

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 235

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAX EXEMPTIONS; AMENDING SECTION 63-602NN, IDAHO CODE,
2 TO PROVIDE APPLICATION OF A PROPERTY TAX EXEMPTION TO A CHANGE IN BASE
3 VALUE OF CERTAIN NEW AND EXISTING PLANTS, TO REMOVE, REVISE AND ALPHA-
4 BETIZE DEFINITIONS, TO REVISE TAX INCENTIVE CRITERIA, AND TO PROVIDE
5 FOR EXECUTIVE SESSIONS AND NOTICE OF PUBLIC HEARINGS BY A BOARD OF
6 COUNTY COMMISSIONERS CONSIDERING AN EXEMPTION.
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8 Be It Enacted by the Legislature of the State of Idaho:

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

11 63-602NN. PROPERTY EXEMPT FROM TAXATION -- CERTAIN BUSINESS PROP-
12 ERTY. (1) ~~During tax year 2008, and each year thereafter, a board of county~~
13 ~~commissioners may declare that all or a portion of the market value of a de-~~
14 ~~defined project based on investment in new plant and building facilities meet-~~
15 ~~ing tax incentive criteria as defined in subsection (2) of this section shall~~
16 ~~be exempt from property taxation~~ Provided that there is a plant investment
17 that meets all tax incentive criteria as defined in subsection (2) of this
18 section, the board of county commissioners may exempt all or a part of the
19 change from the base value attributable directly to the plant investment.

20 (2) As used in this section:

21 (a) "Base value" means the assessed value on the county's property
22 rolls of property associated with the plant investment from the year im-
23 mediately preceding the year representing the beginning of the project
24 period during which a plant investment pursuant to this section occurs.

25 (b) "Building or structural components of buildings" means real prop-
26 erty improvements to land as defined in section 63-201(11), Idaho Code,
27 that are owned or leased by the taxpayer and located in Idaho within the
28 boundaries of the project site.

29 (c) "Defined project" means a written plan presented to the county com-
30 missioners by a taxpayer outlining projected investment in new plant
31 for new plant and building facilities during a project period and lo-
32 cated at a project site.

33 (d) "Plant investment in new plant" means investment in new or exist-
34 ing plant and building facilities that are. Such plant and building
35 facilities include buildings or structural components of buildings,
36 related parking facilities, food service facilities, business of-
37 ice facilities and other building facilities directly related to the
38 business making the plant investment. Plant investment also includes
39 investments in the personal property associated with the plant and its
40 facilities.

41 ~~(i) Qualified investments; or~~

42 ~~(ii) Buildings or structural components of buildings.~~

1 ~~(c) "New plant and building facilities" means a manufacturing facility or facilities and personal property related thereto, producing tangible personal property or intellectual property intended for ultimate sale at retail, including related parking facilities, food service facilities, business office facilities and other building facilities directly related to the manufacturing business.~~

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7 ~~(de) "Project period" means the period of time beginning at the earlier of a physical change to the project site or the first employment of new employees or contractors located in Idaho who are related to the activities at the project site, but no earlier than January 1, 2008.~~

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10 ~~(ef) "Project site" means an area or areas at which new the affected plant and building facilities are located and at which the tax incentive criteria have been or will be met and which are either:~~

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14 ~~(i) A single geographic area located in this state at which the new affected plant and building facilities owned or leased by the taxpayer are located; or~~

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17 ~~(ii) One (1) or more geographic areas located in this state if eighty percent (80%) or more of the plant investment required in subsection (2) (h) of this section is made at one (1) of the areas.~~

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20 ~~(f) "Qualified investment" shall be as defined in section 63-3029B, Idaho Code.~~

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22 ~~(g) "Building or structural components of buildings" means real property improvements to land as defined in section 63-201(11), Idaho Code, which are owned or leased by the taxpayer and located in Idaho within the boundaries of the project site.~~

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26 ~~(hg) "Tax incentive criteria" means a taxpayer at a project site meeting the requirements of subparagraphs (i) and (ii) of this paragraph the following conditions:~~

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29 ~~(i) During the project period, making capital investments in new plant of at least three million dollars (\$3,000,000) at the project site The board of county commissioners shall by ordinance establish an investment amount not less than five hundred thousand dollars (\$500,000) at all project sites within the county for which the exemption and all exemptions thereafter granted shall apply, thereby providing uniformity to all taxpayers;~~

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35 ~~(ii) The taxpayer can demonstrate to the county that The plant investment will bring significant economic benefits will accrue to the county; and~~

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39 ~~(iii) The plant or building facilities will be for nonretail purposes that are either commercial or industrial.~~

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41 (3) ~~The board of county commissioners may grant the property tax exemption for all or a portion of the market value of the defined project for a period of up to five (5) years. The agreement shall be considered a contract arrangement between the county and the taxpayer for the exemption time period granted by the board of county commissioners and the annual approval provision contained in subsection (3) of section 63-602, Idaho Code, shall not apply to the exemption provided in this section as long as the contract enumerated in this section is valid and in force and effect. If, within the project period, the use or nature of the defined project or investment in the new plant changes such that the project would no longer qualify for the tax~~

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1 exemption, the board of county commissioners may unilaterally terminate the
2 agreement and withdraw the tax exemption.

3 (4) When considering whether to grant the property tax exemption, the
4 board of county commissioners may consider trade secrets, as defined in
5 section 74-107(1), Idaho Code, in executive session as allowed in section
6 74-206(1) (d), Idaho Code.

7 (5) Before granting a property tax exemption under this section, the
8 board of county commissioners shall hold a public meeting regarding whether
9 to grant the exemption. The board of county commissioners shall provide
10 a summary of the application under consideration, a written notice of the
11 time, date and location of the public meeting, and an invitation to partici-
12 pate in the meeting to all affected taxing districts, urban renewal agencies
13 and the Idaho department of commerce at least five (5) calendar days before
14 the meeting.

15 (6) Property exempted under this section shall not be included on any
16 new construction roll prepared by the county assessor in accordance with
17 section 63-301A, Idaho Code, until the exemption ceases.

18 (57) The legislature declares this exemption necessary and just.