

MADISON COUNTY COMMISSION RESOLUTION NO. 40-2013

A Resolution approving tax benefit for new and expanding mining operations in Madison County by Garnet USA, LLC, a Montana limited liability company, all in accordance with the provisions of Section 15-24-1402, MCA and pursuant to the provisions Section 15-23-501, MCA which authorizes taxation upon the proceeds of mining operations and providing for an effective date herein.

WHEREAS, Section 15-24-1402, MCA provides for a tax reduction in the first ten years after a construction permit is issued, for qualifying improvements or modernized processes and the net proceeds therefrom that represent new industry or expansion of an existing industry, as designated in the approving Resolution; and,

WHEREAS, on July 30, 2013, Garnet USA, LLC, a Montana limited liability company, submitted a New or Expanding Industry Classification Application to the Madison County Board of County Commissioners (the "Madison County Commission" or the "Commission") requesting that the Commission approve tax benefits for new and expanding mining operations in Madison County by Garnet USA, LLC, including reduction in the net proceeds tax defined M.C.A. Section 15-23-518; and,

WHEREAS, on September 17, 2013, the Madison County Commission recommended approving Garnet USA, LLC's New or Expanding Industry Classification Application No. _____ subject to the provisions of Sections 115-24-1402 and 15-23-501, MCA. The tax benefits are granted for new and expanding mining operations in Madison County by Garnet USA, LLC. The percentages of tax benefits must be applied as provided in Section 15-24-1402(1), MCA, with the schedule of benefits as follows:

TAX BENEFIT

<u>YEAR</u>	<u>TAXPAYER PAYS</u>
First Year (2015)	50%
Second Year (2016)	50%
Third Year (2017)	50%
Fourth Year (2018)	50%
Fifth Year (2019)	50%
Six Year (2020)	60%
Seventh Year (2021)	70%
Eighth Year (2022)	80%
Ninth Year (2023)	90%
Tenth Year (2024)	100%
Following Years	100%

WHEREAS, the improvements and modernized processes that qualify for the tax benefits allowed by the County are defined on Exhibit "A" attached hereto and by this reference incorporated herein and include all real property (other than land), personal property, improvements and net proceeds for industrial garnets and by-products as defined in M.C.A. Section 15-23-518, or any combination thereof that is owned and utilized in the new and expanded mining operations in Madison County by Garnet USA, LLC; and,

WHEREAS, the Madison County Commissioners are in favor of encouraging new or expanding industry in Madison County, Montana, and it appears to the County Commissioners that the long-term benefits of expanded industry in Madison County outweigh the short-term loss of tax revenue resulting in the granting of the application of Garnet USA, LLC for tax reduction and for these reasons the tax benefits for new and expanding mining operations in Madison County by Garnet USA, LLC is granted; and,

WHEREAS, the tax benefits for new and expanding mining operations in Madison County by Garnet USA, LLC, are also granted pursuant to the provisions of Section 15-23-501, MCA, taxation of mines, which authorizes taxation upon the proceeds of mining operations including 15-23-518 MCA which authorizes taxation upon the net proceeds for industrial garnets and by-products; and,

WHEREAS, due notice of the application of Garnet USA, LLC, to receive the tax benefits described herein was published in the Madisonian, a weekly paper of general circulation in Madison County, Montana, on the 15th, 22nd and 29th days of August, 2013, and a public hearing on the application was held before the Madison County Commissioners on the 28th day of August, 2013, and comment in support of said application was received from the public at said public hearing; and,

WHEREAS, on September 17, 2013, the Commission, following discussion and deliberation, recommended approval of the Application for the tax benefits; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Madison County Commissioners, State of Montana as follows:

SECTION 1: That the tax benefits for new and expanding mining operations in Madison County by Garnet USA, LLC, as authorized by Section 15-24-1402, MCA is hereby approved as follows:

TAX BENEFIT

<u>YEAR</u>	<u>TAXPAYER PAYS</u>
First Year (2015)	50%
Second Year (2016)	50%
Third Year (2017)	50%

Fourth Year (2018)	50%
Fifth Year (2019)	50%
Six Year (2020)	60%
Seventh Year (2021)	70%
Eighth Year (2022)	80%
Ninth Year (2023)	90%
Tenth Year (2024)	100%
Following Years	100%

SECTION 2: That the tax benefits for new and expanding mining operations in Madison County by Garnet USA, LLC, is granted for those reasons set forth above.

SECTION 3: That the tax benefits for new and expanding mining operations in Madison County by Garnet USA, LLC, is also granted pursuant to the provisions of Section 15-23-501, MCA, taxation of mines, which authorizes taxation upon the proceeds of mining operations.


SECTION 4: That this Resolution shall be in full force and effect from and after passage and approval.

PASSED this 17 day of September 2013.

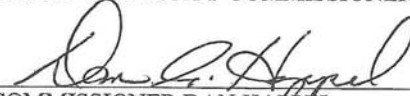
APPROVED this 17 day of September 2013.



 JIM HART, CHAIRMAN OF THE BOARD
 OF COUNTY COMMISSIONERS



 COMMISSIONER DAVE SCHULZ
 BOARD OF COUNTY COMMISSIONERS



 COMMISSIONER DAN HAPPEL
 BOARD OF COUNTY COMMISSIONERS

ATTEST:

PEGGY KAATZ STEMLER, CLERK & RECORDER

BY 

 DEPUTY CLERK & RECORDER



 CHRISTOPHER CHRISTENSEN, COUNTY ATTORNEY