victor, Driggs, Teton); five cemetery districts (Bates, Cache Clawson, Driggs Darby, Haden, Victor Cedron) and one flood control district.

Each of the county's 14 taxing districts is managed by an elected governing board<sup>4</sup> that determines the district's annual budget. Officials responsible for one taxing district have no authority over the budget of any other taxing district.<sup>5</sup>

## Who Controls Taxing District Budgets?

Idaho law requires every taxing district to have a balanced budget and strictly limits a district's ability to borrow money. State law also requires every taxing district to publish their proposed budget and hold a public hearing before adopting that budget. State laws also specify the maximum tax levy rate for each type of taxing district.

As long as these state laws are followed, each governing board has total discretion over the budget for their taxing district. After determining the expense budget needed to provide the services and infrastructure for which the district was organized, the board makes revenue projections in order to adopt a balanced budget. The governing board must also ensure the proper expenditure of all funds.

## What about the 3% Cap?

Idaho law sets a cap on the annual increase in the portion of a taxing district's budget funded by property tax. The property tax portion of a district's budget may increase by no more than 3%, plus an amount for new construction and annexation (and voter approved levies and bonds if applicable).

*The 3% cap does not limit the increase in the amount of any single property tax bill; it only limits the increase in the total amount of property tax collected by a taxing district. The tax bill for a specific property may increase at a rate higher than 3% if the value of that property increases at a rate greater than the average, or if voters approve new bonds or other levies, such as the two new school bonds approved by voters in November 2017.*

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<sup>1</sup>Some taxing districts rely almost entirely on property tax revenue while others have a variety of other income sources, which may include revenue sharing from the state, grants, user fees and unspent revenues from previous years. The combined FY19 budgets for the 14 taxing districts total \$50 million.

<sup>2</sup>Since the Fire District began providing ambulance services in August 2015, the Ambulance Service District levied no taxes in 2016 or 2017 and was dissolved effective September 30, 2018.

<sup>3</sup>Exception: The Fire District does not levy taxes on agricultural land.

<sup>4</sup>Exception: Idaho State law requires the County Commissioners to appoint Mosquito District board members and the Director of the Idaho Department of Water Resources to appoint Flood Control District Commissioners.

<sup>5</sup>Exception: The County Commissioners review and approve the Mosquito District budget, per Idaho state law.

### **How are Tax Levies Calculated?**

A taxing district's levy rate is calculated by dividing the district's property tax budget by the total taxable value of all properties within the district. For example, if a taxing district's budget calls for \$10,000 in property taxes and the district contains total taxable property valued at \$5 million, its levy rate will be .2% ( $\$10,000/\$5,000,000 = .002$ ).

### **What can I do to lower my Property Taxes?**

- \*If you qualify for the Homeowners' Exemption, be sure to file an application with the Assessor by April 15 next year.
- \*Review your annual Assessment Notice next June and immediately call the Assessor's office if you think an error has been made.
- \*Understand the activities and budgets of the taxing districts funded by your property taxes. Participate in their elections and budget hearings.

### **Taxing District Contact Information:**

#### COUNTY-WIDE DISTRICTS

Teton County: 208-354-8771

Teton School District #401: 208-228-5923

Teton Fire Protection District: 208-715-5201

Mosquito Abatement District: 208-354-2703

Valley of the Tetons: 208-787-2201

#### CITIES

City of Victor: 208-787-2940

City of Driggs: 208-354-2362

City of Tetonia: 208-456-2249

#### CEMETERY DISTRICTS

Bates Cemetery District: 208-709-5083

Cache Clawson Cemetery District: 208-456-2333

Driggs Darby Cemetery District: 208-351-8432

Haden Cemetery District: 208-456-2637

Victor Cedron Cemetery District: 208-201-1396

#### OTHER DISTRICTS

Flood Control District #18: 354-3344