

RESOLUTION NO. 16-07

**A Resolution by the Bonneville County Board of Commissioners
Concerning Tax Exemption for Northwest Cosmetic Labs**

WHEREAS, I.C. 63-602NN authorizes Bonneville County to declare that all or a portion of the market value of a defined project with investments that meet certain tax incentive criteria may be exempted from property taxation for a period of up to five (5) years based on the benefit determined by the Board of County Commissioners is provided to the community, and

WHEREAS, the Board of Bonneville County Commissioners, in consultation with the City of Idaho Falls and Idaho Department of Commerce, has determined to base the exemption decision upon several factors, including but not limited to: the amount of wages to be paid to employees in the new facility, the number of new jobs created, and whether or not the project draws new money to Bonneville County, and

WHEREAS, Northwest Cosmetic Labs has presented to Bonneville County a written plan for Phase I that meets the requirements of Idaho Code Section 63-602NN(2) for a Defined Project by showing projected investments in plant and building facilities in Idaho Falls, Idaho to design and manufacture cosmetic products, and

WHEREAS, Bonneville County has examined the written plan, has examined the community benefit provided by the Defined Project, and has determined that it is in the best interest of the public to grant an exemption to Northwest Cosmetic Labs;

NOW, THEREFORE, The Board of Bonneville County Commissioners finds as follows:

1) Tax Exemption Findings. The Board of Bonneville County Commissioners finds as follows:

- a) **Compliance with Prerequisites.** Northwest Cosmetic Labs has constructed or acquired approximately \$13,700,000.00 of Investment in New Plant as defined in I.C. 63-602NN(2)(b), which meets or exceeds the Tax Incentive Criteria as defined in I.C. 63-602NN(2)(h).
- b) **Determination of Project Period.** The Board of Bonneville County Commissioners has determined that the Project Period for Phase I, as defined in I.C. 63-602NN (2)(d), shall commence January 1, 2017.
- c) **Amount of Credit –** Northwest Cosmetic Labs shall be granted a property tax credit for Phase I in the amount of 50% of the qualified assessed value for the tax years 2017, 2018, 2019, 2020 and 2021. The projected investment of Phase I is \$13,700,000. The qualified value in each tax period will be the assessed value as determined by the Bonneville County Assessor on January 1st each year.

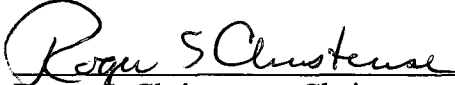
- d) Northwest Cosmetic Labs will be required to report annually the project jobs of said application versus the actual qualified jobs resulting in Northwest Cosmetics expansion plans at a two year anniversary report. If Northwest is not meeting or exceeding their agreed to job numbers by 10% variation it could trigger a loss of the 50% tax exemption for the remaining 3 calendar years. Per the Job Matrix Score sheet (attachment #1) with an annual total score of at least 50 points in weighted average as agreed to by Northwest Cosmetic Labs and the Bonneville County Board of Commissioners.
- e) No Carryover. Each tax year stands on its own. There shall be no rollover or carryover of tax exemption credits or unused tax exempt valuation from year to year. Exemption will be subject to total taxable investment meeting investment criteria in IC 63-602NN (2).

2) Grant of Tax Credit.

- a) Amount of Credit. Northwest Cosmetic Labs shall be granted a property tax credit in the amount of 50% of qualified assessed value as determined by the Bonneville Assessor as outlined in 1(c) of this resolution.

PASSED AND ADOPTED this 9th day of Aug, 2016, during the regular meeting of the Board of County Commissioners.

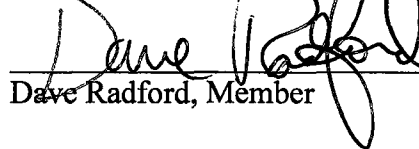
BONNEVILLE COUNTY BOARD OF COMMISSIONERS




Roger S. Christensen, Chairman



Lee Staker, Member



Dave Radford, Member

ATTEST: 

Penny Manning
Bonneville County Clerk

Bonneville County
Property Tax Exemption
Scoresheet - DRAFT May 27, 2016

Project Information		<i>Fill gray fields</i>			
Project Name	COZ				
County Average Wage	\$33,437				
Project Average Wage	\$29,907				
Average Benefit Spend	\$8,355				
Project Average Benefit Spend	\$11,000				
Training Annual Spend	\$350,000				
Project Jobs*	95				
Project Capital Spend	\$13,732,322				
Baseline Scoring					
<i>Points calculated using Project Information</i>	Methodology	Initial Score	Weight	Score	Max Score
Job Quality	1 pt. given for each 1% over county average wage (minimum zero points)	0	15%	0.0	15
Job Benefits	1 pt. given for each 1% over county average benefit spend/employee (minimum zero points)	32	15%	4.7	15
Job Training	1 pt. given for each \$10,000 of training spend	35	10%	3.5	10
Job Quantity	1 pt. given for every two jobs to be created	48	40%	19.0	40
Capital Investment	1 pt. given for each \$100,000 of investment in real and personal property.	137	20%	27.5	20
TOTAL				54.7	100

Score	Offer % Range	Offer Term Range
1 to 25	1% to 25%	1 to 5 years
26 to 50	26% to 50%	2 to 5 years
51 to 75	51% to 75%	3 to 5 years
76 to 100	76% to 100%	4 to 5 years

*Initial jobs 2016 - see attached spreadsheet for projected 5 year growth 2016-2020
 Total jobs 2016-2020: 509

HOUSE BILL NO. 550View Bill StatusView Bill TextView Statement of Purpose / Fiscal Impact

Text to be added within a bill has been marked with Bold and Underline. Text to be removed has been marked with Strikethrough and Italic. How these codes are actually displayed will vary based on the browser software you are using.

This sentence is marked with bold and underline to show added text.

~~*This sentence is marked with strikethrough and italic, indicating text to be removed.*~~

Bill Status

H0550.....by REVENUE AND TAXATION
PROPERTY TAX EXEMPTIONS - Adds to existing law to provide that 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 certain tax incentives criteria shall be exempt from taxation.

02/21 House intro - 1st rdg - to printing

02/22 Rpt prt - to Rev/Tax

03/03 Rpt out - rec d/p - to 2nd rdg

03/04 2nd rdg - to 3rd rdg

/06 3rd rdg - PASSED - 66-4-0

AYES -- Anderson, Andrus, Barrett, Bayer, Bedke, Bell, Bilbao, Black, Block, Bock, Boe, Bolz, Bowers, Brackett, Bradford, Chadderdon, Chew, Clark, Collins, Crane, Durst, Eskridge, Hagedorn, Hart, Harwood, Henbest, Henderson, Jaquet, Killen, King, Kren, Labrador, Lake, Loertscher, Luker, Marriott, Mathews, McGeachin, Mortimer, Moyle, Nielsen, Nonini, Pasley-Stuart, Patrick, Pence, Raybould, Roberts, Ruchti, Rusche, Schaefer, Shepherd(02), Shepherd(08), Shirley, Shively, Smith(30), Smith(24), Snodgrass, Stevenson, Thayn, Thomas, Trail, Vander Woude, Wills, Wood(27), Wood(35), Mr. Speaker

NAYS -- Chavez, LeFavour, Ringo, Saylor

Absent and excused -- None

Floor Sponsor - Bayer

Title apvd - to Senate

03/07 Senate intro - 1st rdg - to Loc Gov

03/14 Rpt out - rec d/p - to 2nd rdg

03/17 2nd rdg - to 3rd rdg

03/24 3rd rdg - PASSED - 28-7-0

AYES -- Andreason, Bair, Bastian, Broadsword, Cameron, Coiner, Corder, Darrington, Davis, Fulcher, Geddes, Goedde, Hammond, Heinrich, Hill, Jorgenson, Kelly, Keough, Langhorst, Lodge, Malepeai(Sagness), McGee, McKague, McKenzie, Pearce, Richardson, Siddoway, Stennett

NAYS -- Bilyeu, Burkett, Gannon(Gannon), Little, Schroeder, Stegner, Werk

Absent and excused -- None

Floor Sponsor - Heinrich

Title apvd - to House

03/25 To enrol - Rpt enrol - Sp/Pres signed

03/26 To Governor

03/31 Governor signed

Session Law Chapter 327

Effective: 01/01/08

Bill Text

]]]] LEGISLATURE OF THE STATE OF IDAHO]]]]
 Fifty-ninth Legislature Second Regular Session - 2008

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 550

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1
 2 RELATING TO PROPERTY EXEMPT FROM TAXATION; AMENDING CHAPTER 6, TITLE 63, IDAHO
 3 CODE, BY THE ADDITION OF A NEW SECTION 63-602NN, IDAHO CODE, TO PROVIDE
 4 THAT DURING TAX YEAR 2008 AND EACH YEAR THEREAFTER A BOARD OF COUNTY COM-
 5 MISSIONERS MAY DECLARE THAT ALL OR A PORTION OF THE MARKET VALUE OF
 6 INVESTMENT IN NEW PLANT AND BUILDING FACILITIES MEETING CERTAIN TAX INCEN-
 7 TIVE CRITERIA SHALL BE EXEMPT FROM TAXATION, TO DEFINE TERMS, TO PROVIDE
 8 PROCEDURES, AND TO PROVIDE THAT THE LEGISLATURE DECLARES THE EXEMPTION
 9 NECESSARY AND JUST; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE
 10 APPLICATION.

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

12 SECTION 1. That Chapter 6, Title 63, Idaho Code, be, and the same is
 13 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 14 ignated as Section 63-602NN, Idaho Code, and to read as follows:

15 63-602NN. PROPERTY EXEMPT FROM TAXATION -- CERTAIN BUSINESS PROPERTY. (1)
 16 During tax year 2008, and each year thereafter, a board of county commis-
 17 sioners may declare that all or a portion of the market value of investment in new
 18 plant and building facilities meeting tax incentive criteria as defined in
 19 subsection (2) of this section shall be exempt from property taxation.

20 (2) As used in this section:

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

23 (i) Qualified investments; or

24 (ii) Buildings or structural components of buildings.

25 (b) "New plant and building facilities" means a manufacturing facility or
 26 facilities producing tangible personal property or intellectual property
 27 intended for ultimate sale at retail, including related parking facili-
 28 ties, food service facilities, business office facilities and other build-
 29 ing facilities directly related to the manufacturing business.

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

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

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

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

43 The project site must be identified and described to the county commis-

1 sioners by a taxpayer subject to tax under chapter 30, title 63, Idaho
2 Code, in the form and manner prescribed by the commission.

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

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

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

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

15 (iii) The taxpayer can demonstrate to the county that significant
16 economic benefits will accrue to the county.

17 (3) The board of county commissioners may grant the property tax exemp-
18 tion for all or a portion of the market value of the defined project for a
19 period of up to five (5) years. The agreement shall be considered a contract
20 arrangement between the county and the taxpayer for the exemption time period
21 granted by the board of county commissioners.

22 (4) Property exempted under this section shall not be included on any new
23 construction roll prepared by the county assessor in accordance with section
24 63-301A, Idaho Code, until the exemption ceases.

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

26 SECTION 2. An emergency existing therefor, which emergency is hereby
27 declared to exist, this act shall be in full force and effect on and after its
28 passage and approval, and retroactively to January 1, 2008.

Statement of Purpose / Fiscal Impact

STATEMENT OF PURPOSE

RS 17939

The purpose of this legislation is to provide an economic development incentive for new manufacturing facilities construction and development in designated rural development areas in the state of Idaho.

The legislation will grant the board of county commissioners authority to offer property tax exemptions for a maximum of five (5) years to a taxpayer who spends a minimum of \$3,000,000 for new manufacturing facilities in rural areas as defined by the United States Department of Agriculture, Rural Development Business and Industry Loan program. The taxpayer must demonstrate significant economic benefits that will accrue to the county from such property development.

The legislation prohibits counties from increasing assessed valuation of the property until such time as property taxes are actually collected on the project.

This proposal will allow board of county commissioners an incentive to help compete more effectively and on a more timely basis with neighboring states to attract new development to the state and their county.

FISCAL IMPACT

There is no fiscal impact to the general fund.

Contact: Ken Burgess, Veritas Advisors, LLP, 208.385.7070
Representative Cliff Bayer; Representative Mike Moyle; Senator Leland
Heinrich.

STATEMENT OF PURPOSE/FISCAL NOTE

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