

LEGISLATIVE BRIEFING

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House Bills

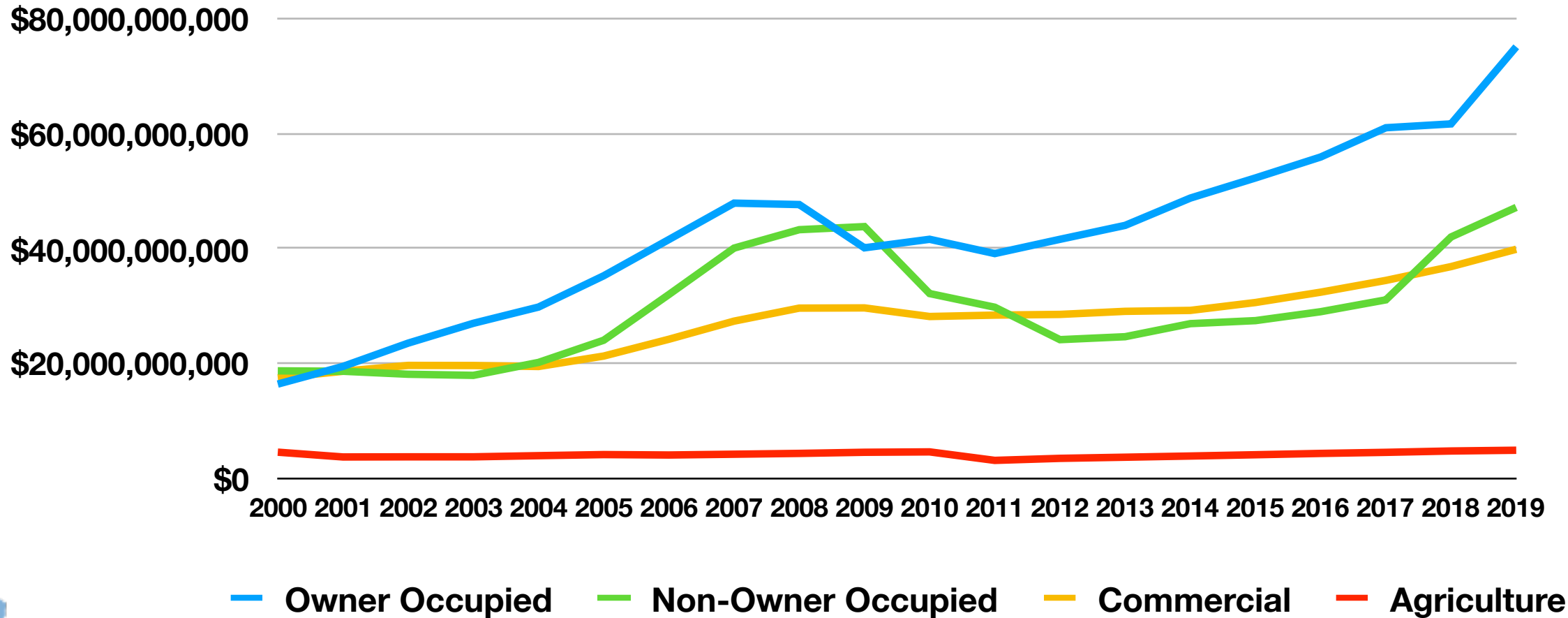
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BILL NUMBER	SUBJECT	SPONSOR	ACTION	STATUS	BILL SUMMARY
HB308	Distracted Driving	Rep. Joe Palmer (Dist. 25, Ada County)	Monitoring	Pulled by Sponsor Reintroduced as HB346.	Broadens Idaho's distracted driving law related to the use of cell phones and prohibits local distracted driving ordinances.
HB307	Transportation Funding	Rep. Joe Palmer (Dist. 25, Ada County)	Support	Pulled by Sponsor	Raises the cap on state reserve accounts, establishes a transportation endowment fund, local highway jurisdictions will be eligible for grant funding.
HB319	Post-Conviction Appeals	State Appellate Public Defender	Support	House Judiciary & Rules [waiting hearing]	Broadens authority of State Office of Appellate Public Defender to allow the office to bundle post-conviction appeals with misdemeanors and final judgments of juveniles.
HB325	Transportation Funding	Rep. Joe Palmer (Dist. 25, Ada County)	Monitoring	House Floor [awaiting vote]	Increases the amount of sales tax distribution for State Transportation Expansion Competition

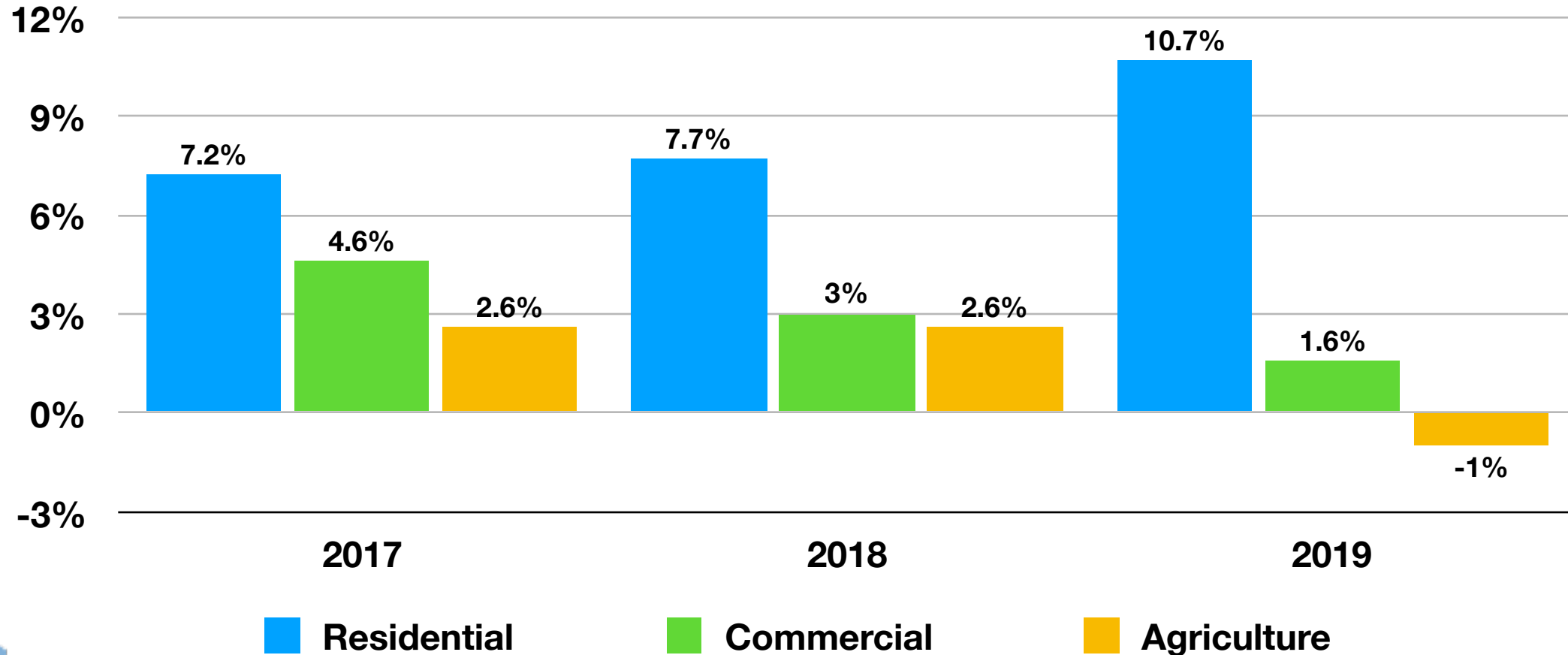
PROPERTY TAX REFORM



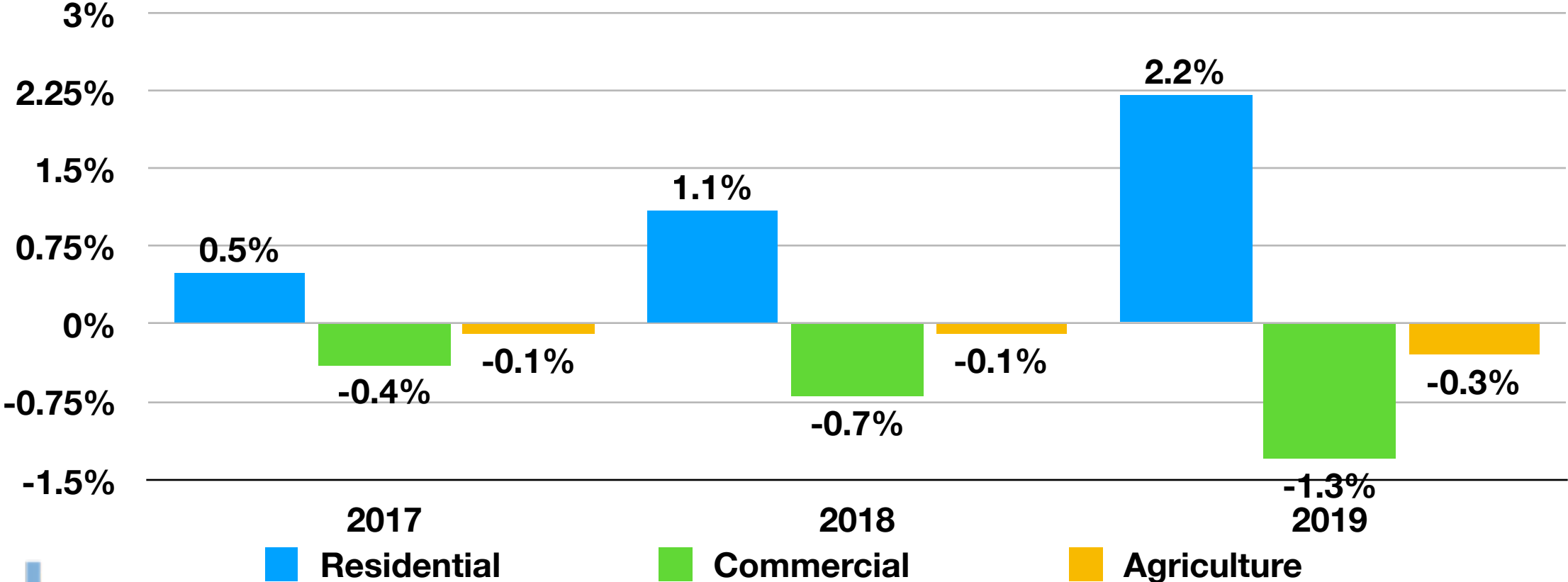
SHARE OF MARKET VALUE BY MAJOR CATEGORY, 2000-2019



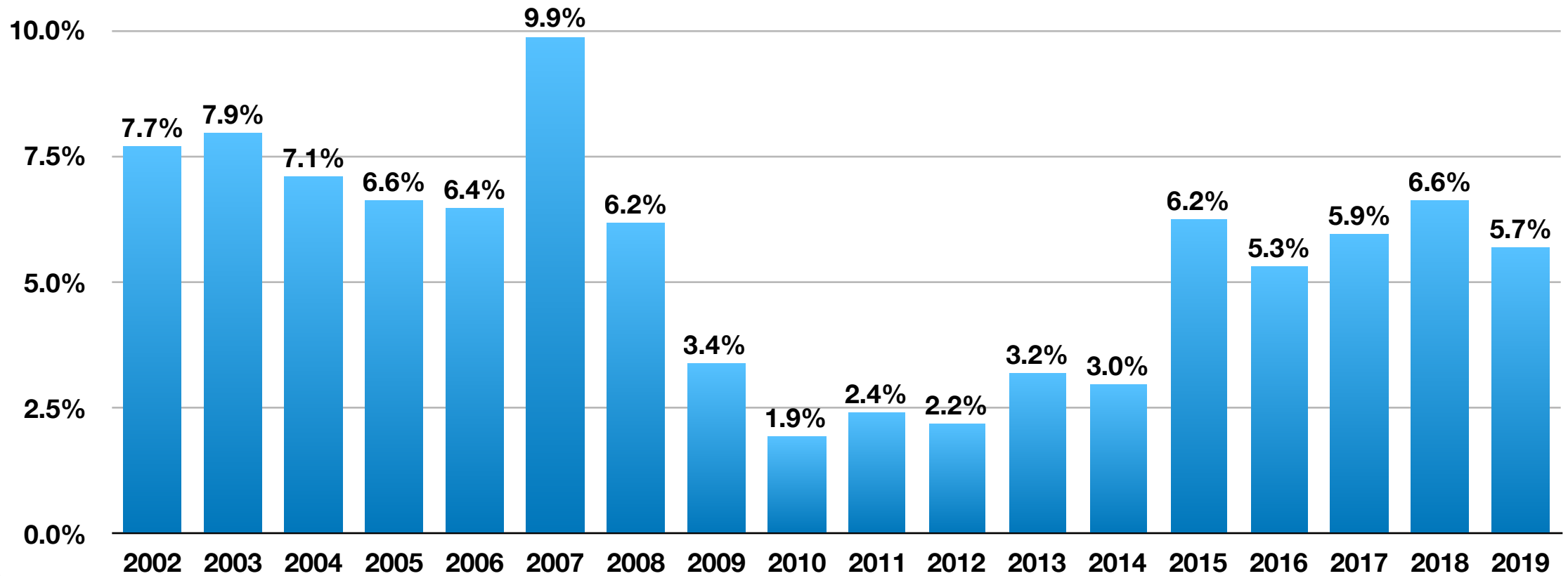
PERCENT CHANGE IN PROPERTY TAXES PAID, 2017-2019



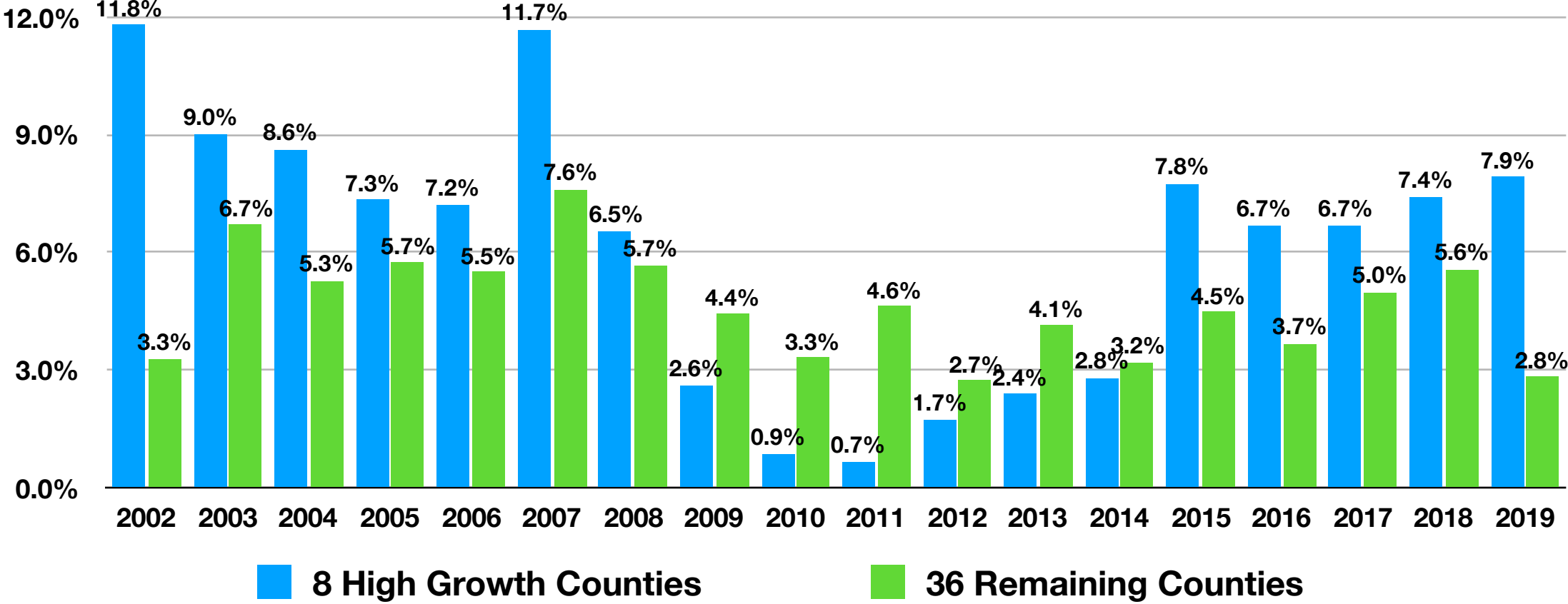
CHANGE IN PERCENT SHARE OF PROPERTY TAXES PAID, 2017-2019



ANNUAL COUNTY PROPERTY TAX BUDGET GROWTH, 2002-2019



COUNTY PROPERTY TAX BUDGET GROWTH, 2002-2019



PERSPECTIVE ON PRIOR PROPERTY TAX REFORM EFFORTS

- 1978: Voters pass initiative establishing a 1% cap on individual tax bill increases and a 2% cap on market valuation increases.
- 1981: The Legislature repeals 1% initiative repealed and enacts 5% cap.
- 1983: Homeowners exemption established by voter initiative.
- 1991: The Legislature repeals 5% cap and enacts truth in taxation.
- 1995: The Legislature repeal truth in taxation is repealed and enacts current 3% cap (new construction and forgone property taxes allowed for first time).
- 2006: The Legislature repeals the school M&O levy and raises state sales tax to 6%.
- 2016: The Legislature fixes homeowners exemption at \$100,000 and repeals the annual index.



CURRENT LEGISLATIVE PROPOSALS

- H0345 proposes a one year property tax budget freeze.
- H0343 proposes establishing a revised 3% cap:
 - A taxing district can budget new construction only if it does not take full 3%; however, any combination of new construction and base budget increase cannot exceed 3%, and
 - Prior year forgone can be budgeted but no new forgone can be reserved for future use beyond 2020.
- A yet to be introduced framework would establish a 4% cap similar to H0343.
- Legislators in both the House and Senate may create an interim committee to study property tax reform.
- See handout for estimated fiscal impact

IAC LEGISLATIVE COMMITTEE RECOMMENDED ALTERNATIVE

- Counties would be given one of two options annually:
 - 1. Increase property tax budget by up to 5% including any combination of new construction and the base budget. This is a cap. OR
 - 2. Allowed to budget new construction property taxes plus a base budget amount indexed to inflation:
 - 2017 inflation was 2.1%, so if a growing county has 4% new construction, the maximum property tax budget increase would be 6.1% instead of 7%.
 - When 63-602NN and Urban Renewal increment value return to the tax rolls the taxable value goes into new construction.

Additional Property Tax Relief Recommendations:

- Increasing/indexing the homeowners exemption and expanding the property tax reduction program (circuit breaker).
- Leverage online sales tax “tax relief” fund to provide additional property tax relief.
- Broaden county authority to adopt impact fees to pay for county infrastructure expansion.



AVERAGE COUNTY PROPERTY TAX GROWTH

- 2002-2019: 5.4%
- Counties with annual property tax budget growth above statewide average (2002-2019):
 - Ada, Boise, Bonneville, Canyon, Fremont, Jefferson, Madison, Teton

MEDICAID EXPANSION



STATE FUNDING

- Most of the funding for Medicaid expansion will come from savings to the state general fund:
 - CAT Program
 - IDHW
 - IDOC
 - Judiciary
- The state Millennium Fund will also be tapped to fund Medicaid expansion.

COUNTY INDIGENT PROGRAM

- County medical indigent program may be repealed within six months of passage of the bill to fund Medicaid expansion.
- Counties will likely maintain funding responsibility for involuntary commitments until the IMD waiver is granted.
- Counties will likely be relieved of funding responsibilities for involuntary commitments after the IMD waiver is granted.
- Note: County medical indigent expenses are estimated to decrease by up to 80% as a result of Medicaid expansion.

CAT PROGRAM

- The CAT program may be suspended twelve months after passage of a Medicaid expansion funding framework.
- Upon suspension, the Idaho Department of Health and Welfare will administer what remains of the program, including processing repayments.

CHARITY LEVY

- The county charity levy will likely remain in place with broadened flexibility.
- It may be used as a funding source for:
 - Non-medical indigent,
 - Involuntary mental health commitments,
 - Public defense, or
 - For any expense authorized under the county justice levy.

COUNTY CONTRIBUTION

- Counties may be responsible for 23% of the cost of Medicaid expansion.
- County payments will likely be made quarterly out of revenue sharing.
- First county payment may be due as soon as occur December 31, 2020
- The county revenue sharing dollars will be placed in stabilization account to cover gaps in state funding as the program grows.
- The Legislative Services Office will review county payments every three years and may make recommendations to change county funding model.
- See handout for estimated fiscal impact.

IAC INITIATED LEGISLATION



WHISTLEBLOWER REFORM

- Clarifies that a whistleblower complaint may only arise if the an employee has communicated concerning the existence of government waste or violation of of law.
- Caps noneconomic damages awarded pursuant to a whistleblower claim at \$370,000 (to be indexed for annual inflation).
- Scheduled for introduction in House Judiciary and Rules later this week.

PUBLIC DEFENSE PILOT PROGRAM

- Establishes a pilot program in the 2nd Judicial District through which three or more counties can establish a regional office administered by the Public Defense Commission.
- Scheduled for introduction in House Judiciary and Rules later this week.



COLLECTION OF COURT FEES

- Establishes a county pretrial release supervision program for juvenile offenders.
- Clarifies the conditions for payment of fees for supervised adult pretrial release.
- Directs the collection of certain miscellaneous fees through Odyssey.
- Scheduled for introduction in House Judiciary and Rules later this week.

S1268: WRITE-IN DEADLINE

- Moves the write-in deadline back to the eighth Friday before an election.
- Requires candidates that file with the Secretary of State to either file a fee or submit a signed petition.
- Scheduled for full hearing in the Senate State Affairs Committee on Wednesday morning.

S1269: BALLOT SECURITY

- Requires ballots to be sealed and secured until after a recount has been completed or the recount period has ended.
- Scheduled for full hearing in the Senate State Affairs Committee on Wednesday morning.

S1270: UNCONTESTED CITY ELECTIONS

- Removes requirement to hold municipal elections when all races within a city are uncontested.
- Revised bill will be introduced in the Senate State Affairs Committee on Wednesday morning.

MAGISTRATE COMMISSION

- Adds an elected clerk to the magistrate commission
- Requires clerk to temporarily vacate position when considering a new magistrate seated in the clerk's county or when removing a magistrate.
- Will be scheduled for an introductory hearing in the Senate Judiciary and Rules Committee later this week.

QUESTIONS ON OTHER LEGISLATIVE ITEMS?

