

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 286

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY EXEMPT FROM TAXATION; AMENDING SECTION 63-602NN, IDAHO
2 CODE, TO REVISE DEFINITIONS, TO REVISE CAPITAL INVESTMENT REQUIREMENTS
3 IN COUNTIES WITHIN A CERTAIN POPULATION CRITERIA, TO REVISE THE EXEMP-
4 TION CRITERIA AND TO PROVIDE NOTICE TO CERTAIN ENTITIES.
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) During tax year 2008, and each year thereafter, a board of county
11 commissioners may declare that all or a portion of the market value of a
12 defined project based on investment in new plant and building facilities
13 meeting tax incentive criteria as defined in subsection (2) of this section
14 shall be exempt from property taxation.

15 (2) As used in this section:

16 (a) "Defined project" means a written plan presented to the county com-
17 missioners by a taxpayer outlining projected investment of market value
18 in new plant for new plant and building facilities during a project per-
19 iod and located at a project site.

20 (b) "Investment in new plant" means investment in new plant and build-
21 ing facilities that are:

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

23 (ii) Buildings or structural components of buildings; or

24 (iii) Improvements to or the personal property associated with
25 the new plant and building facilities, provided however, that such
26 personal property is not otherwise exempt pursuant to chapter 6,
27 title 63, Idaho Code.

28 (c) "New plant and building facilities" means a ~~manufacturing~~
29 ~~nonretail, commercial or industrial~~ facility or facilities ~~and per-~~
30 ~~sonal property related thereto,~~ producing tangible personal property
31 ~~or goods,~~ intellectual property intended for ultimate sale at retail
32 commercial use or providing technical or professional services, in-
33 cluding related parking facilities, food service facilities, business
34 office facilities and other building facilities directly related to the
35 ~~manufacturing commercial or industrial~~ business.

36 (d) "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, but no earlier than January 1, 2008.

40 (e) "Project site" means an area or areas at which new plant and build-
41 ing facilities are located and at which the tax incentive criteria have
42 been or will be met and which are either:

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

4 (ii) One (1) or more geographic areas located in this state if
5 eighty percent (80%) or more of the investment required in subsec-
6 tion (2) (h) of this section is made at one (1) of the areas.

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

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

13 (h) "Tax incentive criteria" means a taxpayer at a project site meeting
14 the requirements of subparagraphs (i) and (ii) of this paragraph:

15 (i) During the project period, making capital investments in new
16 plant of at least three million not less than five hundred thousand
17 dollars (\$3,050,000) at the project site or higher dollar amount
18 established annually by resolution of the board of county commis-
19 sioners, provided however, that the capital investments are not
20 otherwise exempt pursuant to chapter 6, title 63, Idaho Code;

21 (ii) The taxpayer can demonstrate to the county that significant
22 economic benefits will accrue to the county.

23 (3) The board of county commissioners may grant the property tax exemp-
24 tion for all or a portion of the taxable market value of the defined project
25 for a period of up to five (5) years. The agreement shall be considered a con-
26 tract arrangement between the county and the taxpayer for the exemption time
27 period granted by the board of county commissioners and the annual approval
28 provision contained in subsection (3) of section 63-602, Idaho Code, shall
29 not apply to the exemption provided in this section as long as the contract
30 enumerated in this section is valid and in force and effect. Prior to grant-
31 ing a property tax exemption outlined in this section, the board of county
32 commissioners shall provide electronic notice of the agenda to all affected
33 taxing districts.

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

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