

Minutes of Meeting
Requests for Cancellation of Taxes
February 13, 2019
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 Chief Deputy Treasurer Laurie Thomas, Civil Deputy Prosecuting Attorney R. David Ferguson, BOCC Administrative Secretary Teri Johnston and Deputy Clerk Tina Ginorio. Commissioner Bill Brooks was present via teleconference.

- A. Call to Order:** Chairman Chris Fillios called the meeting to order at 9:31 a.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Action Items:**

Chief Deputy Treasurer Laurie Thomas requested she be given a few minutes to brief the new Commissioners on the purpose of this type of meeting. Civil Deputy Prosecuting Attorney R. David Ferguson said he believed the applicants should be admitted at the start of the meeting, since it was an open meeting. Chairman Fillios chose to allow Ms. Thomas to brief the new Commissioners quickly, to reduce potential confusion.

Ms. Thomas explained that a meeting to consider a Request for Cancellation of Taxes offered the opportunity for the Board to apply common sense solutions to questions of process. She stressed that consistency of action was important and that the Board must be cautious of setting unwanted precedents by their decisions. Ms. Thomas stated the Commissioners needed to judge whether real hardship was present in a case and whether non-negotiable State criteria had been met. She added that in cases where County error was present, staff immediately recognized it and suggested appropriate redress to the BOCC immediately.

Mr. Ferguson said the applicable statutes were Idaho Code 63-711 for hardship cases and 63-1302 regarding an error made by the County.

Mark Boyd and Reverend Mike Denton from Camp N-Sid-Sen and Attorneys Susan Weeks and Daniel Keyes, representing the Camp's interest, entered the meeting at 9:37 a.m.

Following Chairman Fillios' request, Deputy Clerk Tina Ginorio administered the oath to Mr. Boyd and Reverend Denton.

Request for Waiver of Fees/AIN 112860/113148/Camp N-Sid-Sen (continuation)

In response to questions from Mr. Keyes, Reverend Denton described the relationship between Camp N-Sid-Sen and the United Church of Christ, the purpose of the camp and the camp's relationship with the community. He indicated that the United Church of Christ was not directly responsible for expenses incurred by the camp. He further stated

that the camp did not have a mortgage. Chairman Fillios asked if they had considered taking a mortgage or equity loan in order to pay the assessed taxes. Reverend Denton said they wanted to avoid that because such debts had often preceded the loss of camps for other churches.

Chairman Fillios, through questions to Reverend Denton and Mr. Boyd, established that the camp had qualified for tax-exempt status each year since its inception in 1935. He further established that Camp N-Sid-Sen had missed the filing deadline for tax-exempt status for the year 2018 and had been assessed taxes on the two AIN numbers listed.

In response to questions from Mr. Keyes, Mr. Boyd explained that he was the Managing Director of the camp. He said he had been on sabbatical from December 2017 through February of 2018 and had received the application for tax-exempt status upon his return to work. He stated that he delayed completing the paperwork due to a personal crisis that persisted for some time, despite receiving a phone call from BOCC Administrative Secretary Teri Johnston and a final notice by certified mail. Because of this, Mr. Boyd said, the camp lost its tax-exempt status for that year. He assured the Commissioners that the application would be completed on time for the 2019 fiscal year and he believed it would be approved. Mr. Boyd stressed the scholarships to youths that Camp N-Sid-Sen offered, the meals and events it hosted for no charge for Eastside Fire District, and the deeply discounted price it gave to Kootenai High School for its prom.

Civil Deputy Prosecuting Attorney R. David Ferguson reminded the Commissioners of the State statutes that applied to cancellation of taxes: 63-711 (Hardship) and 63-1302 (Cancellation of Property Tax). Mr. Ferguson examined the financial data provided by the camp and asked for clarification regarding their Capital Expense Fund and improvements they planned for the camp in the coming year.

BOCC Administrative Secretary Teri Johnston explained the steps taken in requesting an entity to renew its tax-exempt status. She stated that an affidavit was sent to each group in January; if no response were received, she would then call the group around the middle of March and send a final notice by certified mail by April 1. She added that April 15 was the final deadline, after which the tax-exempt status would be revoked for the year. Mr. Boyd affirmed that he had received all of these communications.

Commissioner Brooks moved that the Board deny the request for cancellation of taxes from Camp N-Sid-Sen for AIN numbers 112860 and 113148, but that the Board request preparation of a payment plan for a term of thirty-four months to allow the camp to pay the tax assessed, with the additional provision that the interest and penalties would be cancelled if the camp followed the payment plan as written. Commissioner Duncan 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. Keyes asked why the Board determined not to offer the camp cancellation of the taxes as requested. Commissioner Duncan explained the reasoning that led her to the

conclusion that the camp did not exhibit financial hardship as required by statute. Chairman Fillios agreed.

Request for Waiver of Fees/AIN 303690/Russell (continuation)

No representatives for the owner of AIN 303690 were present.

Ms. Thomas reminded the Board that this item was a continuation from a previous meeting in which she had been directed to contact the property owner to seek additional information. She stated the property owner had asked the Board to cancel their penalties and interest because they had experienced extenuating medical circumstances. Ms. Thomas said she had attempted to contact the owners through the phone numbers provided, but these were no longer in service. She added that she tried to contact them through email but received no response. Ms. Thomas reported that the owners had made a substantial payment toward the account in December, which left them owing a portion of the 2017 and their 2018 taxes. She said that they were not under threat of the County taking the property for tax deed at this time.

Mr. Ferguson said that statute provided for the Board to make a decision with a written application, in the absence of live testimony.

Commissioner Duncan asked how much the people owed. Ms. Thomas said that the people originally owed taxes for 2016, 2017 and 2018. She stated they came in to the office in December and paid off 2016 tax and half of 2017 tax, so they now only owed half of 2017 and the full amount for 2018.

It was discovered that the teleconference link with Commissioner Brooks had been lost. Chairman Fillios and Commissioner Duncan agreed to complete this item, since the two of them constituted a legal quorum.

Commissioner Duncan moved that the Board deny the request for waiver of fees on AIN 303690/ Russell. Chairman Fillios seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Excused

Commissioner Duncan: Aye

Chairman Fillios: Aye

The motion carried.

Chairman Fillios asked for a brief recess, so they could reconnect with Commissioner Brooks on the phone.

Chairman Fillios placed the meeting in recess at 10:30 a.m.

Commissioner Brooks reentered the meeting by phone at 10:33 a.m.

Chairman Fillios called the meeting back into session at 10:34 a.m.

Request for Waiver of Fees/AIN 117767/Tylman

Ms. Thomas reminded the Commissioners that they had received a letter from Theodore Tylman requesting waiver of the late charge and interest on his 2018 tax bill. She explained that the original bill was mailed to the Arizona address Mr. Tylman had provided. She reported that the bill was not forwarded; it was returned and the Treasurer’s Office found another address written on the returned envelope in January 2019. Ms. Thomas said the bill was re-sent to this other address, in Worley, ID but Mr. Tylman said he did not receive that bill either. She reported that Mr. Tylman said he realized on his own that he had not made the yearly payment and sent it in on his own initiative. Ms. Thomas noted that there is a statute that says that, even if the bill was not received, the property owner was still not excused from late charge and interest. Mr. Ferguson confirmed that such a statute existed.

Commissioner Duncan pointed out that the fee was \$26.10 and there was no indication that this presented a financial burden or hardship to the owner.

Commissioner Duncan moved that the Board deny the request for waiver of fees on AIN 117767/Tylman. 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 Waiver of Fees/AIN 198994/McClain

Ms. Thomas shared the history of the case: the property was purchased in January of 2017; the taxpayer claimed he became resident for the year of 2017. She reported that the tax bill for 2017 did have the homeowner’s exemption on it because the prior owner had been entitled to such an exemption. She said Mr. McClain did not come in to apply for a homeowner’s exemption after he bought the property, so by April of 2018, the Assessor’s Office removed the exemption and his 2018 bill reflected that. Ms. Thomas said he was asking for the homeowner’s exemption to be reinstated for 2018 because he was living there.

In response to a question by Commissioner Duncan, Ms. Thomas stated that, by Idaho law, a homeowner had to apply for this exemption between January 1 and April 15 to qualify. She added the Assessor’s Office staff told her they felt that he was not eligible to have the homeowner’s exemption because he did not meet the residency requirements. She said they told her they had contacted the State Tax Commission and to list the case as homeowner tax recapture.

Commissioner Duncan said she did not see any proof of this being an error made by the County or of this imposing a financial hardship.

Commissioner Duncan moved that the Board deny the request for waiver of fees on AIN 198994/McClain. 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.

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 10:42 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

CHRIS FILLIOS, CHAIRMAN

BY: _____
Tina Ginorio, Deputy Clerk
