

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 663

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAX EXEMPTIONS; AMENDING SECTION 63-602NN, IDAHO CODE,
2 TO REVISE PROVISIONS REGARDING PROPERTY TAX EXEMPTIONS FOR CERTAIN
3 BUSINESS PROPERTY; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFEC-
4 TIVE DATE.
5

6 Be It Enacted by the Legislature of the State of Idaho:

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

9 63-602NN. PROPERTY EXEMPT FROM TAXATION -- CERTAIN BUSINESS PROP-
10 ERTY. (1) Provided that there is a plant or building investment that meets
11 all tax incentive criteria as defined in subsection (2) of this section, the
12 board of county commissioners may exempt all or a part of the change from the
13 base value attributable directly to the plant or building investment.

14 (2) As used in this section:

15 (a) "Base value" means the assessed value on the county's property
16 rolls of property associated with the plant or building investment from
17 the year immediately preceding the year representing the beginning of
18 the project period during which a plant or building investment pursuant
19 to this section occurs.

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

24 (c) "Defined project" means a written plan presented to the county com-
25 missioners by a taxpayer outlining projected investment in a new plant
26 ~~for new plant and~~ or building facilities during a project period and lo-
27 cated at a project site.

28 (d) "Plant or building investment" means investment in new or existing
29 plant ~~and~~ or building facilities. Such plant ~~and~~ or building facili-
30 ties include buildings or structural components of buildings, housing,
31 multifamily residential facilities, related parking facilities, food
32 service facilities, business office facilities, and other building fa-
33 cilities directly related to the business making the ~~plant~~ investment.
34 Plant or building investment also includes investments in the personal
35 property associated with the building or plant and its facilities.

36 (e) "Project period" means the period of time beginning at the earlier
37 of a physical change to the project site or the first employment of new
38 employees or contractors located in Idaho who are related to the activi-
39 ties at the project site.

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

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

4 (ii) One (1) or more geographic areas located in this state if
5 eighty percent (80%) or more of the plant or building investment is
6 made at one (1) of the areas.

7 (g) "Tax incentive criteria" means the following conditions:

8 (i) The board of county commissioners shall by ordinance estab-
9 lish an investment amount not less than five hundred thousand dol-
10 lars (\$500,000) at all project sites within the county for which
11 the exemption and all exemptions thereafter granted shall apply,
12 thereby providing uniformity to all taxpayers;

13 (ii) The plant or building investment will bring significant eco-
14 nomic benefits to the county; and

15 (iii) The plant or building facilities will be for nonretail pur-
16 poses that are ~~either~~ commercial, residential, or industrial.

17 (3) The board of county commissioners may grant the property tax exemp-
18 tion for the defined project for a period of up to five (5) years. The agree-
19 ment shall be considered a contract arrangement between the county and the
20 taxpayer for the exemption time period granted by the board of county com-
21 missioners, and the annual approval provision contained in subsection (3)
22 of section 63-602, Idaho Code, shall not apply to the exemption provided in
23 this section as long as the contract enumerated in this section is valid and
24 in force and effect. If, within the project period, the use or nature of
25 the defined project or investment in the new plant or building changes such
26 that the project would no longer qualify for the tax exemption, the board of
27 county commissioners may unilaterally terminate the agreement and withdraw
28 the tax exemption.

29 (4) When considering whether to grant the property tax exemption, the
30 board of county commissioners may consider trade secrets, as defined in
31 section 74-107(1), Idaho Code, in executive session as allowed in section
32 74-206(1) (d), Idaho Code.

33 (5) Before granting a property tax exemption under this section, the
34 board of county commissioners shall hold a public meeting regarding whether
35 to grant the exemption. The board of county commissioners shall provide
36 a summary of the application under consideration, a written notice of the
37 time, date and location of the public meeting, and an invitation to partici-
38 pate in the meeting to all affected taxing districts, urban renewal agencies
39 and the Idaho department of commerce at least five (5) calendar days before
40 the meeting.

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

44 (7) The legislature declares this exemption necessary and just.

45 SECTION 2. An emergency existing therefor, which emergency is hereby
46 declared to exist, this act shall be in full force and effect on and after
47 July 1, 2022.