
SUBJECT: TAX INCENTIVE POLICY

ADOPTED DATE: DECEMBER 18, 2006

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This policy sets forth the criteria under which the Cass County Board of Commissioners may grant tax exemptions for new or expanding businesses, whether commercial, industrial or service. The Cass County Board of Commissioners states that its purpose in adopting this policy is to sanction, authorize, and encourage activities in the public interest and for the welfare of the State of North Dakota, its political subdivisions, and the people by assisting in the establishment of additional industrial plants, the expansion and retention of existing business, and promotion of economic activities within the State, and thereby increasing production of wealth, and adding to the volume of employment. This policy is a business expansion and jobs creation policy and applies to new and existing businesses as well as new or existing buildings. New construction is not required to make application for tax exemptions under this policy. This tax incentive policy shall apply only to businesses that locate in Cass County, outside of any incorporated city.

The following guidelines are recommended:

- 1) A \$100.00 non-refundable fee is required to begin the application process. In addition, the project operator shall publish two notices, the form of which shall be prescribed by the State Board of Equalization. This notice to competitors of such an application for tax exemption shall be published in the official newspaper at least one week apart and not less than 15, nor more than 30 days, before the Board of Commissioners is scheduled to consider such application.
- 2) A new business to the community must not gain unfair advantage with existing competitors through the use of the exemption. The "unfair advantage" argument must be made by a competitive business, in writing, to the Board of Commissioners within 15 days after publication of the official notice.
- 3) An existing business is eligible for tax exemption if expansion of the business includes new jobs and either of the following: a) 20% increase in sales (projected or verified), or b) diversions into another line of product sales or production.
- 4) Warehousing and retail projects would not receive exemptions unless the owner could prove need or provide other information to justify granting the exemption.

- 5) Growth projections in the community must be verifiable through either the County Assessor or County Auditor's Office.
- 6) Amount of exemption will be according to the following schedule adopted by the County Commission on December 18, 2006:

Ad Valorem Tax Value	and/or	Gross Payroll	Recommended Abatement Schedule
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Applicant Category A

\$750,000 to \$2,999,999		\$175,000 to \$1,199,999	Year 1: 100% Year 2: 90% Year 3: 90% Year 4: 90% Year 5: 90%
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Applicant Category B

\$3,000,000 to \$9,999,999		\$1,200,000 to \$2,999,999	Year 1: 100% Year 2: 90% Year 3: 90% Year 4: 90% Year 5: 90% Year 6: 70% Year 7: 50%
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Applicant Category C

\$10,000,000 to \$24,999,999		\$3,000,000 to \$4,499,999	Year 1: 100% Year 2: 90% Year 3: 90% Year 4: 90% Year 5: 90% Year 6: 70% Year 7: 60% Year 8: 50% Year 9: 40% Year 10: 30%
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