

**Idaho Association of Counties Annual Conference – Fall 2023**

**INCENTIVIZING NEW AND GROWING BUSINESS:**

**Idaho Code § 63-602NN Process Outline**

1. Application Content:

- Business information;
- Estimated value of new project;
- Type of construction/project;
- Number of years and percent exemption they wish to apply for; and
- Ask organization to attach detailed explanation of project.
- See attached example.

2. Criteria:

A. 602NN Statutory Criteria:

- The construction costs of the project must exceed the minimum amount set by ordinance of the Board of Commissioners (not less than \$500,000). County must have ordinance setting minimum amount.
- The plant investment must bring “significant economic benefits to the county;” and
- The plant or building facilities must be for “nonretail purposes that are either commercial or industrial.”

B. “Significant Economic Benefit” Factors. Latah County utilizes the following factors:

- Increased land value;
- Increased visual appeal (improve urban blight);
- Increased jobs;
- Increased wages and benefits;
- Attraction of other businesses;
- Time commitment of applicant in Latah County (past and future);
- Whether any green building/clean energy factors exist;
- Whether the business is employee-owned or driven; and
- Whether new construction will use existing infrastructure/infill/utilities.

3. Meeting:

- Can meet in executive session when it involves “trade secrets” as defined in section 74-107(1), Idaho Code, and in executive session as allowed in section 74-206(1)(d), Idaho Code.
- To make a decision on the exemption, Commissioners must provide notice of meeting, summary of the application, and invitation to participate in the open meeting to all affected taxing districts and Idaho Commerce “at least five (5) calendar days before the meeting.”

#### 4. Agreement:

- Defines how long the exemption will be granted (up to 5 years) and what percent exemption the new plant investment will receive over base value (up to 100%).
- Define what the “base value” is.
- Defines what the company is agreeing to do (i.e. how much they are investing, how many new jobs they will create, what the plant investment project will do).
- Set the terms for recapture if the company does not follow through with the plan, how long they have to meet specific goals, etc.



# LATAH COUNTY

## APPLICATION FOR PROPERTY TAX EXEMPTION 63-602NN – CERTAIN BUSINESS PROPERTY

To be considered for this property tax exemption, a written proposal must accompany this application form. Details and guidelines for this supplemental information are provided on the attached instruction sheet.

### OWNER INFORMATION

Parcel Number(s) \_\_\_\_\_

Legal Owner of Property \_\_\_\_\_

Property Address \_\_\_\_\_

### PROPERTY INFORMATION

Project Period (construction period) Start Date \_\_\_\_\_ Completion Date \_\_\_\_\_

Total Value of New Project Investment (excluding land and existing improvements) \_\_\_\_\_

<u>New</u> Project Investment is for	(check each that applies)	(value)
New Construction	_____	_____
Remodel of Existing Building(s)	_____	_____
New Personal Property	_____	_____

### REQUESTED PROPERTY TAX EXEMPTION

Beginning year \_\_\_\_\_ Number of years \_\_\_\_\_

% of new value requested to be exempt Yr 1 \_\_\_\_ Yr 2 \_\_\_\_ Yr 3 \_\_\_\_ Yr 4 \_\_\_\_ Yr 5 \_\_\_\_

### CONTACT INFORMATION

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone # \_\_\_\_\_ email address \_\_\_\_\_

I certify to the best of my knowledge and belief that the information provided is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## LATAH COUNTY

### Instruction Sheet

Application for Property Tax Exemption  
63-603NN – Certain Business Property

The Latah County Commissioners may enter into an agreement with a property owner to exempt certain business property value from property taxation for a period of up to five years.

A **written proposal** must be submitted with the 63-602NN application form.

The purpose of the written proposal is for the Board of County Commissioners to verify eligibility for this exemption and to consider the economic benefits to Latah County. The proposal should include:

1. Description of project period- when construction will begin, phases if applicable, and when the construction period will end. Typically commercial/industrial property value is assessed as of January 1. If/when applicable, an occupancy assessment also occurs for new buildings. Estimating the new value present on January 1, a completion date, and if occupancy of a new building will occur may help you plan for property taxes and what to request for exemption. The County Assessor can assist with this.
2. Describe nature of new investment property and amount of new investment property value. This should be described and apportioned as applicable in terms of real property new construction, real property expansion/remodel, and personal property. (building diagrams, a diagram of the parcel, or annotated aerial image may be helpful; for personal property a list or spreadsheet of items, nomenclature, number of items, and item value)
3. Describe the purpose of the property that comprises the new investment. For example, what will be manufactured in the facility, or what commercial/industrial purpose the property will be used for.
4. Provide a list of new jobs and hourly wages and/or salaries that will result from this project. Identify jobs as full time or part time, and whether jobs are permanent, temporary, or seasonal.
5. Describe any additional economic benefits to Latah County.
6. Request a specific year for the property tax exemption to begin. Request a percentage of new investment that will be exempt. Request a number of years (up to five years) that the percentage of new investment value be exempt. (a spreadsheet may be helpful to detail the new investment value, the year(s) of the investment, and the years of the requested exemption)
7. Describe why the 63-602NN exemption, in the amount and for the years requested, is necessary for this new investment project to occur.

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Latah County will seek to protect proprietary information included in the application and written proposal as a trade secret and exempt it from public disclosure.

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### **Guidelines for 63-602NN Eligibility**

The exemption is limited to five years.

Land value is not eligible for exemption.

Property used for commercial retail purposes is not eligible for exemption.

In Latah County, the threshold for new investment is \$500,000 to be eligible for exemption.

Only new investment (new construction, remodel/expansion, new personal property) is eligible for exemption. Existing buildings, improvements, and personal property before the project period begins are considered a "base" value. This base value is not counted as new investment and is not eligible for exemption.

### **63-602NN Exemption Approval Process**

After initial review of the application and written proposal, the Board of County Commissioners will meet in executive session (private meeting closed to public) with property owner/representative to discuss the proposal, ask questions, and identify issues.

If the commissioners decide to move forward, they will schedule a public hearing at which any affected taxing districts are invited. They will deliberate and approve or deny the exemption application.

If approved, a formal resolution will serve as a contractual agreement between Latah County and the property owner, including details of new investment value, economic benefits to Latah County, and specific percentage(s) of new value exempted for specified year(s).

An annual ongoing approval process will occur for the duration of the exemption period to ensure that terms of the contractual agreement are met. Annual reports by the property owner will be required to detail the number of jobs and salaries of positions created or eliminated the previous year, and any changes in the new investment.

In the event that planned new investment does not occur, or newly created jobs or wages are less than the agreed upon amount, Latah County reserves the right to deny the property tax exemption and recapture any and all property tax that was otherwise exempt pursuant to applicable provisions of state law.

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