

**Minutes of Meeting**  
**Tax Exempt Application Hearing**  
**May 5, 2021**  
**10:30 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 Bela Kovacs, Civil Deputy Prosecuting Attorney R. David Ferguson and Deputy Clerk Tina Ginorio. Also present were Gary Brown from Reach America, Inc., Geoffrey Winkler and David Warnick from New Life Community Church, Twin Lakes Community Schoolhouse Foundation Treasurer Renee Miller, Ruben Garcia and Sharon Garcia from Cornerstone Baptist Church, Larry Sims from the Hauser Lake Water Association and Dara Dryer from the Community Building Partners dba Jacklin Arts & Cultural Center. Mr. Brown was present via teleconference.

**A. Call to Order:** Chairman Chris Fillios called the meeting to order at 10:34 a.m.

**B. Changes to the Agenda (Action):** There were no changes to the agenda.

**C. Swearing in of Participants in Attendance (by the Clerk)**

Deputy Clerk Tina Ginorio swore in the participants.

**D. Business (Action Items):**

Civil Deputy Prosecuting Attorney R. David Ferguson stated that the burden of proof was placed on the owners applying for tax exempt status to show that they were in strict compliance with the applicable statutes.

Mr. Ferguson reminded the Commissioners that, in order to preserve their attorney/client privilege, they should not read directly from his statements of legal opinion on cases.

**New Life Community Church/AIN Nos. 182821; 162190; 162188**

Commissioner Leslie Duncan reported that this organization had qualified for tax exempt status in the past, but errors that arose during the pandemic last year caused its revocation. She stated that the group does currently function as a church in the community.

Commissioner Duncan moved that the Board approve tax exempt status for New Life Community Church AIN Nos. 182821; 162190 and 162188. 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.

**Kootenai Humane Society/AIN No. 204733**

Commissioner Duncan stated that this parcel was bare land at the moment and could not be considered for tax exemption because it was not in use yet.

Commissioner Duncan moved that the Board deny tax exempt status for Kootenai Humane Society AIN No. 204733. 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.

**St. Luke's Episcopal Church/AIN Nos. 116196; 128083**

Commissioner Duncan stated that St. Luke's Episcopal Church had encountered similar issues as those faced in item one on the agenda. She confirmed the parcels were used exclusively for religious purposes.

Commissioner Duncan moved that the Board approve tax exempt status for St. Luke's Episcopal Church, AIN Nos. 116196 and 128083. 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.

**Reach America, Inc./AIN No. 109062**

Reach America, Inc. Representative Gary Brown explained that his group thought they owned the entire parcel, but had recently learned that a small portion was owned by the state. His group purchased the land from the state and it contained a driveway that served both the building rented by the Freedom Fellowship Church and another building.

Commissioner Duncan said this sounded as if the property would have to be considered commercial, since the building was being rented out.

Mr. Brown remarked that there had been no rent paid for their use of the building for two years. He explained that Reach America ran a Christian Bookstore and that any funds they received from any source were applied toward their ministry for men recovering from substance abuse.

Mr. Ferguson commented that the owner of the property was Reach America, Inc., which appeared to be a nonprofit and had a charitable purpose, but that in the application it is stated that the user of the driveway was a church. He said that since the church was a different legal entity than the owner of the property, it was not in line with statute.

Mr. Brown stated that Reach America had a house on the same property, which was also served by the driveway, and that house was used for their ministry.

Mr. Ferguson acknowledged that this represented testimony that could be accepted by the Board as an indication that there was actual use by the owner of the property for charitable purposes.

Mr. Brown said that Freedom Fellowship only used the church for two or three hours on Sunday mornings. He confirmed that the AIN being discussed today included only the driveway that led to the current tax exempted property.

Commissioner Duncan asked him to verify that this parcel represented an addition to an operation which had already had tax exempt status.

Mr. Brown said that was correct.

Commissioner Duncan moved that the Board approve tax exempt status for Reach America, Inc. AIN 109062. 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.

Mr. Brown exited the meeting at 10:46 a.m.

**Twin Lakes Community Schoolhouse Foundation/Ain No. 103362**

Commissioner Duncan reported that this property had previously had tax exempt status because it was part of another parcel in the past and when the parcel was split, it lost the status. She noted this was a new application and it appeared to qualify for exemption.

Mr. Ferguson pointed out that a portion of the property seemed to be dedicated to commercial boat storage. He said it would be the Assessor's duty to determine the portion of the property that was then taxable.

Twin Lakes Community Schoolhouse Foundation Treasurer Renee Miller, 9319 West Twin Lakes Road in Rathdrum, stated that her group received the property in 2014. She said they were rehabilitating the building, to put it back into community use. She acknowledged that the taxable portion of the property would yield a tax payment of about \$60. She stated that the portion that was taxable would be about 6% of the property.

Commissioner Duncan moved that the Board approve tax exempt status for Twin Lakes Community Schoolhouse Foundation AIN 103362, excluding the portion used for boat storage. 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.

**Bayview Community Center Foundation/AIN No. 180731**

Commissioner Duncan stated that this group's situation was the same as that described in item one on the agenda.

Commissioner Duncan moved that the Board approve tax exempt status for Bayview Community Center Foundation AIN 180731. 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.

**Critical Power/AIN No. 334748**

Mr. Ferguson said that, under Idaho Statute 63-602(nn) there were specific requirements about financial information that needed to be provided in order to support a tax exemption. He remarked that the information was not provided so there was no way to determine whether the group met the qualifications or not.

Commissioner Duncan moved that the Board deny tax exempt status to Critical Power AIN 334748. 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.

**Cornerstone Baptist Church/AIN No. 203215**

Commissioner Duncan stated that this group's situation was the same as that described in item one on the agenda.

Commissioner Duncan moved that the Board approve tax exempt status for Cornerstone Baptist Church AIN 203215. 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.

**North Idaho College/AIN Nos. 185371; 122797; 103538; 117661; 104791; 102719**

Commissioner Duncan noted that there were six properties for consideration, but only one had been reserved for future use by the school, AIN 122797. She said four of the properties, AIN Nos. 103538, 117661, 104791 and 102719, were single family residences with leases, so those would not be eligible. She stated that AIN 185371 was not being used for school purposes, so it would not qualify either.

Commissioner Duncan said that a property could be held by an educational institution for building purposes and still qualify under statute.

Mr. Ferguson confirmed that this was correct.

Commissioner Duncan moved that the Board approve tax exempt status for AIN 122797 and deny tax exempt status for AIN Nos. 185371, 103538, 117661, 104791 and 102719. 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.

#### **Hauser Lake Water Association/AIN 103120**

Larry Sims, of 1008 North Fay Place in Hauser, representing the Hauser Lake Water Association, confirmed that there was no commercial use of the property.

Commissioner Duncan moved that the Board approve tax exempt status for Hauser Lake Water Association AIN 103120. 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.

Mr. Sims exited the meeting at 10:58 a.m.

#### **Lake City Playhouse/Coeur d'Alene Community Theater/AIN Nos. 132405; 120211**

Commissioner Duncan reported that this group had possessed tax exempt status in the past and lost it last year.

Commissioner Duncan moved that the Board approve Lake City Playhouse/Coeur d'Alene Community Theater AIN Nos. 132405 and 120211. 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.

#### **Community Building Partners/dba Jacklin Arts & Cultural Center/AIN 225123**

Commissioner Duncan commented that this group hosted community meetings and asked whether they charged a fee for that use.

Darla Dryer, 27812 North Cypress Lane in Spirit Lake, representing Community Building Partners dba Jacklin Arts & Cultural Center, replied that they do sometimes charge rent for community meetings. She said that they have provided the space for free to many

nonprofits, including the Chamber of Commerce, the Rotary and some church groups. She said most of the times a rental fee was charged it was for a wedding or something similar.

Ms. Dyer reported that their group had tax exempt status for about fourteen years, then lost it due to mismanagement. She said she took over management of their affairs about two years ago and had set things back in order.

Commissioner Duncan questioned how they had maintained a tax exempt status when they were charging fees for use of the property.

Mr. Ferguson explained that that they were permitted to generate income as a nonprofit, charitable entity. He said the question was whether the income was related to the charitable purpose. He stated that the Board was not responsible to audit the income, but to decide whether there was a distinct commercial use of the property that would take it out of the tax exempt status.

Ms. Dyer described the services provided by the group and said any income generated was put toward the rehabilitation and upkeep of the property.

Commissioner Duncan moved that the Board approve tax exempt status for Community Building Partners dba Jacklin Arts & Cultural Center AIN 225123. 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. Dyer exited the meeting at 11:05 a.m.

#### **Rathdrum Citizens Committee/AIN 128941**

Commissioner Duncan stated that this case appeared to qualify for tax exempt status.

Commissioner Duncan moved that the Board approve tax exempt status for Rathdrum Citizens Committee AIN 128941. 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.

#### **Developer's Infrastructure Exemption Applications: Diamond Spike Rathdrum; District at Riverstone; Foxtail 4<sup>th</sup> Addition; The Union; The Trails 4<sup>th</sup> Addition**

Commissioner Duncan commented that this was a routine request, presented each year, related to an exemption for projects under development. She said that such a property was not included on the tax rolls until it was sold.

Commissioner Duncan moved that the Board approve Developer’s Infrastructure Exemption Applications for Diamond Spike Rathdrum, District at Riverstone, Foxtail 4<sup>th</sup> Addition, The Union, and The Trails 4<sup>th</sup> Addition. 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.

**Agricultural Exemption Reviews**

Commissioner Duncan said that Forest & Agricultural Land Appraisal Specialist Emma Richardson had provided the list of parcels. She said this was also a routine, yearly submission.

Commissioner Duncan moved that the Board approve the Agricultural Exemption Reviews as provided in the packet received by the Commissioners. 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.

**E. 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. There were no public comments.

**F. Adjournment (Action):** Chairman Fillios adjourned the meeting at 11:10 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

CHRIS FILLIOS, CHAIRMAN

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

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