

IACRC 2021 Legislative Review

(even though the Legislature is still technically in session)



IDAHO
ASSOCIATION OF
COUNTIES

2021 Legislative Review

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PROPERTY TAXATION



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HOUSE BILL 73: LOCAL GOVERNMENT FINANCIAL REPORTING

Sponsor(s): Representative Jim Addis, District 4, Kootenai

Effective Date: July 1, 2021



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H0073: COMMITTEE ON UNIFORMITY

- Establishes a committee on local government uniform accountability and transparency:
 - State Controller
 - Chair of House Revenue and Taxation Committee
 - Chair of Senate Local Government and Taxation Committee
 - Two House members (one appointed by Speaker, one appointed by Minority Leader)
 - Two Senators (one appointed by Pro Tem, one appointed by Minority Leader)
 - Non-voting members may be appointed by committee



H073: UNIFORMITY ACCOUNTING

- Committee to establish a manual on local government uniformity in accounting and transparency.
- Manual to be drafted and published by State Controller's Office (SCO) upon approval of the committee.
- Local government will follow manual principles when budgeting.
- Likely to be separate manuals for taxing district types (counties, cities, schools, special purpose districts, etc.).



H073: FINANCIAL REPORTING

- SCO to establish a local government portal through which local government financial information will be publicly displayed.
- SCO will crosswalk data reported by local governments for comparative purposes before uploading data to portal.
- Portal will be phased in over five years, starting with a pilot group of counties and expanding to other counties and taxing districts at a later time.



H073: FINANCIAL REPORTING

- The information currently submitted to LSO will be reported to SCO
- Other reports like the Road and Street Report and Trial Court Finance Report will continue to be reported separately.
- IAC is in discussion with ITD and courts about the potential of including their respective reports on the SCO portal to streamline when and where information is reported to the state.



HOUSE BILL 309: PROPERTY TAX DEFERRAL PROGRAM

Sponsor(s): Senator Scott Grow, District 14, Ada

Effective Date: January 1, 2021

- Increases household income limits from \$40,000 to \$50,000
- Adjusts the interest rate from 6% to 2%
- Allows for the inclusion of properties that are part of a trust or life estate
- Increases the total amount of funding available from the state for the program from \$500 thousand to \$5 million



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HOUSE BILL 389: PROPERTY TAXES

Sponsor: Representative Mike Moyle, District 14, Ada

Effective Date: January 1, 2021 (personal property tax exemptions effective January 1, 2022)



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H389: HOMEOWNERS EXEMPTION

- Homeowners exemption is increased from 50% of assessed value up to \$100,000 to 50% of assessed value up to \$125,000.
- A taxing district may voluntarily remove the amount exempted from the new construction roll, but it is not mandatory.



H389: CIRCUIT BREAKER

- Maximum circuit breaker amount increased from \$1,320 to \$1,500.
- For 2021, anyone who has applied for the circuit breaker may be eligible for a property tax reduction.
- Beginning in 2022, only applicants whose homes are below 125% of county median assessed value may apply for a property tax reduction.
- Individuals whose homes are valued above 125% of county median assessed value must apply for assistance through the tax deferral program.



H389: PERSONAL PROPERTY TAX

- Effective January 1, 2022, all transient personal property will be exempt from taxation.
- No property tax replacement money for exempted transient personal property.
- Effective January 1, 2022, the first \$250,000 of business personal property will be exempt from taxation.
- Taxes from personal property subject to \$250,000 exemption will be replaced annual by the state of Idaho with an estimated ongoing fiscal impact of \$8.1 million.



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H389: NEW CONSTRUCTION ROLL

- Change of use will now be added to new construction roll once improvements are made.
- New construction value will be added to the new construction roll at 90%.
- Annexation will be added to new construction roll at 80%.
- New construction associated with the termination of a revenue allocation area will be added to the new construction roll at 80% (**amendment being prepared for next legislative session**).
- Improvements made by a land developer will be exempt until improvements are completed.



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H389: PROPERTY TAX BUDGET CAPS

- Annual property tax budget increases will be capped at 8%.
- The annual property tax budget growth increase can come from any combination of the base 3% increase plus new construction, annexation, and urban renewal.



H389: PRELIMINARY LEVY RATES

- To determine budget growth from new construction, annexation, & urban renewal a preliminary (prelim) levy rate must be calculated.
- The prelim levy rate is calculated by increasing the highest non-exempt property tax budget (including replacement) amount from the previous three years by zero to three percent to arrive at a preliminary maximum budget amount.
- The preliminary budget is then divided by the sum of the current year locally assessed market value and the prior year operating property assessed value which will result in a prelim levy rate for new construction.
- The prelim levy rate for annexation also adds in an estimated value for operating property.



H389: CALCULATING PRELIMINARY LEVY RATE

- To calculate new construction budget capacity, multiply the preliminary levy rate by the new construction value.



H389: FORGONE PROPERTY TAXES

- Up to 1% of the maximum property tax budget before subtracting replacement can come from forgone property taxes if used for maintenance and operation and is exempt from 8% cap.
- If no base, new construction, annexation, or urban renewal is taken, and does not reserve as forgone any portion of their base 3% increase, the 1% cap on M&O forgone can be exceeded up to the district's forgone balance.
- Up to 3% of the maximum property tax budget before subtracting replacement can come from forgone property taxes if used for a capital project and is also exempt from the 8% cap, but cannot be added to the base property tax budget.
 - Once the capital project is completed, the forgone budgeted for the capital project expires and is no longer included in the forgone balance.
- If district took no growth to exceed 1% cap on M&O forgone, they may reserve the as forgone the difference between the district's non-exempt property tax budget and what the district could have levied from new construction & annexation had it not taken 0% growth, up to 8% plus its solar tax credit from the previous year (NOTE: 0% base budget growth must be assumed in calculating the prelim levy rates.).



TRANSPORTATION



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HOUSE BILL 161: DRIVER'S LICENSE FEE

Sponsor(s): Idaho Sheriffs Association

Effective Date: July 1, 2021

- Increases driver license fee on Class D licenses by \$5



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HOUSE BILL 308: SURPLUS TRANSPORTATION FUNDING

Sponsor(s): Governor's Proposal
Effective Date: April 2021

- \$47.2M to the Local Highway Distribution Fund
 - 35% to Counties
 - 35% to Highway Districts
 - 30% to Cities
- One time distribution included in your April highway user payment.



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HOUSE BILL 362: TRANSPORTATION FUNDING

Sponsor(s): Representative Joe Palmer, District 20 &
Senator Lori Den Hertog, District 22, Ada

Effective Date: July 1, 2021

- Increases sales tax distribution for transportation projects from 1% to 4.5%.
- First \$80 million dedicated to state transportation projects.
- Excess distribution above \$80 million apportioned to local units of government through the highway distribution account.
- 2022 excess estimated to be \$13 million



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SENATE BILL 1102: ELECTRONIC VEHICLE CREDENTIAL (EVC)

Sponsor(s): Brody Aston, VITU

Effective Date: Expect implementation by late October

- Authorizes ITD to allow credentialed providers to electronically file vehicle titling and registration transactions with ITD.
- Assuming 100 dealers annually opt in, and 90% of their customers use the option it would reduce demand on local DMVs by 211,000 transactions a year.
- Loss of revenue to County Assessors could be up to \$1,555,000 statewide annually including \$700,000 in title fees and \$855,000 in registration admin fees.



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HEALTH AND HUMAN SERVICES



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HOUSE BILL 316: COUNTY INDIGENT PROGRAM / HEALTH DISTRICTS

Sponsor: Representative John Vander Woude, District 22, Ada

Effective Date: 03/1/2022



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H316: COUNTY INDIGENT PROGRAM

- No person eligible for Medicaid or insurance is eligible for assistance through the county indigent program or the state CAT program
- Applications for services received prior to March 1, 2022 may be processed, including suspended applications
- Program remains in place for purposes of collecting and remitting debts owe to county and state
- Nonmedical indigent assistance will continue (i.e.: indigent burial/cremation)



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H316: INVOLUNTARY COMMITMENTS

- Effective March 1, 2022, county no longer responsible for the following costs associated with commitment proceedings:
 - Psychiatric expenses
 - Medical expenses
 - Hospital expenses
- Stakeholders will meet during interim on solution to provide assistance for those that do not qualify for Medicaid (likely IDHW).



H316: HEALTH DISTRICTS

- Beginning March 1, 2022, health district will no longer receive state general fund support.
- Counties will be responsible for state general fund contribution.
- Increased county contribution will be no less than FY2021 state general fund appropriation..
- For state fiscal year 2022, the state general fund will provide funds for March-February, counties will provide funds March-July and each year thereafter.



H316: HEALTH DISTRICTS

- Health district budget committee responsible for apportioning additional costs among counties.
- State no longer responsible for health district personnel matters, including determining compensation and benefits.
- Health district board fixes salaries/benefits for health district employees.
- Health district has option to retain existing relationships with state (insurance, payroll, bookkeeping, risk management, human resources, etc.).



H316: MEDICAID EXPANSION

- Governor and legislator insisted counties help fund Medicaid expansion.
- Originally wanted to divert revenue sharing away from counties.
- After negotiation, will divert general funds currently dedicated to public health districts away from PHDs to cover the “county share” of Medicaid expansion funding.



S1060 Public Health Orders

- Senate Bill 1060 requires county-wide or district-wide orders of Public Health Districts (PHDs) to be approved or denied by the County Commission in the county in which those orders take place.
- The Board of County Commissioners (BOCC), after consulting with the District Board of Health, will determine by resolution whether to approve the order within county limits within seven days of the date of the order. If the BOCC approves the order, then the order will take effect immediately for a period of 30 days. It can then be extended, amended or modified and reimposed for 30-day periods upon approval by the BOCC.
- In addition, a willful violation of the public health order is now an infraction punishable by a \$50.00 fine.



ELECTIONS



HOUSE BILL 66: BOND ELECTION DISCLOSURES

Sponsor(s): Representative Ron Nate & Senator Doug Ricks,
District 34, Bonneville & Madison

Effective Date: July 1, 2021

- Disclosure in election on bonded indebtedness
- May include the following:
 - Purpose for the bond
 - Anticipated interest rate
 - Total amount to be repaid over life of the bonds
 - Estimated average annual cost to the taxpayer as a tax of \$ per \$100,000 of taxable assessed value
 - length of time in which proposed bonds will be paid off or retired
 - Total existing indebtedness including interest accrued of a taxing district



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H066: LEVY ELECTION DISCLOSURE

- Ballot question language on levy indebtedness may include the following:
 - Purpose for the levy, date of election & dollar amount estimated to be collected each year from the levy
 - Estimated average annual cost to taxpayer of the proposed levy as a tax of \$ per \$100,000 of taxable assessed value
 - Length of time proposed levy will be assessed
- Ballot question may NOT include other info regarding any other bond or levy.
- If a taxing district fails to comply, the court must declare the outcome of the ballot question invalid and order the taxing district to reimburse the county clerk for the election costs associated with the ballot question.



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HOUSE BILL 136: AT LARGE ELECTIONS

Sponsor(s): Representative Megan Blanksma, District 23, Elmore, Owyhee & Twin Falls

Effective Date: July 1, 2021

- Allow political subdivisions of no more than 140 voters to request that the appropriate board of county commissioners allow at-large elections rather than by district, zone or subdistrict.



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HOUSE BILL 231: FILING DEADLINE

Sponsor(s): Representative John McCrostie, District 16, Ada

Effective Date: July 1, 2021

- Revises provisions regarding the independent candidate filing deadline for president or vice president.



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HOUSE BILL 290: CLERK SIGNATURE VERIFICATION

Sponsor(s): Representative Gayann DeMordaunt, District 14, Ada

Effective Date: April 19, 2021

- Clarifies the requirement that county clerks verify voter signatures
- Court decision held that it is not reasonable to interpret the existing statutes to say that county clerks should be verifying signatures on a recall petition



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SENATE BILL 1062: PRESIDENTIAL ELECTION WRITE-INS

Sponsor(s): Idaho Secretary of State's office

Effective Date: July 1, 2021

- Requires that write-in candidates for the position of United States President must provide their Vice-Presidential selection and their Presidential Electors for the State of Idaho at the time they file their declaration of candidacy as a write-in candidate.
- Clarifies that the petition for independent candidates for all partisan offices will be on forms prescribed by the Secretary of State, modeled on the format used for recall petitions.



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SENATE BILL 1110: INITIATIVES

Sponsor(s): Senator Steve Vick, District 2, Kootenai;
Representative Jim Addis, District 4, Kootenai

Effective Date: April 17, 2021

- Signatures must be gathered from each of the 35 legislative districts, instead of just 18.



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SENATE BILL 1064: ABSENTEE BALLOTS

Sponsor(s): Idaho Secretary of State's office

Effective Date: Not yet signed

- Clarifies when voters request a particular type of absentee ballot for a primary election, they can only request the issuance of a new ballot of the same type they originally requested.



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SENATE BILL 1067: TECHNICAL CORRECTIONS

Sponsor(s): Idaho Secretary of State's office

Effective Date: Not yet signed

- Technical corrections to Idaho's election laws, including correcting an oversight by which school discontinuance elections, were left outside of elections consolidation.
- It also makes the county clerk the recipient of all but state recall petitions, eliminating the role of the city clerk.



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SENATE BILL 1168: PRIVATE MONEY, ELECTION ADMINISTRATION

Sponsor(s): Senator Mary Souza, District 4, Kootenai

Effective Date: July 1, 2021

- Establishes that elections must be funded by only appropriations from federal, state, or local government entities



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MISCELLANEOUS



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HOUSE BILL 95: MAGISTRATE COMMISSION

Sponsor(s): Representative Caroline Nilsson Troy, District 5,
Benewah & Latah

Effective Date: July 1, 2021

- Allows the administrative district judge to fill a temporary county clerk vacancy on the commission if the county clerk member has a conflict of interest
- Clarifies expiration of terms for each commission member
- Shortens commissioner terms from six years to five to space out expiring terms and prevent all 35 vacancies from occurring at once



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HOUSE BILL 110: AMBULANCE DISTRICT IMPACT FEES

Sponsor(s): Brody Aston Representing Ada County

Effective Date: July 1, 2021

- Adds ambulance districts to those governmental entities authorized to enter into intergovernmental agreements to develop joint plans for capital improvements allowing for the collection of impact fees.



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HOUSE BILL 124: IMPACT FEE ADVISORY COMMITTEE

Sponsor: Representative Bruce Skaug, District 12, Canyon

Effective Date: July 1, 2021

- Requires all members of an impact fee advisory committee to reside within the jurisdiction of the entity establishing an impact fee
- Requires that at least two members of the committee not be developers
- Prohibits government officials from serving on committee



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HOUSE BILL 149: COVID IMMUNITY

Sponsor(s): Representative Julianne Young, District 31, Bingham

- Extends Coronavirus Limited Immunity Act from July 1, 2021 to July 1, 2022



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HOUSE BILL 127: BROADBAND FUND

Co-sponsors: Representative Megan Blanksma, District 23, Elmore, Owyhee & Twin Falls; Senator Carl Crabtree, District 7, Bonner, Clearwater, Idaho & Shoshone

Effective: 03/23/2021

- Creates the Idaho Broadband Advisory Board made up of 9 members (3 House members, 3 Senate members, and 3 Idahoans appointed by Governor) tasked with developing, implementing and maintaining a statewide broadband plan.
- It also creates the Idaho Broadband Fund. The funds will be distributed according to the statewide plan.



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2022 OUTLOOK



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INTERIM COMMITTEES

- Property Taxes
- Committee on Federalism: Payment in Lieu of Taxes
- Expenditure of American Rescue Plan Act Fund



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REDISTRICTING

- Redistricting to kick off later this month
- 6 member bipartisan citizen commission
- Average district size: 52,611
 - Acceptable range of 49,981-55,241 (10% variation)
- Criteria:
 - Preserve traditional neighborhoods/communities of interest
 - Avoid oddly shaped districts
 - Minimize county divisions (avoid county splits where possible)
 - Districts must be contiguous
 - Counties within district must be connected by highways



2022 Primary Elections

- Primaries will influence legislative session
 - Governor's Race: Gov. Little vs Lt. Gov. McGeachin
 - Lt. Governor's Race: Speaker Bedke v. Rep. Giddings
 - Who will replace Speaker Bedke
 - Impact of redistricting



The Big Issues

- What to do with \$900 million surplus
- How to provide meaningful property tax relief
- Mask and vaccine mandates
- How will state spend ARPA funds



Potential IAC Legislative Resolutions

- Public Defense (funding local delivery system vs funding state delivery system)
- Local option sales tax
- Property tax relief (sales disclosure, real estate transfer fee, homeowners exemption, index/rolling average assessments)
- Tax on eCigarettes to fund juvenile services
- H0389 cleanup
- Repeal medically indigent program (Ch. 35, Title 31)
- Involuntary commitment proceedings

