

IDAHO STATE TAX COMMISSION
COMMISSIONERS' OPEN MEETING
MINUTES OF MEETING HELD NOVEMBER 20, 2012

In attendance: Commissioners David Langhorst, Tom Katsilometes, Rich Jackson, and Ken Roberts; Michael Chakarun, Valerie Dilley, Mark Poppler, Ted Spangler, Bill von Tagen; Rick Anderson, Sherry Cann, Alan Dornfest, Erin Brady, Leena Gilman, Dwayne Hines, Erick Shaner, Jerott Rudd, and Kristy Torres.

Guest: Terry Accordino, Gene Kuehn, Bob McQuade, Brad Wills

Public Session.

Commissioner Tom Katsilometes convened the open meeting, and introduced Sherry Cann, the new Rules Coordinator. He then asked if there were any additions to the agenda – none were offered.

Review of Proposed Property Tax Rule 605.

Alan Dornfest, Property Tax Rules Committee Chair, explained the two main issues with Proposed Property Tax Rule 605 governing types of leased property used exclusively for educational purposes. Leased real property, such as charter schools leased in strip malls. Leased personal property, such as laptops. These were the two things clarified in the proposed rule.

It was asked if there were any other comments or questions regarding the issues surrounding this rule. None were offered.

Carl Olsson, Deputy Attorney General, stated that ISTC's legal staff's position, that was included in the packet for the public hearing, is in support of Rule 605, and had nothing further to add.

Review of Proposed Property Tax Rule 620.

Alan Dornfest, Property Tax Rules Committee Chair, explained how the legislature passed a law that provided for site improvement exemptions related to site improvements, such as utilities, associated with land under development to be exempt from property tax until buildings were begun or land was conveyed. This required there be an application, but did not specify a date. So a temporary rule was created where this agency included a date and deadlines. Then, in addition, the agency had to define several different terms. The staff worked with developers and other people around the state in trying to craft something in both the temporary and permanent rule. The biggest point of contention on this rule is the clarification of the term "conveyance", and on valuation determination. The committee recommended that Rule 620 be withdrawn at this time.

Chairman Langhorst clarified that the temporary rule is being allowed to expire, with the intent that it will be reintroduced, and questioned if it was desired for the Commission to

recommend new legislation on this rule. Alan Dornfest suggested the Commission stick to the middle ground, thinking that legislation on this would undoubtedly be clarified and reintroduced.

Public Comments.

Commissioner Tom Katsilometes asked if there were any questions or comments from the room.

Brad Wills from Twin Falls stated that he agrees with the staff recommendation on the proposed Rule 620, citing the two issues causing confusion are that of valuation and ownership in conveyance. He stated the developers are going forward with additional legislation, and thinks a simple language change will clarify these issues. He suggested the Commission allow the withdrawal of Rule 620 as proposed.

Gene Kuehn, Canyon County Assessor, stated he agreed with the withdrawal of Rule 620, as the rule does not give clear definition in its present form.

No other comments were offered.

Deliberations.

Chairman Langhorst acknowledged that the Commissioners have reviewed everything carefully and considered all the input. With no other comments, he acknowledged that most were in support of the ISTC's staff's recommendations.

Commissioner Katsilometes noted that the Commissioners will vote on these two property tax rules at the Open Meeting on November 28, 2012.

There being no further business, the meeting adjourned.

Sherry A. E. Cann
Rules Coordinator

Tom Katsilometes
Chair