

**Minutes of Meeting**  
**Requests for Cancellation of Taxes**  
**March 3, 2021**  
**9:00 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 Bela Kovacs, Chief Deputy Assessor Joe Johns, Acting Chief Deputy Treasurer Mary Bidwell, Civil Deputy Prosecuting Attorney R. David Ferguson, BOCC Administrative Secretary Teri Johnston and Deputy Clerk Tina Ginorio. Also present were Treasurer of the Twin Lakes Community Schoolhouse Foundation Renee Miller and East Side Fire District Administrative Manager Amber Loewe. Ms. Loewe was present via teleconference.

- A. **Call to Order:** Chairman Chris Fillios called the meeting to order at 9:00 a.m.
- B. **Changes to the Agenda (Action):** There were no changes to the agenda.
- C. **Action Items:**

**Request for Waiver of Taxes, Penalties, Interest/City of Coeur d’Alene/AIN 244728**

Chief Deputy Assessor Joe Johns stated that this parcel had come into possession of the County through Tax Deed and had been conveyed to the City of Coeur d’Alene. He explained that the City had requested the back taxes be cancelled and that the Assessor’s Office recommended their request be granted.

Acting Chief Deputy Treasurer Mary Bidwell commented that the special assessments, such as the Aquifer Protection District fee, would still need to be paid.

Commissioner Leslie Duncan moved that the Board approve the request for waiver of taxes, penalties and interest on AIN 244728, minus the special assessment for Aquifer Protection. 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.

**Request for Waiver of Taxes, Penalties, Interest/Twin Lakes Community Schoolhouse/  
AIN 103362**

Treasurer of the Twin Lakes Community Schoolhouse Foundation Renee Miller provided the Board with a brief history of the Schoolhouse. She explained that there had been some confusion regarding its inclusion on the list of nonprofit entities in the County. She said that the prior tax bills she had received, for a number of years, had “exempt by statute” on them, but when she received the most recent bill last week, it showed an amount due of \$1,234 for 2020. She stated that BOCC Administrative Secretary Teri

Johnston had explained the process of requesting tax exempt status to her and provided her with the necessary documents to complete.

Ms. Miller said she would like to request a waiver of the 2020 taxes.

Mr. Johns explained that “exempt by statute” was on prior notices because the property had previously been owned by Kootenai County. He said that when the property was conveyed from the County to the Twin Lake Community Schoolhouse Foundation in 2017, the process to remove it from exempt status was not completed. He stated that the mistake had been identified this summer and the property was taken out of the exempt status and was placed on the supplemental roll.

Civil Deputy Prosecuting Attorney R. David Ferguson pointed out that there was no requirement for the County to send out a notice to remind a taxpayer of the annual exemption. He said it was a courtesy extended by the Board, but the statutory duty to apply for tax exemption for properties resided with the taxpayer.

Commissioner Duncan asked Ms. Miller to describe the hardship that paying the taxes would present to their group.

Ms. Miller explained that all the funds they had raised were put toward rehabilitation and maintenance of the building. She indicated that paying this sum would delay necessary work.

Mr. Johns provided additional information on the sequence of events which should have taken place in 2017 when the parcel changed hands.

Assessor Bela Kovacs cautioned the Commissioners against setting a precedent. He stated that there was no obligation on the part of the County to notify a property owner of their obligation to pay taxes.

Mr. Ferguson commented that he believed Mr. Kovacs’ statements were correct. He added that an incorrect designation by the Assessor’s Office on the exemption did not excuse the taxpayer from recognizing that it could be incorrect. He said taxpayers had the burden to establish whether or not their properties were tax exempt and how they were tax exempt. He explained that a charitable association under 63-602(c) had the obligation to make an application every year to retain tax exempt status.

Commissioner Duncan suggested that Ms. Miller’s group file for a hardship exemption at the appropriate time.

Chairman Fillios explained the process of filing for a hardship exemption. He added that he personally would be in favor of forgiving half of the principal, while still collecting any special assessments.

Commissioner Duncan and Commissioner Brooks indicated they would prefer to have the group apply for a hardship exemption. Commissioner Brooks remarked that if such an exemption were approved, they would have the full amount waived, less any special appropriations.

Commissioner Duncan moved that the Board deny the request for waiver of taxes, penalties and interest on AIN 103362, pending hardship application. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye

Commissioner Duncan: Aye

Chairman Fillios: Nay

The motion carried.

**Request for Waiver of Taxes, Penalties, Interest/East Side Fire District/AIN Nos. 320232; 320231**

East Side Fire District Administrative Manager Amber Loewe requested the Board's approval of tax waivers on two parcels they purchased in May 2020.

Ms. Miller exited the meeting at 9:21 a.m.

Mr. Johns stated that the parcels had been placed in a tax exempt status because East Side Fire District was itself a government entity, a taxing district. He explained they had been placed in an exempt status for part of 2020 and all of 2021 and were only assessed a value for one quarter of the year, during which they were under private ownership. He commented that he did not know if the taxes were credited during the closing on the property, but that the Assessor's Office had followed code and prorated the assessed value to the first quarter of 2020.

Mr. Ferguson stated that East Side Fire District would never be obligated to pay someone else's taxes, as a government entity.

Chairman Fillios quoted a section of an email received from Mr. Ferguson that stated: "Government entities are exempt under Idaho Code 63-602(a) and do not need to apply for an exemption. It is automatic."

Mr. Johns commented that they had no knowledge whether the buyer was credited for the portion of the first half of the first quarter of taxes for the year.

Ms. Loewe said she did have a closing statement which stated that the County taxes for the two lots from January 1, 2020 to May 21, 2020 had a \$578.17 credit to East Side Fire District.

Chairman Fillios explained that meant that the seller was debited and the buyer was credited that amount.

Mr. Johns pointed out that while East Side Fire District was not obligated to pay taxes, it had received credit during the transaction. He suggested that the Board ask that the taxes be paid in this case.

Mr. Ferguson remarked that it would qualify as an "unjust enrichment" argument. He said it would not be equitable for East Side Fire District to receive the credit and then not pay it to the County, when the amount had always been owed to the County.

Ms. Loewe voiced understanding and acknowledged that they would need to pay \$173.06 to the County in June 2021.

Commissioner Duncan moved that the Board deny the request for waiver of taxes, penalty and interest on AIN Nos. 320232 and 320231. 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.

Ms. Loewe exited the meeting at 9:30 a.m.

**Request to Cancel/Adjustment to Tax-Valuation Approved by Board of Commissioners 2/17/21/Marina Yacht Club LLC/AIN 224003**

Mr. Johns explained this situation had come about when the document AS62 amending the Marina Yacht Club LLC value from \$0 to \$145,788 was presented to the Board in error and was approved. He asked that they were asking the approval to be revoked.

Commissioner Duncan moved that the Board approve the request to cancel the adjustment to tax-valuation approved by the Board on February 17, 2021 for AIN 224003. 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:** 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.

Assessor Bela Kovacs requested additional clarification of the decision on item four, which the Commissioners provided.

- E. Adjournment (Action):** Chairman Fillios adjourned the meeting at 9:35 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

CHRIS FILLIOS, CHAIRMAN

BY: \_\_\_\_\_  
Tina Ginorio, Deputy Clerk

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