

IDAHO
State Tax Commission

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December 29, 2011

The Honorable Boise County Commissioners
420 Main Street
Idaho City, Idaho 83631

RE: United States District Court, Case 1:09-cv-004-BLW
Order for Payment of Judgment

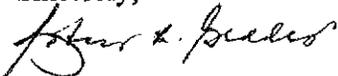
Dear Commissioners:

The Idaho State Tax Commission (Commission) reviewed the Order for Payment of Judgment in the above case. The Commission understands the order to require that Boise County submit a budget, the property tax portion of which is to go to the limit of the 3 percent budget cap imposed by Idaho Code § 63-802, and then exceed that limit by 0.2 percent of the market value for assessment purposes of all taxable property in the county. The 0.2 percent is the maximum levy permitted for the warrant redemption fund authorized by Idaho Code § 63-806. The Commission further understands the order to require that, should the Commission reject a budget that exceeds the 3 percent cap by the amount authorized by Idaho Code § 63-806, Boise County is to submit a budget that exceeds the 3 percent cap by 0.1 percent of the market value of taxable property in the county, this being the maximum amount allowed under Article VII, § 15 of the Idaho Constitution for a warrant redemption fund levy.

This letter is to inform you that the Commission does not have the statutory authority to approve budgets that exceed the 3 percent cap by either 0.2 percent or 0.1 percent of market value of taxable property. The Commission feels it better to inform you of this now rather than wait until late October 2012 before rejecting any budget required by the district court's order.

The Commission understands how trying this is for Boise County. It has always, however, insisted that any exceptions to the 3 percent cap be contained in the statute itself, Idaho Code § 63-802, or in another statute that specifically references the budget cap statute. The code contains no exceptions either for payment of judgments or for funding the warrant redemption fund.

Sincerely,



Robert L. Geddes
Chairman, Idaho State Tax Commission

rlg/ceo/vjd

cc: The Honorable R.J. Twilegar, Prosecuting Attorney