



## **BOISE COUNTY BOARD OF COUNTY COMMISSIONERS**

**FOR IMMEDIATE RELEASE – May 1, 2012**

### **Tax Impact Analysis for Budget Increase - YES**

Boise County Commissioners and Clerk discussed their first set of bond scenarios Monday to consider what participating in the Idaho Bond Bank would require. To date, \$2.25 million has been paid on the \$5.4 million awarded by a jury that heard Alamar's case against Boise County. The balance owing is \$3.15 million accruing interest at 5.5%. Boise County Commissioners and department heads have identified in the FY2012 budget another \$500,000 to use as a down payment against the bond debt. Boise County will pursue an application to the Idaho Bond Bank to refinance the remaining Alamar debt.

The Idaho Bond Bank has been created to provide a low-cost financing option to local municipalities in Idaho and maintains a high investment grade rating which allows it to obtain lower interest rates than most local governmental entities can obtain independently. The Bond Bank's high credit rating is a result of the strong credit that secures the program, which is primarily a function of the State's sales tax pledge. In general, each borrower receiving a loan from the Idaho Bond Bank must demonstrate that their historic 3-year average of State shared revenues will cover the annual bond payment.

Looking at 5 year, 7 year and 10 year debt structure assumptions received from Zions Bank, Boise County's State shared revenues could cover a 7 year annual bond payment. These shared revenues are not the money's used to pay the annual bond payment, but the guarantee. Under the 7 year scenario, the required bond levy increase, assuming the County's Taxable Value remains level during the next seven years, would be 0.00062422.

If the voters approve the budget increase this levy rate is far less than the maximum 0.001 allowed by the vote. And again, that levy increase is allowed only after the required subtractions are taken away from the annual bond payment first. Those required subtractions will come before the 0.00062422 rate is calculated annually. The County's Taxable Value used in the table is from FY2011. The FY2012 numbers are expected to drop but have not been firmly established at this time.

## Boise County Tax Impact Analysis

\$3,245,000 GO Bond with \$500,000 Equity Contribution  
and Idaho Bond Bank AA1 Credit

### Bond Debt Structure Assumptions:

Bond Size: \$2,745,000

Term (Years Outstanding): **7 Year**

Borrowing Rate (1): 1.40%

Annual Bond Payment: \$414,408

### Annual Tax Impact Calculation

Annual Bond Payment: \$414,408

Net Taxable Value (2): \$663,881,407

Required Bond Levy Increase (Payment/Tax. Value): 0.00062422

### Tax Impact for Primary Homes

Full Taxable Value of Property	Net Taxable Value of Home (After Primary Homeowner Exemption) (3)	Annual Tax Increase	Monthly Tax Increase
\$50,000	\$25,000	\$15.61	\$1.30
\$100,000	\$50,000	\$31.21	\$2.60
\$150,000	\$75,000	\$46.82	\$3.90
\$167,948	\$83,974	\$52.42	\$4.37
\$200,000	\$116,026	\$72.43	\$6.04
\$250,000	\$166,026	\$103.64	\$8.64
\$300,000	\$216,026	\$134.85	\$11.24
\$350,000	\$266,026	\$166.06	\$13.84
\$400,000	\$316,026	\$197.27	\$16.44
\$450,000	\$366,026	\$228.48	\$19.04
\$500,000	\$416,026	\$259.69	\$21.64

### Tax Impact for Businesses and Non-Primary Homes

Full Taxable Value of Property	Net Taxable Value of Property	Annual Tax Increase	Monthly Tax Increase
\$100,000	\$100,000	<b>\$62.42</b>	<b>\$5.20</b>

(1) Assumes the County issues through the Idaho Bond Bank Authority - Credit Rating of AA1

(2) Assumes the County's Taxable Value remains level during next 7 years

(3) Primary Home Owners are allowed to receive a 50% exemption on the taxable value of both their home and land (homestead) up to \$83,974 in 2012

Prepared by: Zions Bank Public Finance

Keep checking the website [www.boisecounty.us](http://www.boisecounty.us) for information as it becomes available including multi-year scenarios. Commissioners invite questions and comments. Please contact: Bob Fry, 208 365-8705, [fryrobert47@gmail.com](mailto:fryrobert47@gmail.com) ; Terry Day, 208 392-9505, [tday@co.boise.id.us](mailto:tday@co.boise.id.us) ; or Jamie Anderson, 208 462-3439, [jamiea@frontiernet.net](mailto:jamiea@frontiernet.net) .