

IAC Legislative Committee

January 22, 2020 | 10:00 am -1:00 pm

700 Washington | Boise, ID | Main Conference Room

Call-in Number 208-717-1950

MEETING MINUTES

Call to Order

Chair Baldwin called the meeting to order at 10:00 am.

The following committee members were present:

Chair: Justin Baldwin, Gooding Assessor
Vice Chair: Donna Peterson, Payette Treasurer
IACA: Brad Wills, Twin Falls Assessor
IACC: Doug Zenner, Nez Perce Commissioner
IACRC: Carrie Bird, Clearwater Clerk
IACT: Tracie Lloyd, Canyon Treasurer
IPAA: Bryan Taylor, Canyon Prosecutor
ISACC: Lucky Bourn, Minidoka Coroner

District 1: Dan Dinning, Boundary
Commissioner
District 2: James Zehner, Idaho Assessor
District 3: Tom Dale, Canyon Commissioner
District 4: Don Hall, Twin Falls Commissioner
District 5: Craig Rowland, Bingham Sheriff
District 6: Brent Mendenhall, Madison
Commissioner

The following guests were present:

Seth Grigg, IAC
Sara Westbrook, IAC
Kelli Brassfield, IAC
Tim Hibbard, IAC
Kristin Cundiff, IAC
Annette Dygert, Owyhee Treasurer

Angie Barkell, Owyhee Clerk
Vaughn Killeen, ISA
Chris Goetz, Clearwater Sheriff
Lorna Jorgensen, Ada Prosecutor's Office
Phil McGrane, Ada Clerk
Murphy Olmstead, ISA

Minutes Approval (Action Item)

Canyon County Commissioner Tom Dale moved to approve the January 15, 2020 meeting minutes. Idaho County Assessor James Zehner seconded the motion. The motion carried.

Legislative Priority Update

- IG-12 Whistleblower Act | To apply caps on non-economic damages

- Based on feedback from the House and Senate Judiciary and Rules committee chairs and the Governor's office the legislation is undergoing a re-write. The new draft should be available this afternoon. The major change to this draft is it would institute a cap of \$370,000 on non-economic damages on whistleblower claims and a cap on attorney fees of 35% of economic and non-economic damages.
- IG-06 APA | Standard of review for local government under Administrative Procedure Act
 - APA legislation is still in flux. Senator Burgoyne is running legislation to alter the state hearing process for administrative appeals. Senator Burgoyne has no intention of impacting county hearing procedures. IAC is reviewing the bill to determine its impact on appeals of land use and other quasi-judicial county proceedings. If there is an impact to counties, IAC has legislation ready to introduce as a companion bill to Senator Burgoyne's proposal.
- JPS-03 Odyssey Fees | Collection of certain misc. fees in Odyssey including pre-trial juvenile supervision & JPS-04 Pretrial Release | Technical corrections of collection of fees for adult pretrial release
 - So far there has been no push back to running both JPS-03 and JPS-04 together. The current draft is being reviewed by Ada County as it was a sponsor of the original IAC legislative resolution. Senator Lakey will be moving forward with it as soon as Ada County accepts the draft. It should be introduced next week.
- IG-08 Write-in Deadline | Change write-in deadline to 7th Friday before election
 - A print hearing is scheduled for next Wednesday. The full hearing is scheduled for the following Wednesday.
- IG-14 Vehicle Titles | Increase county assessor share of title fees
 - ITD has changed positions from being neutral/supportive to fearing it will reduce their DMV operating funds. A call with the assessors and ITD took place yesterday. ITD suggested the Assessors request their commissioners increase administrative fees for registrations to cover increased costs; however, this may not be legal. ITD is requesting an opinion from the AG's office to help counties navigate the process. ITD also recommended getting the fee increased in the legislature or contract title work to the private sector. Both of the latter options are not particularly viable. Waiting on AG opinion.
- IG-04 Homeowners Exemption | Bring back annual index
 - Currently, nothing is moving forward on the homeowner's exemption. At some point IAC hopes to have a conversation about it, but the House in particular is closed to discussing the issue. Right now, roughly 73% of property taxes are borne by residential property owners.
- PL-01 IDL/County Roads | Maintenance of county roads w/easements on IDL Lands
 - IAC is currently waiting on a response from IDL to discuss the matter. Alternatives to purchasing permanent easements are being pursued in cooperation with IDL. More information to come at the next meeting.

Legislative Policy Update

- IG-01 Local Option Tax
 - No new update.
- IG-10 Uncontested City Elections

- Print hearing is next Wednesday. The full hearing will be the following Wednesday.
- IG-13 Marriage License Clarification
 - Introduced yesterday by the Governor's office. Representative Ricks is the sponsor in the House. More to come after the print hearing is scheduled.
- IG-02 Security of Ballots
 - Print hearing is next Wednesday. The full hearing will be the following Wednesday.
- IG-15 Circuit Breaker
 - There have been very productive discussions on the Circuit Breaker. There is a bi-partisan group in the Senate working to advance a Circuit Breaker proposal lead by Senators Burgoyne, Lent, and Anthon. They are trying to broaden eligibility so more people can qualify for it. They estimate it will be an additional \$6 to \$7 million hit on the fund.
- JPS-07 Public Defense
 - As drafted, the proposal would create a five-year state-run pilot program through which the PDC would oversee a regional public defender's office in the Second Judicial District. Chairman Chaney is very interested in the concept. The PDC does not like it. The goal is to get it introduced and start the conversation. Kathleen Elliot of the PDC has committed to IAC to sit down and discuss options after the legislative session is over.
- JPS-06 Clerk on Magistrate Commission
 - This bill should be printed next week. The bill will be sponsored by Representative Troy in the House and Senator Lakey in the Senate.

Other Legislation Update

- [H0308](#) (Monitoring) | Handheld devices, restriction ban
 - Representative Palmer is pulling HB308 and has introduced a new version [H0346](#).
- [H0309](#) (Support) | Budget stabilization fund
 - Is out of committee and awaiting a full vote in the House. There are some issues to be addressed when the bill gets to the Senate including ensuring that all local highway jurisdictions are treated equally.
- [H0319](#) (Support) | State appellate public defender
 - This bill would transfer responsibility from counties to the State Appellate Public Defender in representing defendants in juvenile and misdemeanor appeals from the District Court to the Idaho Court of Appeals. The workload is small. There have been about 26 cases over the last 3 years. IAC recommends taking a support position.
 - *Canyon County Commissioner Tom Dale moved to support House Bill 319. Madison County Commissioner Brent Mendenhall seconded the motion. The motion carried.*
- [H0325](#) (Monitoring) | Additional 1% of sales tax for TECM
 - Transportation Expansion Congestion Mitigation (TECM) is a program that takes 1% of the total sales tax the state receives to relieve congestion and expand the state transportation system. It comes out of the sales tax distribution after revenue sharing to counties. Last year, the same bill cleared the House and was sent to the amending order in the Senate with a provision to share 40% of the funds with local highway jurisdictions. The amended bill narrowly failed in the Senate. This proposal would increase the current 1% to 2%. It will likely be amended in the Senate to divert 40% to locals to be dedicated to bridges.

- [H0334](#) (Support) | Additional \$75,000 to local bridge inspection account
 - Currently Idaho dedicates \$100,000 annually from the state gas tax to the local bridge inspection account. It hasn't been adjusted for inflation or for federal matching requirements in over 20 years. It has just been supplemented from other accounts, but the money is running out. This bill would increase the \$100,000 to \$175,000 to be able to qualify for the federal match. The additional \$75,000 will be diverted from the local share of the HDA.
 - *Nez Perce County Commissioner Doug Zenner moved to support House Bill 334. Bingham County Sheriff Craig Rowland seconded the motion. The motion carried.*
- [S1221](#) (Monitoring) | Court priority of payments
 - Introduced by the Supreme Court. This would add other statutes to the priority of payments. This should not affect counties. Sara Thomas of the Supreme Court intimated they will be looking to completely overhaul the current priority of payments to ensure there is only one item per priority number in a future year.

Other Business

- Transportation Funding (Monitoring)
 - There was a bill introduced in the House Transportation Committee regarding transportation funding. It would create an additional one-time \$100 registration fee for vehicles registered by new residents and individuals registering additional vehicles above and beyond their second. It is unclear if this fee would apply to households or individuals. The fiscal statement is unclear. Some claim it will raise as much as \$30 million, though it is unlikely to raise that much. More to follow after the actual language is released the public.
- Bill to flatten fee from IDOC to county jails (Monitoring)
 - ISA is meeting with Director Tewalt to find common ground on the issue. ISA has drafted legislation to increase the current daily rate of housing state inmates in county jails from \$55 for the first seven days and \$75 for each day thereafter to a flat fee of \$75 per day. It will not likely make it past the Senate. The cost of keeping a state inmate in a county jail is on average about \$100 per day, so the counties are already subsidizing the state even at the \$75 rate. Reducing this to \$60 per day would severely impact county budgets. IDOC is also planning on legislation to allow them to keep their inmates in county jails indefinitely. The Ada county lawsuit against IDOC is likely the impetus for this legislation. This issue is causing inmate overcrowding in county jails which leads to ACLU lawsuits further impacting counties.
- Other Property Tax Legislation
 - The Speaker introduced a bill this morning in the House Revenue and Taxation Committee to increase the grocery tax credit.
 - Representative Harris introduced legislation to require the local governing boards to go on the record through a resolution to state they intend to add forgone property taxes to their forgone balance in order for it to take place.
 - Two proposals from Representative Moyle were introduced. The first proposal establishes a firm 3% cap on local government property tax budget increase with a provision for an override requiring a 2/3rd vote. The second proposal would institute a one-year freeze on property tax budgets with a provision for a voter override with a 2/3rd vote.

- Property Tax Messaging and Strategy Conversation
 - Most counties are currently budgeting the full 3%; however, there are big differences county-to-county in how much new construction there is. The legislature will use this as a wedge issue. IAC needs to be united in their messaging. Smaller counties and larger counties need to work together to find a solution that works for everyone. There would be about \$14 million less in county budgets (statewide) had the recently introduced 3% cap bill been in effect today. IAC will release information from a statewide perspective. Statewide budgets aren't growing much faster than population growth and inflation.
 - Using justice related pressure points to show the legislature the pain taxpayers will feel may not be the best way to message the problem. Showing the loss of services people will lose out on if property taxes are frozen or if new construction is lost may be the more appropriate avenue for messaging. Justice related services are not what people generally care about. People care more about the recreational and other services they enjoy in their daily lives. These are the services most likely to be cut when budgets are reduced and they are also the services people will most likely be outraged by when they see those services reduced or cut altogether.
 - DMV waiting times is a major quality of life issue all citizens deal with frequently. Same with roads and highways. IAC needs to message the problem so it is personal to people. No one likes property taxes but they need to be messaged as a necessity so people can enjoy the services that come with them.
 - One idea being talked about at the Capitol is a cap on valuations. This may not be constitutional, however.
 - Taxpayers want predictability. Property taxpayers assume that since there's a 3% cap, their individual property taxes can't go up more than X% (such as 3%). One idea might be to put a 3% cap on individual home property tax increases. It is unknown if this is constitutional, and may have some unintended consequences.
 - Another idea would be to keep the 3% cap on budget growth, cap new construction to X% (such as 2%) and whatever is needed to get the county whole would be paid for by the state from the internet tax relief fund or some other state fund.
 - The hospital exemption is something to be looked at. The hospital exemption was originally intended to just apply to the actual hospital building. Every clinic and office building the hospital owns is also tax exempt now. If the statute were narrowed to just apply to the hospital it would put a lot of exempt property back on the tax rolls.
 - There is a bill to raise the sales tax to 11.5% and eliminate property taxes altogether to be introduced as a personal bill at a later time. It is unlikely it will go anywhere this session.
 - Sara Westbrook is heading the messaging outreach for IAC. She is collecting stories, themes, and scenarios. Please send her any ideas from your counties, including wait times at DMVs, services to be cut if a freeze were applied, etc. She will put those together.
- Medicaid Expansion
 - There hasn't been any movement on Medicaid expansion. The Governor and the House are still firm on taking \$8.6 million from counties through revenue sharing. What is being debated is if the county indigent and CAT programs will be repealed or remain in place. It is uncertain if it will be decided this session. Property taxes present an opportunity for counties to make a good argument not to take away county revenue sharing to help fund Medicaid expansion.



*Twin Falls County Commissioner Don Hall moved to adjourn the committee meeting at 1:16 pm.
Idaho County Assessor James Zehner seconded the motion. The motion carried.*

The meeting was adjourned.

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MEMBERSHIP

CHAIR

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Gooding County Assessor

Brad Wills
IACA: Twin Falls Assessor

Tracie Lloyd
IACT: Canyon Treasurer

Lucky Bourn
ISACC: Minidoka Coroner

Tom Dale
District 3: Canyon Commissioner

VICE CHAIR

Donna Peterson
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Carrie Bird
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Kieran Donahue
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