

IAC Legislative Committee

February 23, 2022 | 10:00 am – 12:00 pm

Virtual Meeting

[ZOOM LINK](#)

MEETING MINUTES

The following committee members were present:

Chair: Justin Baldwin, Gooding Assessor
Vice Chair: Don Hall, Twin Falls Commissioner
IACA: Josh Dison, Elmore Falls Assessor
IACC: Doug Zenner, Nez Perce Commissioner
IACRC: Angie Barkell, Owyhee Clerk
IACT: Annette Dygert, Owyhee Treasurer
IPPA: Vic Pearson, Franklin Prosecutor
ISA:
ISACC: Scott Carver, Valley Coroner

District 1: Dan Dinning, Boundary Commissioner
District 2: Kathie LaFortune, Latah Commissioner
District 3: Phil McGrane, Ada Clerk
District 4:
District 5: Terrel Tovey, Bannock Commissioner
District 6: Brent Mendenhall, Madison
Commissioner

The following guests were present:

Seth Grigg, IAC
Sara Westbrook, IAC
Kelli D Brassfield, IAC
Brad Wills, Twin Falls Commissioner
Kim Keely, Teton Clerk
John David Davidson, Blaine Treasurer
Tom Lamar, Latah Commissioner
Lorna Jorgensen, Ada Prosecutor

Call to Order | *Chair Justin Baldwin*

Twin Falls County Commissioner Don Hall made a motion to approve the minutes from February 16, 2022. Nez Perce County Commissioner Doug Zenner seconded. Motion carried.

Update on IAC Priority Legislation

- Public defense funding

Staff had advocated for a regional system. The Governor's office wanted a state-based system. There has been work on that but there isn't a consensus on what that would look like. So, staff has pivoted to looking at running legislation that counties would no longer be responsible to fund public defense. There would have to be a working group in the interim to determine what the actual model/framework that everyone could be comfortable with and run that next year.

The Governor's office wanted \$45M from Wayfair for public defense. Currently, \$32M is being covered by counties and about \$10M has been covered by the state. So, we are looking at \$35M off the top of revenue sharing with a 3% escalator. After a certain time, there will be a cap and any additional funding in Wayfair will go to the locals. We are still looking at repeal of the indigent/CAT programs and the charity levy. There will be two years of gap funding from the state for indigent.

Non-medical expenses will have to be shifted to current expense. Does the \$35M include infrastructure? No, that will need to be worked on in the interim. We need to have facilities included in the discussion. By not being able to levy for charity and also losing the \$35M for public defense, are we getting hit twice? In combination with other bills going on, yes. There is going to be some horse trading between the House and the Senate.

Could we require the language to include a 2/3 vote of the legislature to overturn the proposal?

- Property tax relief fund

This proposal would increase the sales tax (amount/percentage to be determined) and with the increase most would go to property tax replacement. A portion would go to increase the grocery tax credit. Of the funds that are replacement, this would be the ultimate homestead exemption. If you own your home and live in it, you will not pay most property taxes. The replacement would cover that. Basically, you would still pay taxes to schools and voter approved bonds. The rest would be exempt. The estimate for needed replacement is \$768M. The increase would need to raise the sales tax enough to cover the grocery tax credit and the \$768M replacement funds.

Anything above the 3% growth would be split for locals. There is a stabilization fund that the STC would be responsible for. If there is a 10% down turn, the fund would kick in. History says we won't hit that 10%. This percentage will be reviewed again. More information to come.

Can we even achieve the amount of funding that is going to be required by this? Yes, the increase will cover it. How do we keep the stabilization fund whole? There would be 10% of the growth diverted to the fund.

The homestead exemption would be split into two categories. The \$125,000 would stay and then this bill would be an additional exemption. The sponsor wants to make sure that the exemption is for the residential use. How will this impact rentals? The intent is to not increase the property tax for other classes but as you grow your budget by 3%, they will bear the increased burden as the owner occupied are no longer included.

There are concerns that there could be wholes that need to be filled and also that there needs to be a way to do voter approved override levies. This would move a stable funding source to an unstable source. This will be very complicated.

Update on IAC Affiliate Legislation

- H0542: Court fees remittance date change
In the Senate Jud and Rules this afternoon.
- S1266: Coroner notification timelines, Cremation timelines
Waiting for a hearing in House Health and Welfare.

Other Legislation Impacting Counties (Action)

- [H0548](#) – Requires STC to maintain homestead exemption database, with Clerk & SOS access
Waiting for a hearing in Senate State Affairs.

- [H0564](#) – Allows County Assessor to investigate person’s entitlement to the homestead exemption (Rep. Moyle & Sen. Stennett)
Waiting for a hearing in Senate Local Government.
- [H0565](#) – Definitions of transient personal property (Rep. Moyle)
Did not review.
- [H0592](#) – Establishes Idaho Workforce Housing Fund & Advisory Commission (Rep. Scott Syme)
Passed through the committee. Headed to the House floor.
- [H0643](#) – Requires counties to exempt certain land divisions from county subdivision regulations (Rep. Terry Gestrin)
This bill is in a holding pattern. Based on conversations, it doesn’t appear the bill will move forward. We will need to have interim conversations with the sponsors.
- [H0648](#) - 50% of revenue sharing growth dedicated to property tax relief (Rep. Moyle)
Working with other proposals as negotiations.
- [S1303](#) – Urban renewal w/5% increment value added to the base for taxing districts (Sen. Guthrie)
Not moving for now.
- [S1327](#) – Involuntary commitment costs **SUPPORT**
This had a hearing in Senate Health and Welfare yesterday and passed unanimously to the Senate floor.
- KMF355 – Property Tax Relief Fund (Rep. Monks)
This is similar to the budget surplus eliminator. Up to \$80M would go into a fund for property tax relief. Seems simpler.
- KMF357 – 2% Sales Tax Increase (Sen. Rice)
See above

575 passed out of the House today. Will have to work the Senate.

663 passed out of committee and is headed to the second reading committee.

673 what does this do? Working with counties to determine the impact. It would state that change in use would keep it from going on the new construction roll. Will this be a county funding issue? More work will need to be done. Will this create a need for increased staff?

Twin Falls County Commissioner Don Hall made a motion to adjourn. Nez Perce County Commisisoner Doug Zenner seconded. Motion carried.

IAC Legislative Committee

MEMBERSHIP

CHAIR

Justin Baldwin
Gooding Assessor

Dan Dinning
District 1: Boundary Commissioner

Justin McLeod
District 2: Lewis Commissioner

Phil McGrane
District 3: Ada Clerk

Wayne Schenk
District 4: Minidoka Commissioner

VICE CHAIR

Don Hall
Twin Falls Commissioner

Annette Dygert
LACT: Owyhee Treasurer

Vic Pearson
IPAA: Franklin Prosecutor

Kieran Donahue
ISA: Canyon Sheriff

Scott Carver
ISACC: Valley Coroner

Angie Barkell
LACRC: Owyhee Clerk

ALTERNATES

Phil Lampert
District 1: Benewah Commissioner

Kathie LaFortune
District 2: Latah Commissioner

Sherry Maupin
District 3: Valley Commissioner

Ben Crouch
District 4: Jerome Commissioner

Jessica Lewis
District 5: Bingham Commissioner

Shayne Young
District 6: Jefferson Commissioner

Brad Wills
LACA: Twin Falls Assessor

IACC:
Kim Keeley
LACRC: Teton Clerk

John David Davidson
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Dotti Owens
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