

Minutes of Meeting
Coeur d'Alene Tribe Property Tax Discussion
February 15, 2013
11:00 a.m.

The Kootenai County Board of Commissioners: Chairman Todd Tondee, Commissioner Dan Green and Commissioner Jai Nelson met to discuss the following agenda items. Also present were Assessor Mike McDowell, Treasurer Tom Malzahn, Finance Director Dave McDowell, Chief Deputy Treasurer Laurie Thomas, Chief Deputy Assessor Rich Houser, Coeur d'Alene Tribe Chief James Allan, Legislative Director Helo Hancock, Administrative Director Robert Matt, Legal Counsel Eric Van Orden and Tyrel Stevenson, Tribal Council Members Charlotte Nilson, Ernie Stensgar, John Abraham, Don Sczenski, Kootenai County Civil Deputy Prosecuting Attorneys Pat Braden and John Cafferty, and Deputy Clerk Nancy Jones.

- A. Call to Order:** Chairman Tondee called the meeting to order at 11:02 a.m.
- B. Introductions:** Chairman Tondee asked each attendee to state their name for the record.
- C. Changes to the Agenda:** There were no changes made to the agenda.
- D. Old Business:** There was no old business discussed.
- E. New Business:**

Legislative Director Helo Hancock gave a brief overview of the taxation history of Tribal lands in Kootenai County, explaining that historically, tax assessments were not levied on parcels owned by the Tribe. In 2006, a procedural change took place that resulted in taxes being assessed to those lands for the first time. At that point, there was a significant amount of confusion in regard to specific parcel ownership, and whether or not taxes should be assessed on some parcels. Since that time, the County and the Tribe have worked cooperatively to answer those questions and determine whether or not the Tribe would be held responsible for all or a portion of the assessed taxes. Mr. Hancock stated that the Tribe is adamant that land owned by the Tribal Government should not be taxed, according to Article 21, Section 19 of the Idaho Constitution. Mr. Hancock noted that the Tribe is organized and managed similar to a city or county government, in that they are required to provide mandated services to their citizens (e.g. road maintenance, water quality and lake management, social services, welfare programs, legal and law enforcement services). Many of the donations and services that are provided by the Tribe, such as road maintenance, health services, and court services, benefit not only members of the Tribe, but the community as a whole, and relieve the financial burden of other taxing districts. Mr. Hancock asked the Board to consider a change in policy decision based not only on legal precedent, but on historical data, and with respect to other voluntary agreements between the County and the Tribe. In addition, Mr. Hancock suggested that any decrease in County revenue which results from a cancellation of taxes might be recouped through the Federal Impact Aid program, which provides funding to school districts to specifically compensate for the loss of property tax revenues from Indian Lands within their district. In closing, Mr. Hancock asked the Board to consider the overall contributions from the Tribe, which far exceed the amount of taxes that were levied, and to approve cancellation of all pending taxes, interest, and penalties on the parcels in question.

Chairman Tondee noted the beneficial partnership between Kootenai County and the Coeur d'Alene Tribe, acknowledging that the services and financial contributions from the Tribe ease the financial burden of the County, as well as benefitting the community as a whole. As an example, Chairman

Tondee recognized the contributions to the Citylink Bus Service, which provides an invaluable service in Kootenai County, but might not be available without the involvement of the Tribe, which has at times provided financial contributions in excess of required match amounts. Chairman Tondee explained that the policy change in 2006 stemmed from a Supreme Court decision which indicated that the land in question should be assessed, although the determination of whether or not to cancel the resulting tax bills remains a policy decision that may be determined under the Board's discretion. As a result, the Board concurred that any decision to cancel taxes on Tribal properties would have to be addressed annually by the Board, until such time as a change of legislation would occur. Chairman Tondee stated that total payments and contributions from the Tribe are reported to be in the amount of at least \$8,000,000, and that the amount of the cancellation request is approximately \$310,000. Chairman Tondee mentioned that a portion of the fees included in the total amount due are levied by the State, not the County, and would require different processes in order to effect a waiver. Coeur d'Alene Tribe Chief James Allan thanked the Board for their cooperative efforts, and conceded that any fees levied outside the authority of the County would be removed from the cancellation request. Commissioner Green pointed out that any decision to cancel taxes can affect other taxing districts, and that a multitude of factors must be weighed. Chairman Tondee and Commissioner Green recognized the Tribe as a unique form of government, with many similarities to municipalities. Commissioner Nelson noted that the Board gave this request serious and extensive consideration, and thanked the Tribal council for the documentation and information that they presented in support of their request, as well as their community support and collaborative efforts with the Board.

The group held discussion as to specific fees and tax amounts that should be cancelled, including particulars about drafting a final Resolution, and the Board members all expressed support for approving the request.

Commissioner Green moved to cancel applicable County taxes, interest, penalties, and late fees on parcels for the Coeur d'Alene Tribe, as reflected on Exhibit 1, regarding taxes due for the second half of 2009, and all of 2010, 2011, and 2012, specifically including Lake Canyon Development, LLC, parcels (and specifically omitting fees applicable for Forest Protection, Solid Waste, and Aquifer Protection). Commissioner Nelson seconded the motion. There being no discussion, Deputy Clerk Jones called the roll:

Commissioner Nelson: Aye
Commissioner Green: Aye
Chairman Tondee: Aye
The motion carried.

F. Staff Reports: There were no staff reports.

G. Public Comment: This section is reserved for citizens wishing to address the Board regarding a County related issue. There was no public comment.

The meeting was adjourned at 11:36 a.m.

Respectfully submitted,

CLIFFORD T. HAYES, CLERK

BY: _____
Nancy A. Jones, Deputy Clerk