

Minutes of Meeting
Requests for Cancellation of Taxes
January 8, 2020
9:30 a.m.

The Kootenai County Board of Commissioners: Chairman Chris Fillios, Commissioner Leslie Duncan and Commissioner Bill Brooks met to discuss the following agenda items. Also present were Assessor Rich Houser, Chief Deputy Treasurer Laurie Thomas, Civil Deputy Prosecuting Attorney R. David Ferguson, BOCC Administrative Secretary Teri Johnston and Deputy Clerk Tina Ginorio. Also present, representing Joel Peal, was Sean Moglia.

A. Call to Order: Chairman Chris Fillios called the meeting to order at 9:31 a.m.

B. Changes to the Agenda (Action):

Chairman Fillios suggested covering item two from the agenda first, because there was a representative for the taxpayer present.

C. Action Items

Request for Adjustment of Taxes/AIN Nos. 204647; 145217/Pearl

Sean Moglia introduced himself as CFO (Chief Financial Officer) for Joel Pearl and all his entities. He explained he was present to discuss the property at 9494 Government Way, because the sale price had been reported to the County in error. He noted that they had exceeded the time allowed for assessment appeals but still wished to request an adjustment of taxes on the property. He explained the sequence of events that led to the incorrect sale price being submitted.

Assessor Rich Houser responded that he had engaged in an email dialogue with Mr. Pearl regarding the report of an incorrect sale price on the particular property. He stated that the property had not been listed for sale, so it was not exposed to the market. He said that Mr. Pearl had offered the owner an amount of money and the property was transferred in August 2019. Assessor Houser stated that the Assessor's Office had already performed a valuation on the property so the value they had for it was not in error; it was the value they found during their recent analysis of storage unit facilities. He commented the process used to value this property was the same as for all similar ones; the value just was significantly higher than the amount Mr. Pearl paid for it.

Mr. Moglia, in response to a question from Assessor Houser, confirmed that Mr. Pearl had bought the property, then listed it for sale again in September 2019. He said it was first listed for \$800,000 but the price was quickly dropped to \$399,000. He added that it was then removed from the market.

Chairman Fillios asked Civil Deputy Prosecuting Attorney R. David Ferguson if Mr. Moglia should have been sworn in. Mr. Ferguson said he should have been. Chairman Fillios said they would have him sworn in retroactively.

Deputy Clerk Tina Ginorio swore in Mr. Moglia.

Assessor Houser stated that the County had not made an error in the valuation of the property; the transaction happened after the lien date. He remarked that the Assessor's Office would be glad to make an appointment to reexamine the property for 2020. He said they were upholding the assessed value of \$842,365. He confirmed, in response to a question from Commissioner Leslie Duncan, that the assessed value had not been based on the submitted erroneous sale price.

Mr. Ferguson pointed out that, since Mr. Pearl wished to dispute the assessment of value of the property, this was not the proper forum for the problem. He said it should be covered during Board of Equalization hearings.

Chairman Fillios agreed with Mr. Ferguson's point and explained the difference between Board of Equalization Hearings and Requests for Cancellation of Taxes.

Commissioner Leslie Duncan moved that the Board deny the request for adjustment of taxes for AIN Nos. 204647 and 145217. Commissioner Bill Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks:	Aye
Commissioner Duncan:	Aye
Chairman Fillios:	Aye

The motion carried.

Mr. Moglia exited the meeting at 9:44 a.m.

Request for Cancellation of Taxes/AIN Nos. 112707/121830/ St. Vincent de Paul

Assessor Houser explained this item was related to the two motels that had been used by St. Vincent de Paul as transitional housing. He said that when the appraisers visited the property at the beginning of 2019, both motels were vacant and listed for sale. He pointed out that they were thus not in use as intended under the tax exemption. He added that if an appraiser notices a property is not being used in alignment with its exemption, they remove the exemption.

Assessor Houser stated that an assessment notice had been sent on each of the properties but they received no response from the owner. He said he understood that both properties had now sold, so taxes should have been handled at the time of closing.

Assessor Houser confirmed that the assessment would be considered proper notification that the exemption had been removed.

Chief Deputy Treasurer Laurie Thomas reported that St. Vincent de Paul's representative, Mr. Riley, had indicated in a letter that he felt the error had been in assessment notice but she stated that it had been the same one that any other property owner would have received.

Assessor Houser said that, as far as he knew, the sale had since taken place and pointed out that, they should have negotiated who had the tax obligation at the closing. He said he had heard the properties had been purchased by the City of Coeur d'Alene, so by virtue of ownership the properties would become tax exempt once more.

Commissioner Duncan pointed out that the City had not owned it when the tax was accumulated, so this sale was not relevant.

Commissioner Duncan stated she was currently waiting for the representative to call her back. She predicted she would speak to them today and find out what had taken place.

Commissioner Duncan moved that the Board deny the request for cancellation of taxes for AIN Nos. 112707 and 121830. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye

Commissioner Duncan: Aye

Chairman Fillios: Aye

The motion carried.

Request for Adjustment of Taxes/Circuit Breaker/AIN 229855/Alvarado

Ms. Thomas reported that she had been in contact with Mr. Alvarado. She explained that he had qualified for the Circuit Breaker Program for the past three years. She said he had experienced a serious illness during the time he should have signed up for the program and was asking that he be reinstated for 2019.

Commissioner Duncan moved that the Board approve the request for adjustment in taxes of \$420 on AIN 229855. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye

Commissioner Duncan: Aye

Chairman Fillios: Aye

The motion carried.

Request for Cancellation/Penalties & Interest/AIN 238520/Oliver

Ms. Thomas reported that she has had no active contact with the property owners. She explained that they had not paid their 2018 taxes and, when they received their bill for the 2019 taxes, they had sent a request for cancellation of the late charge and interest. She said they did not include a reason for the request. She added that the amount was about \$600.

Commissioner Duncan moved that the Board deny the request for cancellation of penalties and interest for AIN 238520. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye

Commissioner Duncan: Aye

Chairman Fillios: Aye

The motion carried.

Request for Cancellation/Penalties & Interest/AIN 113395/Gardner

Ms. Thomas noted that this represented a unique situation. She explained that the Gardners had filed a bankruptcy case in which they claimed several years of taxes. She said the original bankruptcy was dismissed as charged; they re-filed another bankruptcy but the taxes were the same in the second filing as in the original. She stated that the trustee had been directed to pay the taxes included in the filing, but did not. She said the Treasurer's Office had had conversations with the trustee as well as the taxpayers, informing them that no payment had been received.

Ms. Thomas reported that the trustee closed the bankruptcy for the second time and the Treasurer's Office approached both the taxpayer and the trustee for payment. She said the taxpayers had asked the Board to cancel the late charge and interest on the taxes because the trustee had not paid them.

Ms. Thomas noted that their letter said they wanted to pay \$6767.78 by making a \$3,000 payment immediately and \$3,056 by December 20, 2019. She said they felt they could pay the balance of \$710 by June 2020. She stated that her office did receive checks which they were holding pending the BOCC's decision.

Commissioner Brooks asked if there were any hardship circumstances involved.

Commissioner Duncan noted that the letter stated there were medical issues now, but not whether there had been in the past.

Chairman Fillios summed up by saying that he understood the request to be for the Board to forgive the approximately \$3,100 in interest.

Ms. Thomas agreed.

Commissioner Duncan commented that it was not the taxpayers' error, but they might have done more to resolve the issue.

Mr. Ferguson pointed out that the taxpayers would have been aware of the bankruptcy trustee's actions and that the Treasurer's Office had contacted the taxpayer in a timely fashion, so there had been opportunities to correct the situation.

Ms. Thomas confirmed that they had been sending monthly statements for a six year period. She added that the first filing had been in 2012 and the second one in 2013.

Chairman Fillios suggested they forgive a portion of the amount. Commissioner Brooks disagreed; Commissioner Duncan agreed.

Commissioner Duncan moved that the Board reduce penalties and interest by \$1,000 for AIN 113395, leaving the rest to be paid. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Nay
Commissioner Duncan: Aye
Chairman Fillios: Aye

The motion carried.

D. Public Comment (Discussion): This section is reserved for citizens wishing to address the Board regarding a County-related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing. There was no public comment.

E. Adjournment (Action): Chairman Fillios adjourned the meeting at 10:17 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

CHRIS FILLIOS, CHAIRMAN

BY: _____
Tina Ginorio, Deputy Clerk
