

Custer County  
Board of Equalization  
Appeal Hearings  
July 5, 2023

The Board of Equalization met at 10:30 a.m. in the Custer County Commissioners Room. Chairman Wayne Butts called in to the meeting. Commissioner Steve Smith and Commissioner Randy Corgatelli were in attendance. Also attending were Custer County Clerk Lura Baker, Deputy Clerk Tamra Giampedraglia, Prosecutor Justin Oleson, Assessor Jacquiel Bruno, Disaster Coordinator Levi Maydole, Treasurer Allicyn Latimer.

Commissioner Corgatelli reviewed the operational rules of Board of Equalization appeal hearings for those attending and explained the time limits set forth. He then administered the oath to all who will testify.

**Mountain Valley Baptist Church -- RPA00020000110:** Representing: Scott Sinz, Charles Babb, Greg Smith, Joe Renwick, Nick Freeman, Heath Lewis, Karmen Young, Doug Copsey, Lynn Backus.

Pastor Scott Sinz -- sworn in by Commissioner Corgatelli -- handed out the articles of incorporation for the Mountain Valley Baptist Church and began his presentation. Pastor Sinz feels that the rules have changed this year, he contacted the Attorney General and was advised that it is up to the County Commissioners for this decision. He advised that other pastors advised him that they have never had to submit bank account information. He feels that the rules have changed this year after 22 years of it being the same. He advised that he and Chuck Babb came and spoke with the Clerk and were advised that things were corrected this year after a training for taxation.

He advised that the church is not a tax shelter, they administrate to the community as a church. He gave examples of services that the church has provided for the community.

He read a scripture from the Bible as part of his presentation. Pastor Sinz advised that he felt that they were being penalized due to someone else abusing the rules and advised that they have never had to provide documentation to prove that they are a church, he advised that they have never had to provide financial documentation or by laws or articles of incorporation.

Commissioner Smith advised that the County was advised that the exemption process was lacking. The BOE wants to treat all applicants equal. He explained that the BOE has to comply with the laws and codes of the State of Idaho. He explained why the financial records are asked for, he asked Prosecutor Oleson to help clarify the Idaho Code. Oleson explained Idaho Code §63-602B in regards to how it applies to the religious exemption. He explained that the tax payer has the burden of proof in order for the BOE to make an informed determination for the tax exemption. Commissioner Smith advised that as the financial records were not given, they are not able to make an informed decision.

Pastor Scott Sinz advised that he understands that the BOE has a job to do, so does he. He still feels that there should not be a change in the information that is requested. He feels that as it has never been asked of Churches in the past he does not feel that it should be asked now. He has had other individuals in the community advise him to just comply, but he feels that someone should stand up to this change.

Commissioner Corgatelli advised that the Mountain Valley Baptist church was not singled out, he felt that there was equality across the board with all entities being asked for the same documentation.

Charles Babb asked to be sworn in and so did Lynn Backus, Commissioner Corgatelli swore Lynn Backus in, Lynn Backus asked about the 5 freedoms that are in the constitution. Commissioner Smith asked which freedom that they feel is being restricted. Mr. Backus did not answer but wants to know who is going to be attacked next. Commissioner Smith advised that this is not an attack on freedoms.

Commissioner Butts advised that this is not what this is about, it is about reduction in property tax.

Commissioner Corgatelli advised that the BOE will take the testimony under advisement and will make a decision and get back with them with that decision.

**Heart of Idaho Animal Sanctuary – RP14N19E226610:** Rebecca (Becky) Morgan was sworn in to give testimony, Nancy White was in attendance to support the HIAS. Becky advised that she was not completely sure as to why the exemption was denied. She reviewed the original documents that were sent to the County for the exemption request, explaining the breakdowns on the financials that were originally submitted. She explained that the property is not rented to anyone, the revenue that is collected is used solely for the operation of the facility. She explained what parts of the property are used for the operation of the facility and then what parts of the property are used for commercial purposes. (they do sell some animal toys, leashes and food at the facility) She brought a newly revised financial breakdown so that she could help explain where the funds are used that they collect.

Commissioner Smith thanked Ms. Morgan for bringing in the revised paperwork that explains their expenses better.

Prosecutor Oleson advised that there were some items that need to be clarified, there is \$125,000 that doesn't have a description except for "donations". Oleson went over some of their expenditures.

Nancy White explained that HIAS provides services for the community with spay and neutering. Ms. Morgan advised that they also have expenses for colonies of stray cats, provide animal protection services for the community. Morgan advised that when animals are adopted out, they are at a loss after advertising, feed, and other expenses.

Commissioner Corgatelli thanked the ladies for bringing in the information, the BOE will review the information, deliberate and will be sending out a letter with the decision.

**Challis Arts Council – BLK 17 E ½ Lot 5 & 7:** Melissa Perkins-Fitzgerald and Anna Means were in attendance. Anna and Melissa were both sworn in to testify for this appeal.

Anna gave testimony advising that the Arts Council sent a letter in to the BOE, she advised they have been trying to understand why they were denied. She advised that after reviewing the Idaho Code, she feels that the Arts Council does meet all of the qualification outlined in the code. They are a non-profit organization, they do rent a portion of the building to the Chamber of Commerce – which is also a non-profit organization. The Challis Arts Council promotes the arts and humanities in the region. She explained that in the letter that she wrote, she had advised that they are an "all-volunteer" organization

except for one employee. She explained their revenue and broke down the income sources. She went over the future expenditures that they have planned for upkeep of the building and to be able to provide the events and She explained the benefits they provide for the community.

Commissioner Smith advised that the one thing that gave him cause to deny this exemption was the income coming in from the Gift Shop. He wanted clarification regarding the gift shop income, he wanted to know what items are sold and the breakdown of the income from this portion of the entity.

Melissa advised that the gift shop is basically artists that sell their art in the gift shop. This is in direct with their mission to support the local artists. They help sell the artists art, they take 40% of the income from the sale for non-member artists, and 30% is collected off of member artists - and then the rest is paid to the artist. The revenue that is collected from these sales goes back into the operations for the Arts Council. They do not purchase items to sell in the gift shop, the items are completely artist-based consignment.

Justin Oleson wanted to clarify the breakdown of the building space. Melissa explained the layout of the building as pertaining to office space, gift shop, gallery and storage. Oleson also requested clarification of the donation income. Melissa reviewed that memberships are part of the donation income and that there are other donations from individuals in the community. Melissa also advised that there are grants that are included.

Anna Means advised that they do feel that they deserve and qualify a tax exemption. She clarified again that the gallery/gift shop sales are to help promote the artists and the mission of the Challis Arts Council and it is also one way to help keep the Challis Arts Council building open. Melissa also interjected that as this is such a small community and that the two organizations (Chamber and Arts Council) wouldn't be able to afford to be individual from one another, they help keep both entities open and available to the community.

Commissioner Corgatelli advised that the BOE will review the information that has been presented and will let the Challis Arts Council know of their decision.

**American Legion Post 16 – RPB0013007010A:** There were not any representatives that appeared to give testimony for this applicant. The BOE reviewed the information that was submitted by the American Legion with the appeal application.

Commissioner Smith reviewed the rental information that is listed on the financial documentation that was submitted by the applicant. Commissioner Smith reviewed the activities that are listed on the application and then continued to review the application answers. He also went over the financial information that was sent in, Prosecutor Oleson asked for clarification on the bank membership, bingo and Ireland Bank line items on the financial statement. There was discussion regarding what the understanding was regarding these line items and how they are derived. Prosecutor Oleson counselled the BOE that they need to make sure that they have clearly on record the reasoning behind their decision, what they are reviewing.

Chairman Butts advised the other two commissioners that they need to review the eight (8) factors or bullet points that are listed under Idaho Code to determine if this entity does qualify for the exemption

or not. Commissioner Corgatelli advised that this information will be reviewed and a decision made later in the day.

**Valley Vista Care Corporation – RP06N25E256612A:** There were not any representatives that appeared to give testimony for this application. Commissioner Corgatelli verified that there was not anyone in attendance.

Oleson advised that if there is not any additional documentation to review, they should review the factors for the code to determine if the entity qualifies for the exemption and make a decision.

Commissioner Smith in review of the financial documentation advised that this is a for profit business, and for the record would like to make clear that the applicant noted that they are not making a profit, however Smith states that this is still a commercial venture. Commissioner Smith does not feel that after review, there is any additional information that would support this exemption.

Smith made motion to deny the appeal on the grounds of the Idaho Code §63-602C – following factors:

- They do state the purpose of their undertaking in their application
- They charge for their services and they state that within their documents
- They are not supported by donations, they have donations but that is not the main financial support
- Recipients are required to pay for the services
- They are benefiting the community but they again are charging for the service provided
- It is not evident from the Articles of Incorporation or Bylaws, where the assets would go if the entity were to dissolve
- This is more of a business, not a charity

Based on this information – Commissioner Smith made the motion to deny this exemption.

Commissioner Corgatelli second the motion. Motion passed with a unanimous vote from the three commissioners.

#### Deliberations:

##### **Mountain Valley Baptist Church:**

Commissioner Smith would like to make a motion, to deny on grounds of lack of information.

Documentation was requested to support the requested tax exemption and this documentation was not provided. Testimony did not clarify or provide all of the information that is needed to make a decision.

Corgatelli seconded. Motion passed with a unanimous vote of all three commissioners.

##### **Heart of Idaho Animal Sanctuary:**

Commissioner Smith advised that he initially had a concern regarding sales of dog food, etc. and also on income from government funding. He feels that this was cleared up with the document that they presented in Exhibit A. In regards to bullet points:

- They do state the purpose of their undertaking
- Their functions are charitable
- They are supported by donations
- Their recipients are not always required to pay for the assistance received if they are unable
- There is a general public benefit for this service
- Their income is used in the operation – they are not a for profit.
- They have clarified where assets will go
- The charity is based on need in the community

Commissioner Smith would make a motion to approve the tax exemption, Corgatelli Second. Motion passed unanimously with a vote of all commissioners.

#### **Challis Arts Council:**

Commissioner Smith asked for clarification from Prosecutor Oleson regarding the rental income collected from the Challis Chamber of Commerce. First Oleson discussed the income factor, then also advised that there is the rental income which the Assessor would value.

In regards to bullet points;

- They do state the purpose of their undertaking
- They are a charitable function
- They are supported by donations – along with some grants – and rental income from small office area
- There are no fees for services rendered
- There is a general public benefit for the service
- The profits go back into the purpose of the organization
- They clarify where assets will go
- The charity is based on need

Commissioner Smith made motion to give the exemption except for the 275 square footage, 18%, which will be assessed and taxed. Corgatelli second, motion passed unanimously with votes from all three commissioners.

#### **American Legion Post 16:**

Commissioner Smith advised that initially there was lack of information and the BOE was unable to make an informed decision as the application was not submitted. However, the application was submitted with the appeal requests. After reviewing the submitted information and in regards to the bullet points:


- They state the purpose of their undertaking
- Their functions are charitable
- They are supported by donations
- They do not require a fee for services

- The public benefits from this service
- Their income does not produce a profit
- They clarify where assets will go
- The charity is based on need

Commissioner Smith made motion to approve the exemption that was requested. Corgatelli Second and motion passed unanimously with a vote of all commissioners.

There being no further business before the Board of Equalization the session was recessed at 4:30 p.m.

  
Randy Corgatelli – Commissioner

Attest:   
Lura H. Baker, Clerk

