

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 448

BY DURST

AN ACT

RELATING TO PROPERTY EXEMPT FROM TAXATION; AMENDING SECTION 63-602NN, IDAHO CODE, TO REVISE CRITERIA THAT MUST OCCUR BEFORE CERTAIN PROPERTY IS EXEMPT FROM TAXATION; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

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

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

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

(2) As used in this section:

(a) "Investment in new plant" means investment in new plant and building facilities that are:

(i) Qualified investments; or

(ii) Buildings or structural components of buildings.

(b) "New plant and building facilities" means a manufacturing facility or facilities producing tangible personal property or intellectual property intended for ultimate sale at retail, including related parking facilities, food service facilities, business office facilities and other building facilities directly related to the manufacturing business.

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

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

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

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

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

1 (e) "Qualified investment" shall be as defined in section 63-3029B,
2 Idaho Code.

3 (f) "Tax incentive criteria" means a taxpayer at a project site
4 meeting the requirements of subparagraphs (i), (ii) and (iii) of this
5 paragraph:

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

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

14 ~~(iii) The taxpayer can demonstrate to the county that significant~~
15 ~~economic benefits will accrue to the county; and~~

16 (iii) If the project is located outside a rural development
17 zone as defined by the United States department of agriculture
18 rural development's, business and industry loan program, and
19 is located within the incorporated limits of the city, the city
20 council adopts an ordinance requesting the property be exempt from
21 taxation.

22 (3) The board of county commissioners may grant the property tax
23 exemption for all or a portion of the market value of the defined project
24 for a period of up to five (5) years. The agreement shall be considered a
25 contract arrangement between the county and the taxpayer for the exemption
26 time period granted by the board of county commissioners.

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

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

31 SECTION 2. An emergency existing therefor, which emergency is hereby
32 declared to exist, this act shall be in full force and effect on and after its
33 passage and approval, and retroactively to January 1, 2010.