



Kuna Joint School District No. 3

Plant Levy Overview

Board Meeting April 11, 2023

Michael Keith

VICE PRESIDENT

Tel: +1 208-501-7533

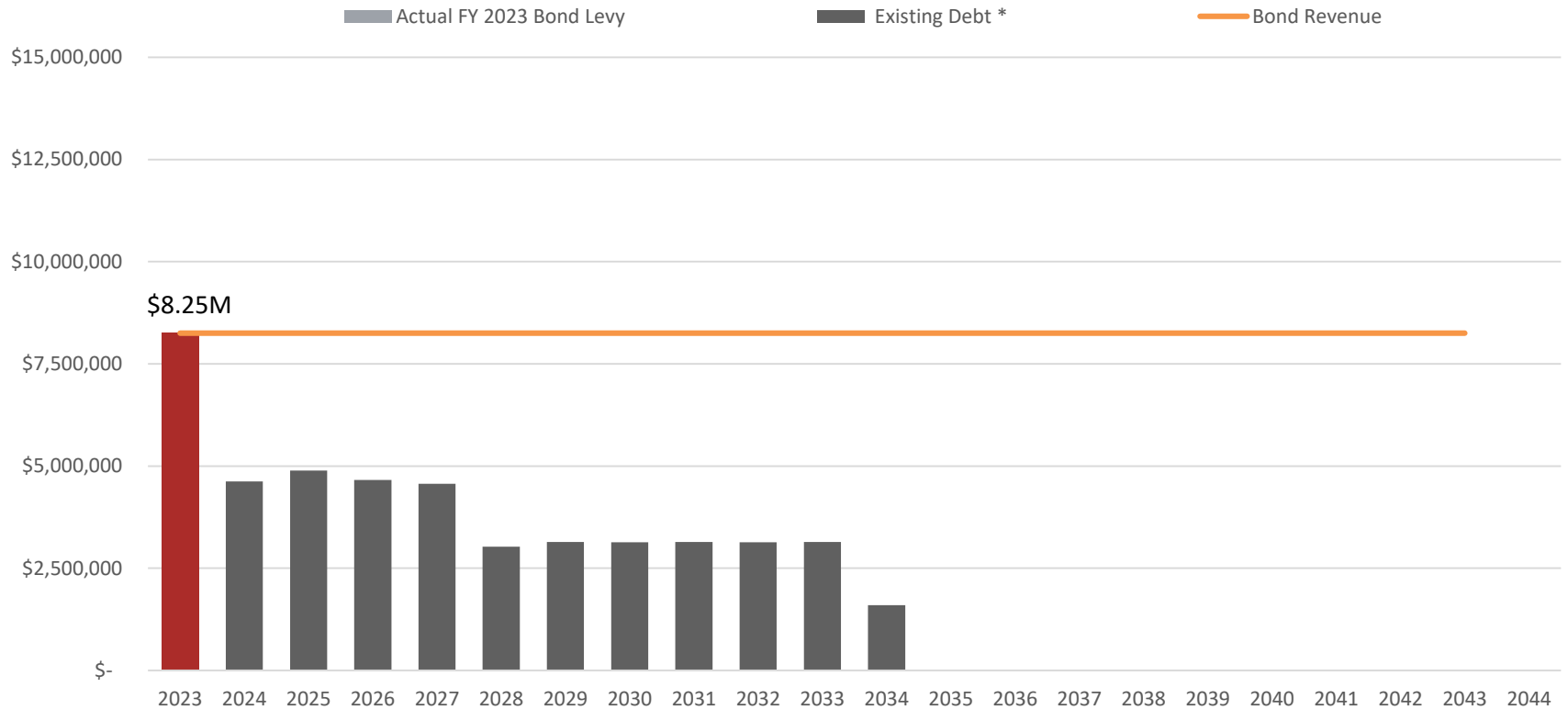
Email: michael.keith@zionsbancorp.com

ZIONS  PUBLIC FINANCE, INC.

Overview of Voted Levies

	Bond	Plant Levy	Supplemental M&O Levy
Voter Threshold	66 2/3rds	66 2/3rds 60% 55%	50%+1 (simple majority)
General Purpose	Capital Projects	Capital Projects (typically repair/replace)	General Fund Expenditures
Funding/ Repayment	Property Taxes	Property Taxes	Property Taxes
Cash Flow	Borrow money up front, repay debt over time	Tied to property tax cycle. Funds received every 6 months	Tied to property tax cycle. Funds received every 6 months
Term	Up to 30 years	Up to 10 years	Up to 2 years

Current Debt Structure



BOND

Voter Authorization: 66 2/3rds

Term: up to 30 years

Use of Funds: Capital Projects

Cash Flows: Received upfront to build projects.

State Programs:

*School Bond Guaranty
Bond Levy Equalization*

VS

PLANT

Voter Authorization: 55%, 60%, 66 2/3%

Term: 10 years

Use of Funds: Capital Projects

Cash Flows: annually for 10 years

State Programs: None

Borrowing Options: Plant levy cash flows can be used to pay lease payments under an annual appropriation lease

Idaho School District Plant Facilities Levy

Idaho Code 33-901: *The board of trustees of any school district may create and establish a school plant facilities reserve fund by resolution adopted at any regular or special meeting of the board.*

Disbursements from a school plant facilities reserve fund may be made, from time to time, as the board of trustees may determine, for purposes for which bonds may be issued under 33-1102, and for lease and lease purchase agreements for such purposes. This includes the ability to acquire, purchase or improve a school site or school sites; to build a schoolhouse or schoolhouses or other building or buildings; to demolish or remove school buildings; to add to, remodel or repair any existing building; to furnish and equip any building or buildings, including all lighting, heating, ventilation and sanitation facilities and appliances necessary to maintain and operate the buildings.....

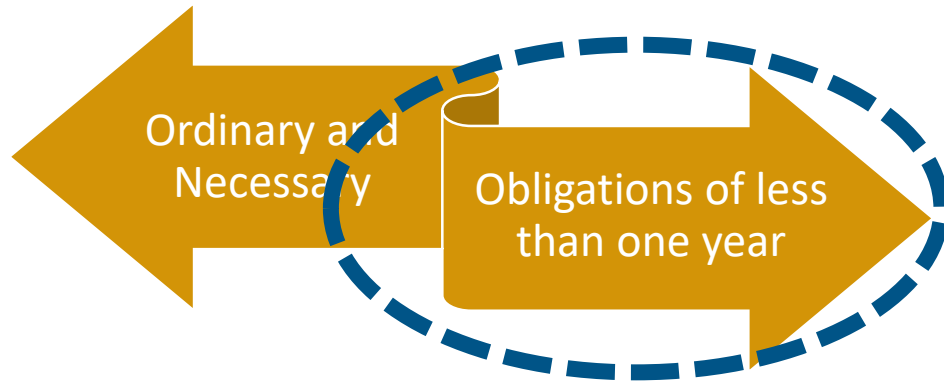
Idaho Code 33-804: *Any school district in which a school plant facilities reserve fund has been created, either by resolution of the board of trustees or by apportionment to new districts according to the provisions of section 33-901, Idaho Code, to provide funds therefor the board of trustees shall submit to the qualified school electors of the district the question of a levy not to exceed four-tenths of one percent (.4%) of market value for assessment purposes in each year, as such valuation existed on December 31 of the previous year, for a period not to exceed ten (10) years.*

The annual dollar amount to be collected shall be approved only if

- **55% Voter Approval** Combined bond and plant < **0.2% (0.002)** of taxable market value
- **60% Voter Approval** Combined bond and plant > **0.2% (0.002)** but < **0.3% (0.003)** of taxable market value
- **66 2/3% Voter Approval** Combined bond and plant > **0.3% (0.003)** of taxable market value but levy may not exceed **0.4% (0.004)**

Plant Facility Levy w/ Annual Appropriation Lease

Idaho Constitution requires 2/3rd supermajority voter approval for “indebtedness” unless -



Greater Boise Auditorium District v. Frazier - 2015

Result: Appropriation leases, if properly structured,
are not considered debt under the Idaho Constitution

Lease financing with a Plant Levy

Project Types: New construction.

Revenue Source: Plant levy is passed to provide a new revenue source.

Concept: Lease for one year at a time so the lease is not “debt” and therefore voter approval not required.

Annual Appropriation Lease Utilization

The following are some examples of Idaho municipalities that have used this type of Lease/Purchase financing:

Completed Transactions

Issuer	Use	Repayment
Kimberly School District	acquire land for future school sites	combination of plant levy and general fund
College of Western Idaho	2018 Lease: acquire three previously library, classroom building and administrative building leased buildings 2022 Lease: Health and Science Facilities, Horticulture Improvements	General revenues of the College
Blaine County School District	Judicially confirmed at District Court level to finance various projects	Plant Levy
State of Idaho	Utilizes the annual appropriation lease/purchase financing mechanism through the Idaho State Building Authority	From State General Fund Revenues
Fremont County	Jail Facility	General Revenues
Ada County	Corner Facility	General Revenues
City of Twin Falls	Fire Station	General Revenues and Impact Fees
City of Chubbuck	City Hall	General Revenues

Other School Districts Considering this strategy:

- **West Ada (May Election)**
- **Idaho Falls (May Election)**

Plant Levy Calculations

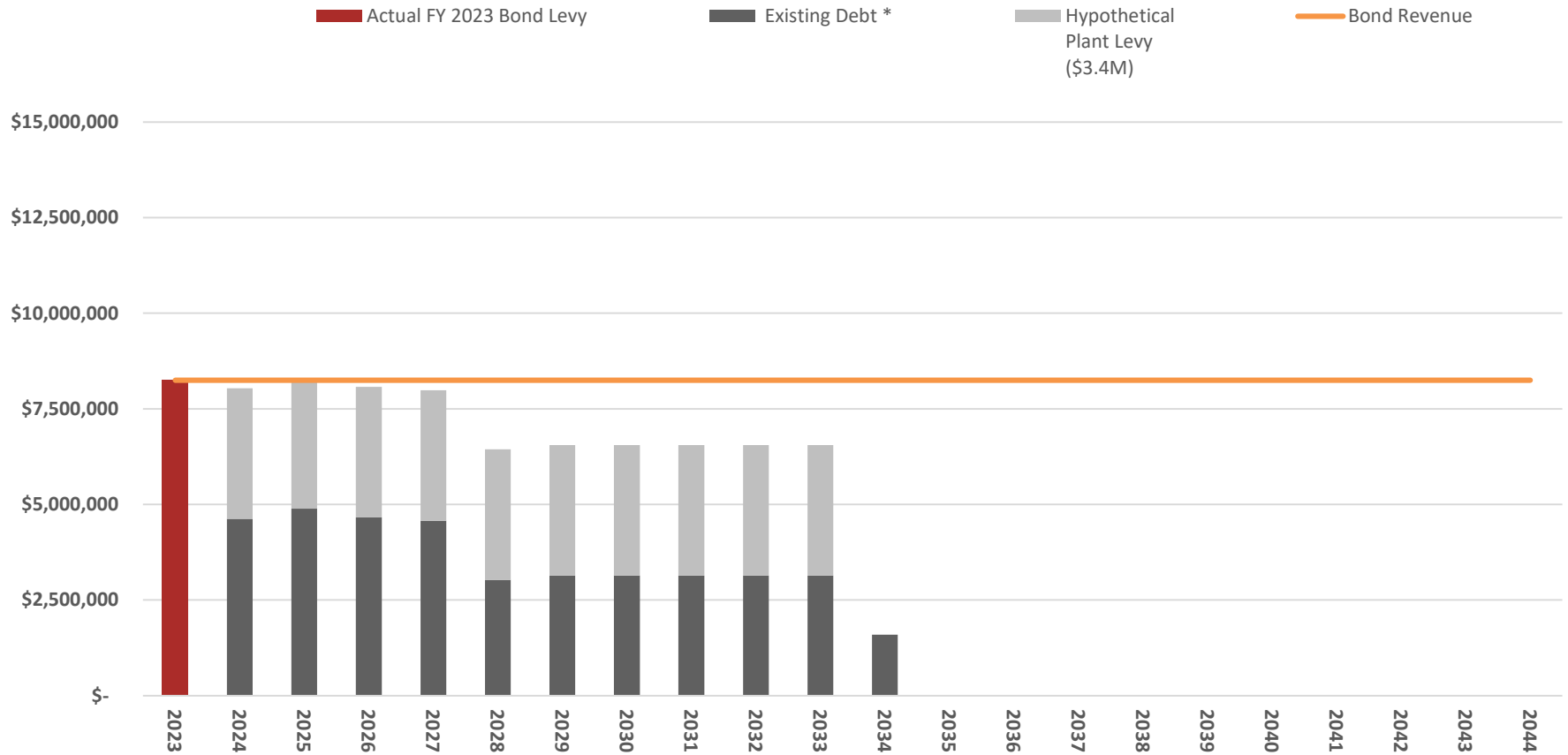
Voter Approval Calculations for Plant Levies

Voter Approval Rate	55% No Increase 0.00155	55% Max up to 0.002	60% 0.002 - 0.003
Combined Plant & Bond Levy			
District Taxable Market Value (Sept. 2022)	\$ 5,317,245,594	\$ 5,317,245,594	\$ 5,317,245,594
Max Combined Levy Rate	0.00155	0.0020	0.0030
Current Bond Levy	\$ 8,250,000		
Maximum Plant Levy	\$ -	\$ 10,634,491	\$ 15,951,737
Less: Bond Levy needed for 2024 PMT	\$ 4,837,750	\$ 4,837,750	\$ 4,837,750
Net Available Plant Levy	\$ 3,412,250	\$ 5,796,741	\$ 11,113,987
Projected Proceeds from borrowing	\$ 29,200,000	\$ 49,700,000	\$ 95,400,000

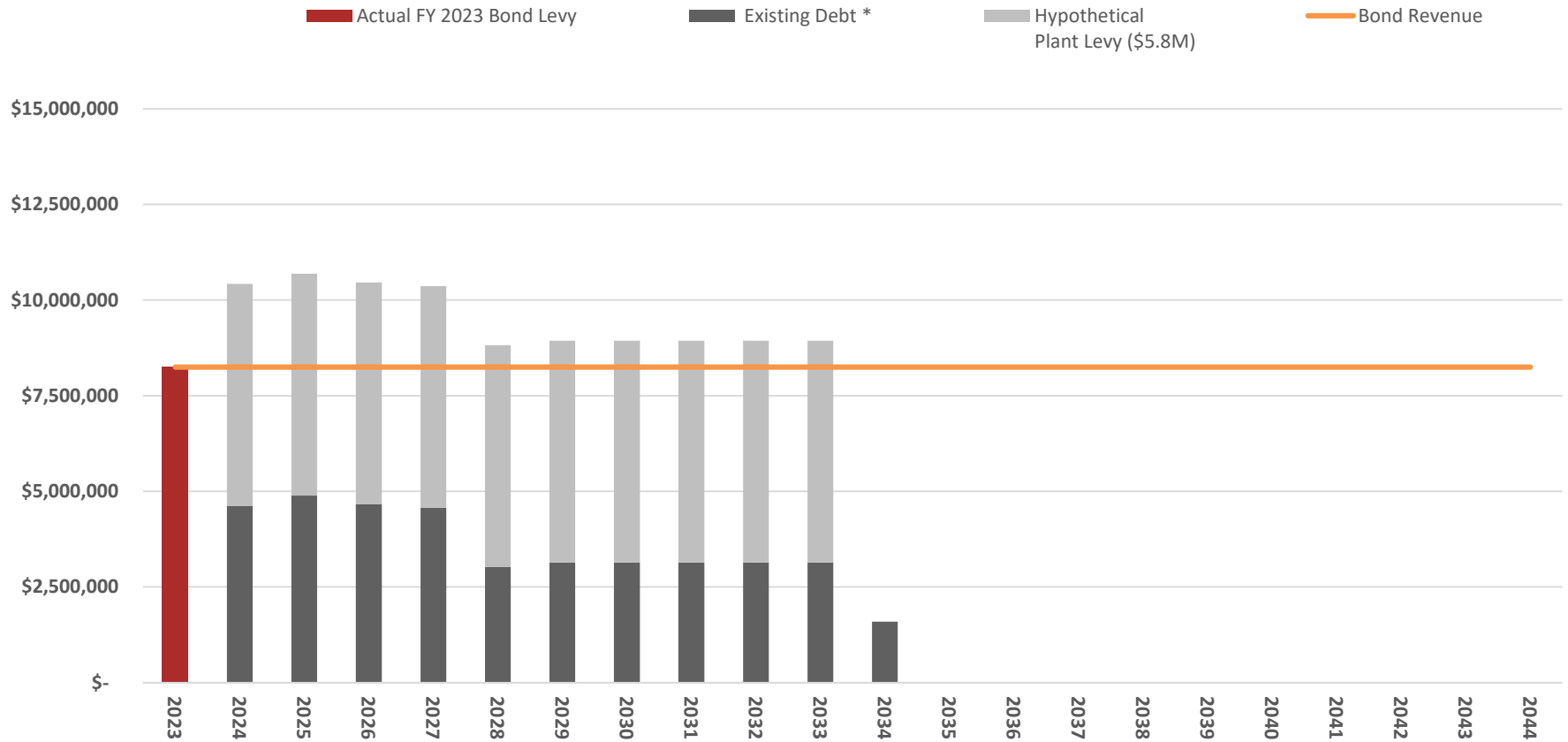
Tax Impact Calculations (per \$100,000 of Taxable Value)

District Taxable Market Value (Sept. 2022)	\$ 5,317,245,594	\$ 5,317,245,594	\$ 5,317,245,594
Annual Plant Levy Amount	\$ 3,412,250	\$ 5,796,741	\$ 10,146,437
Plant Tax Rate	\$ 64.17	\$ 109.02	\$ 190.82
Bond Levy	\$ 90.98	\$ 90.98	\$ 90.98
Total	\$ 155.16	\$ 200.00	\$ 281.80
Current Tax Rate	\$ 155.16	\$ 155.16	\$ 155.16
Tax Impact	\$ -	\$ 44.84	\$ 126.65

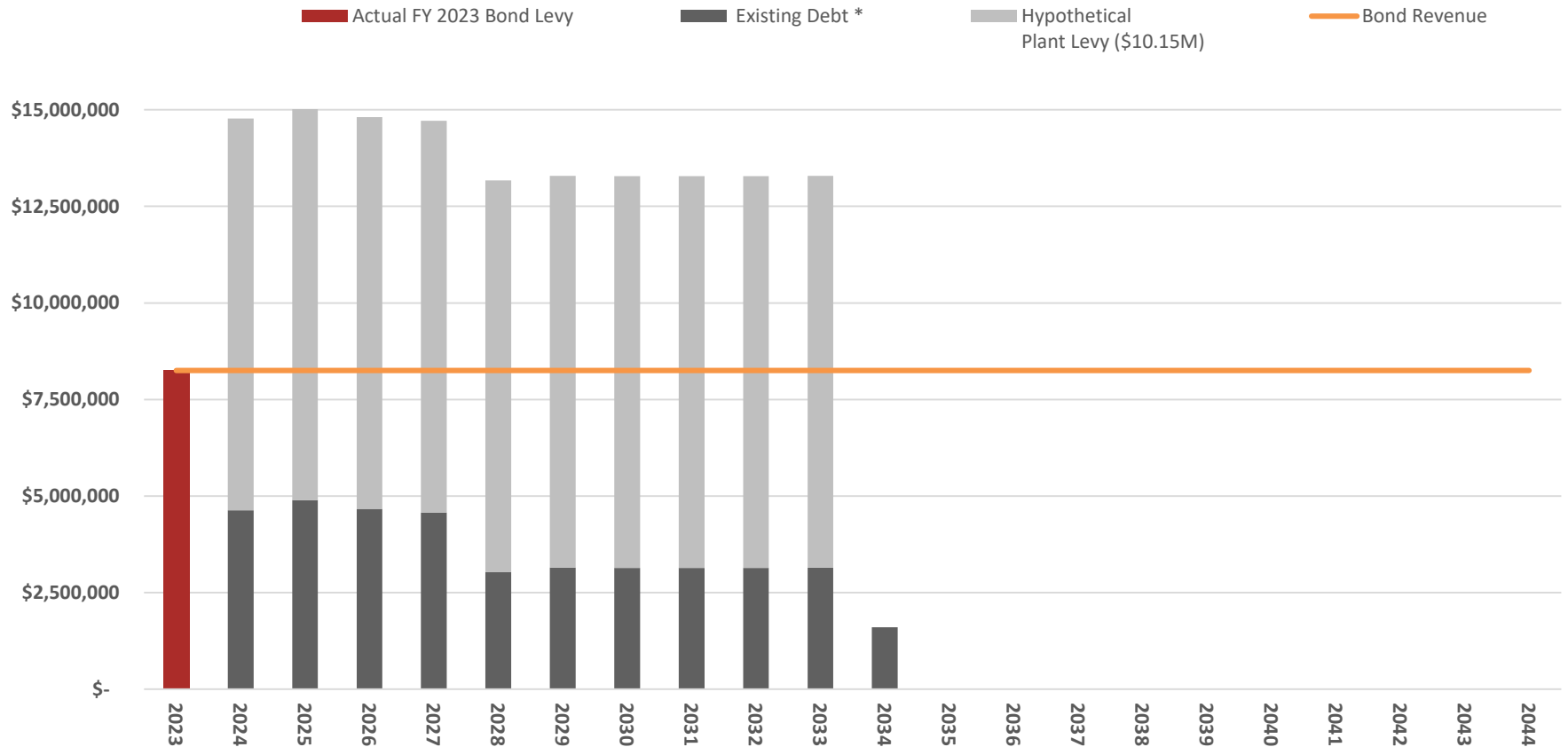
Combined Plant and Bond Structure



Combined Plant and Bond Structure



Combined Plant and Bond Structure



- **House Bill 292** establishes a School District Facilities Fund that is funded from deposits from the General Fund Surplus Eliminator, the Tax Rebate Fund, the Tax Relief Fund, and Sales Tax.
- Districts can use their distribution from the School District's Facilities Fund to **first, pay school bonds, second, pay school levies, third, save for future construction needs. Remaining funds may be used for new bonds.**
- Need further information from SDE and Tax Commission to provide official reports and guidance.
- In addition to the tax relief targeted specifically at school bonds and levies, HB 292 provides for pro-rata tax reductions in all tax levies of all taxing districts. A third level of property tax relief reduces levies on homeowners, but excludes school district levies from the levies that are reduced.

Current Projected Amounts for Kuna SD (Not final yet)

Fiscal Year	Estimated Share
FY 2023	\$2,317,536
FY 2024	\$1,949,806
FY 2025	\$3,137,502
FY 2026	\$2,365,974
FY 2027	\$2,649,269