

Sample Internal Process

Property Exempt from Taxation

(63-602NN)

Since economic development is a team approach, it is important to have all county individuals involved who will be affected by the approval of this exemption. County Commissioners are required to approve the exemption; however, the county prosecuting attorney and county assessor should be included in the discussions and/or application review prior to the public meeting for approval. The prosecuting attorney will ensure the request for exemption meets statutory requirement. Since the assessor is required to value the property and equipment annually as well as report any exemptions on their abstracts which in turn go to the tax commission, they need to be aware of what the tax payer is requesting to be exempted and what the commissioners have approved. To enable these requirements to be met, it is critical that exemptions be specified in terms of value, not taxes. This will ensure annual reporting is done accurately.

Some counties have had great success with creating a team and process which includes commissioners, prosecuting attorney, and assessor. Because they have all been involved in creating the process they all understand what the commissioners will be looking for in an eligible project. The steps these counties take are as follows:

1. The county commissioners will indicate to the assessor what requirements they will consider for granting the exemption.
2. The business client will meet with and apply with the county assessor. The assessor will determine if the project meets the requirements of the commissioners.
3. Once the assessor feels the business client has provided enough information for the commissioners to make a decision, the assessor will work with the prosecuting attorney to ensure all statutory requirements are being met by the project as well as local requirements.
4. Once the prosecuting attorney has reviewed and found no legal issues, the project moves to the county commissioners for a final decision during a public meeting. The decision at that meeting should specify the amount of percentage of value granted through this exemption. This information is then reported clearly to the assessor.

Each county can determine what works best for them. If your county has not yet approved this exemption before, we recommend talking to other counties who have an established process and measured success. This will help you determine what your process should be and how best to document your process and procedures.

Below is contact information for counties which have a strong process in place. They would be great contacts for counties looking to establish their own process.

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