

GEM COUNTY, IDAHO ORDINANCE NO. 2018-01

**AN ORDINANCE ESTABLISHING GEM COUNTY CRITERIA FOR GRANTING
PROPERTY TAX EXEMPTIONS PURSUANT TO IDAHO CODE § 63-602NN,
PROVIDING FOR SEVERABILITY, AND AN EFFECTIVE DATE.**

WHEREAS, Idaho Code § 63-602NN provides that the Board of County Commissioners of counties may grant tax exemptions to incentivize business investment; and

WHEREAS, the Idaho Legislature amended Idaho Code § 63-602NN through House Bill no. 235 to require counties to adopt an ordinance which establishes a minimum plant investment amount of not less than five hundred thousand dollars (\$500,000) at all project sites within the county as one of the requirements in order for plant investment to qualify for the exemption, effective July 1, 2017; and

WHEREAS, the Board of Commissioners of Gem County finds that a minimum investment amount of \$500,000 in new or existing plant or building facilities excluding the investment in land would best stimulate economic development in Gem County.

**THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS
OF GEM COUNTY:**

There is established in the County of Gem, State of Idaho, a new ordinance setting forth criteria and guidelines for granting property tax exemptions under Idaho Code § 63-602NN.

Nothing contained in this Ordinance shall be interpreted or construed as a creation of, or acknowledgement of, any right or entitlement to receive a property tax exemption under Idaho Code § 63-602NN. The Board of County Commissioners is the sole authority for determining the benefits of a proposed investment and retains exclusive authority to determine whether a property tax exemption under Idaho Code § 63-602NN is an appropriate incentive in any event.

SECTION I. MINIMUM INVESTMENT AMOUNT NECESSARY TO QUALIFY FOR THE TAX EXEMPTION: Per Idaho Code § 63-602NN(2)(g), the minimum investment amount for plant investment at project sites within Gem County, Idaho is set at a minimum threshold of five hundred thousand dollars (\$500,000.00). Those seeking a property tax exemption under Idaho Code § 63-602NN must still meet the other requirements of that section, including Property Tax Rules in order to be granted the property tax exemption.

SECTION II. PRELIMINARY NEGOTIATIONS: Prospective applicants, or their authorized agents, may request to meet with the Board to engage in preliminary negotiations and discussions regarding incentives. Applicants may operate under a pseudonym and meetings may be held in executive session under Idaho Code § 74-206(1)(e) if an agent of the prospective applicant with authority to negotiate is present, and when approved by the Board.

SECTION III. PROJECT PLAN: Prior to completing an application, prospective applicants should prepare a written project plan that addresses all requirements under Idaho Code § 63-602NN. The project plan can be used during preliminary negotiations, and must be included as a part of any application. A spreadsheet showing the nature and timing of investments and proposed exemptions should be part of the project plan.

SECTION IV. APPLICATION: In order to be considered, an application must include a project plan. An application can be filed under a pseudonym, but no application will be granted until 1) the prospective applicant has secured the right to obtain or secure a particular property, and 2) the applicant is prepared to make the project public. No exemption can be granted under a pseudonym. Application must be made on a form provided by the Assessor's Office.

SECTION V. APPROVAL PROCESS: Applications will initiate final negotiations and preparation of documents that will be necessary for the Board to consider and approve an exemption. Once documents are prepared, a public meeting will be placed on the Board's agenda and notice will be provided as required by Idaho Code § 63-602NN(5). At the public meeting, the Board will consider the application and make determinations regarding whether exemptions will be granted, and if so, to what extent. Applicants must be prepared to have their identity made public once the public meeting is scheduled.

SECTION VI. ANNUAL REPORT AND REVIEW: No later than the first day of March each year, beginning the year an exemption is effective, and continuing each year thereafter until the exemption ends, each recipient of an exemption under this Ordinance shall submit a report and certification of compliance. The report shall contain, at a minimum, the following:

1. The average number of full time employees during the previous calendar year;
2. A schedule of the employee positions, together with salaries paid, and employee benefit costs listed separately, together with copies of each Employer Quarterly Unemployment Insurance Tax Report for the previous calendar year;
3. An itemized list of all new equipment and the cost and capitalization of each; and
4. A compliance statement explaining whether the recipient is in compliance with the terms and conditions of the exemption, and fully explaining any areas of non-compliance.

Failure to timely submit a complete annual report is grounds for immediately terminating an exemption.

The annual report shall be submitted to the Assessor's Office.

SECTION VII. SEVERABILITY CLAUSE: Should any provision of the Ordinance be declared by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the validity of this Ordinance in whole or in part thereof, other than the part so declared to be unconstitutional or invalid.

SECTION VIII. EFFECTIVE DATE: This ordinance shall take full force and effect after publication of a public notice in a newspaper of general circulation in Gem County, as prescribed by law.

DATED this ____ day of _____, 20__.

By: _____
Bill Butticci, Chairman

By: _____
Mark Rekow, Commissioner

By: _____
Brian Elliott, Commissioner

ATTEST:

Shelly Tilton, Gem County Clerk