

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 490

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY TAXATION; AMENDING SECTION 63-602, IDAHO CODE, TO
2 PROVIDE THE ANNUAL APPROVAL PROVISION SHALL NOT APPLY TO A CERTAIN
3 PROPERTY TAX EXEMPTION AS LONG AS CERTAIN CONDITIONS OCCUR AND TO
4 MAKE A TECHNICAL CORRECTION; AMENDING SECTION 63-602NN, IDAHO CODE,
5 TO REVISE THE DEFINITIONS OF "NEW PLANT AND BUILDING FACILITIES"
6 AND "TAX INCENTIVE CRITERIA" AND TO PROVIDE THE EFFECT OF THE ANNUAL
7 APPROVAL PROVISION; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE
8 APPLICATION.
9

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

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

13 63-602. PROPERTY EXEMPT FROM TAXATION. (1) Property shall be exempt
14 from taxation as provided in this chapter; provided, that no deduction
15 shall be made in assessment of shares of capital stock of any corporation
16 or association for exemptions claimed under this section, and provided
17 further, that the term "full cash value" wherever used in this act shall
18 mean the actual assessed value of the property as to which an exemption is
19 claimed.

20 (2) The use of the words "exclusive" or "exclusively" in this chapter
21 shall mean used exclusively for any one (1) or more, or any combination of,
22 the exempt purposes provided hereunder and property used for more than one
23 (1) exempt purpose, pursuant to the provisions of sections 63-602A through
24 63-602~~NN~~, Idaho Code, shall be exempt from taxation hereunder so long as the
25 property is used exclusively for one (1) or more or any combination of the
26 exempt purposes provided hereunder.

27 (3) All exemptions from property taxation claimed under this chapter
28 shall be approved annually by the county board of equalization unless
29 otherwise provided in this chapter.

30 SECTION 2. That Section 63-602NN, Idaho Code, be, and the same is hereby
31 amended to read as follows:

32 63-602NN. PROPERTY EXEMPT FROM TAXATION -- CERTAIN BUSINESS
33 PROPERTY. (1) During tax year 2008, and each year thereafter, a board
34 of county commissioners may declare that all or a portion of the market value
35 of a defined project based on investment in new plant and building facilities
36 meeting tax incentive criteria as defined in subsection (2) of this section
37 shall be exempt from property taxation.

38 (2) As used in this section:

39 (a) "Defined project" means a written plan presented to the county
40 commissioners by a taxpayer outlining projected investment in new

1 plant for new plant and building facilities during a project period and
 2 located at a project site.

3 (b) "Investment in new plant" means investment in new plant and
 4 building facilities that are:

5 (i) Qualified investments; or

6 (ii) Buildings or structural components of buildings.

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

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

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

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

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

26 ~~The project site must be identified and described to the county~~
 27 ~~commissioners by a taxpayer subject to tax under chapter 30, title 63,~~
 28 ~~Idaho Code, in the form and manner prescribed by the commission.~~

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

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

35 (h) "Tax incentive criteria" means a taxpayer at a project site meeting
 36 the requirements of subparagraphs (i) and (ii) ~~and (iii)~~ of this
 37 paragraph:

38 (i) During the project period, making capital investments in
 39 new plant of at least three million dollars (\$3,000,000) at the
 40 project site;

41 ~~(ii) During a period of time beginning on January 1, 2008, and~~
 42 ~~ending at the conclusion of the project period, the project is~~
 43 ~~located in a rural development zone as defined by the United States~~
 44 ~~department of agriculture rural development's, business and~~
 45 ~~industry loan program;~~

46 ~~(iii)~~ The taxpayer can demonstrate to the county that significant
 47 economic benefits will accrue to the county.

48 (3) The board of county commissioners may grant the property tax
 49 exemption for all or a portion of the market value of the defined project
 50 for a period of up to five (5) years. The agreement shall be considered a

1 contract arrangement between the county and the taxpayer for the exemption
2 time period granted by the board of county commissioners and the annual
3 approval provision contained in subsection (3) of section 63-602, Idaho
4 Code, shall not apply to the exemption provided in this section as long as the
5 contract enumerated in this section is valid and in force and effect.

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

9 (5) The legislature declares this exemption necessary and just.

10 SECTION 3. An emergency existing therefor, which emergency is hereby
11 declared to exist, this act shall be in full force and effect on and after its
12 passage and approval, and retroactively to January 1, 2010.