

IAC Legislative Committee

January 18, 2023 | 10 am – 12:00 pm

IAC Washington Office

[Zoom](#)

MEETING MINUTES

Call to Order | *Chair Don Hall*

Bingham County Commissioner Mark Bair made a motion to approve the minutes from January 11, 2023, Minidoka County Commissioner Wayne Schenk seconded. Motion carried.

Update on 2023 Legislative Package - Reprioritize (Action)

- IGA-04 Election recount fees

The clerk's legislative committee asked for more clarification on what the funds are actually used for and what the process is at the Attorney General's office. It appears that the funds that are turned in with the request/application for a recount is just an application fee. In Nez Perce County a few years back, there was an application for recount, the fee was paid, and then the AG's office charged the candidate for expenses.

This section of law appears to have a process and fee problem. We could work with the SOS on this, but it may not be done this year. Could we use election consolidation funds for recounts? Could possibly use it for special purpose districts but not for county races. Generally, the election consolidation money is already budgeted for and not available to pay for recounts.

How much time do we want to spend on this proposal?

- IGA-06 Preliminary levy rate

Meeting with Rep. Monks and various stakeholders to discuss property tax relief. This will be a component in this.

- IGA-07 HB735 clean up

LSO is drafting the proposal, and this will be moving forward in the next week. Rep. Vander Woude will carry it in the House and Sen. Harris will carry it in the Senate.

- IGA-11 Vape tax
Rep. Vander Woude doesn't like this and said this is a tax issue. He recommended taking it to House Revenue and Taxation. We will see if we can get Rep. Monks to entertain this. He is generally a no new tax group. The new funds would be treated just like the tobacco funds. This needs to be narrated with the benefits and move away from the tax narrative. Latah County is really feeling an impact from the lower tobacco tax receipts.

These products are being used in schools as well. Why are they treating this differently than other tobacco products? A lot of legislators have signed onto the no new tax program. This may take a couple of years to pass.

- IGA-18 Homeowners Exemption Cleanup of HB562
Meeting with Rep. McCann on Friday to discuss this. She carried this last year and hopefully she will carry it this year. She mentioned that there is a bill that has been drafted that does the opposite. It would state that counties cannot prorate. With competing bills, we may have to wait until the courts decide on the lawsuit.

Update on IAC supported, Affiliate led Resolutions

- IGA-08 Law clerks | Angie Barkell
No update today.
- IGA-16 DMV title vin fees | Josh Dison
Last week a couple of assessors and IAC staff met with Rep. Palmer. He is in favor of having a hearing and possibly allowing for commissioners to set an admin fee. Sen. Den Hartog was helpful as well. She was in favor of looking at the local fee as well but having a cap. We have also met with Rep. O. He wasn't in favor of a new fee but didn't push back too much on the fee setting. He would allow a bill to be heard. ITD sent Brian Stender a new draft to review for the fee.

The committee felt favorable to have commissioners set the title fee for the county because what is good for one county may not be good for another. More local control is good. What if one county has a neighboring county has a much higher fee? Wouldn't people go to the lower county? There would be methodology to determine the fee so they wouldn't be so out of line from each other. If ITD takes this over there would be one fee across the state.

- IGA-17 Travel convention tax
Should change the title to "County convention tax". Counties will be using this money on the impacts of recreation and other tourism impacts to counties (i.e. EMS, law enforcement, etc.). Last year there was about \$20M in tourism tax and if we doubled that the counties would receive about that much for these impacts. Option one of the resolution states that we would not have to have a local option vote. It would just go into the legislation. We will have to figure out how to approach the cities. An argument would be that counties have to figure out how to cover the mandates. We need to really tie this to something to present to the legislature.

Let's come up with a strategy to make this work. What keeps the state from wanting to keep these funds next year and then the counties are out those funds? Could the counties collect it instead and keep it out of their reach? Growth should pay for growth. What is the administrative fee the state to collect this? For the cities, they have the option of collecting it themselves and most, if not all, collect it themselves because the fee the state tax commission wants is really high. The likelihood of the legislature letting counties make this decision on their own without a vote is very low. There is a concern that if we add in language to make a vote happen, the narrative at the legislature would change to local option tax and then it probably wouldn't go anywhere. Not opposed to a citizen vote but the language is very important.

There will be issues with those cities that don't have local option already. If it is a statewide tax, then we move away from that argument. Could we approach from a commerce standpoint? The state has done a great job of marketing and we have a lot of people here. Now we have to take care of our impacts from those people.

We may have to be more focused on how we spend these dollars but that would allow for flexibility with our other funds. We also need to focus on mitigating the impacts of tourism and try to tie it is funding needs at the county level. We will work on changing the title of it.

Discussion on priorities:

Committee members believe tourism tax should move up and the election recount fees should move down.

The HB562 lawsuit is having arguments heard on Feb. 6th and then there probably won't be a decision for a couple of months. This may get pushed until next year. Maybe it is a good idea to still have McCann introduce it so it is there for discussion.

The assessors would appreciate having IGA 16 DMV Fees being moved up. It appears it is the only one that does have momentum and so it should move up.

IGA16 & IGA17 will be moved up into the top priorities.

New Business (Action)

- [H0001](#) Post Election Audit
It is a clarifying bill. The SOS and the clerks are ok with it. It is on the House 3rd reading calendar.
- Property Tax – Sen. Grow
Thank you to the members for the feedback. Sen Grow is willing to move deadlines around to make process work. There are stakeholders that want to go in a different direction than Sen. Grow. The House is not prioritizing Sen. Grow's proposal. It may get introduced for discussion but it likely won't be moving forward.

The property tax relief proposal that will be discussed from the House is that there is an idea to take the \$120M the Governor has stated in his state of the state and combine it with other funds to come up with \$200M. Those funds would go to education to buy down bonds and supplemental levies. If the school doesn't have those, it would go to facilities. If they take the \$200M and buy down bonds and supplementals, and there are areas that need new schools. What keeps those schools from re-bonding to build new facilities? There isn't anything in there yet. The idea is that schools could bond off the new funding instead of the taxpayers.

The homeowner's exemption is the other topic that is being discussed. Rep. Skaug has been promised that he will get an introduction hearing. His proposal would bring back the index. There may be other bills that come forward.

IAC staff is trying to figure out what the ask will be of counties in exchange for whatever proposal comes forward. Multiple proposals utilize sales tax and so could impact county funding. Most all proposals have the new fund coming off the bottom of the sales tax distribution.

· Area of City Impact – Sen. Lakey

Last year there was a bill that would allow developer to annex into whichever city they would like. It did not pass. There has been a working group that has been meeting through the interim. There is a draft that Sen. Lakey has out. Not much would change for counties. It would codify the BLAHA decision. Summary: Other impacts would be focused on rural communities where small cities have very large areas of city impact outside city boundaries. This would limit the boundary of impact to 1 mile. It would also allow for cities to negotiate the boundaries every five years. There will be some developers come forward with concerns with the proposal.

One other advantage is that the cities would make a proposal to the county of how/where they want to grow into the county. The BOCC would hold a hearing to decide where the boundaries would be.

Does LLUPA state that the area of city impact should only be a reasonable amount that they will grow in five years? Yes. This is a big point of contention in several counties. Maybe we should say that if they haven't grown in a certain amount of time, they should shrink back. There is language in the draft to address some of this.

This draft needs to include more than just city services. We need to define this. City of McCall has some services that they can't even come close to servicing in the impact area. The draft should address this. What does this do with existing agreements? The agreements would need to come into compliance within one year. Implementation of this could be some work, but it will make everyone come to the table.

Ada County has some concerns about the bill. They are just some nuances. Will send feedback to Seth.

· Public Defense

This draft is from the Governor's office. It represents a big shift from where they started. This would create a new office of public defense. The proposal would create a regional model for more local control and would utilize the magistrate commissioner to select a chief defender for each region. There is a concern with utilizing the magistrate commission as there is an ADJ on it. Some believe the ADJ has too much authority. Public defenders may not like this as well as there not being any defenders on the commission.

From a county perspective, we should pay attention to the provision of office space (facilities, furniture, IT). This is not going to be an easy transition. There needs to be more discussion. The draft states that if a county provides space for institutional offices, they will be required to offer that to the state for five years. We need to work through that.

The other area is regarding contracts. Contracts would transfer to the state, but counties would still be working with those contractors, unless counties go to the Governor's office and say they don't want to work with those contractors anymore and that would then transfer it to the state/region office.

Is there an opt in or opt out provision? If there were an opt out provision the county would have to indemnify the state. I don't know that any county would do that. IT is a big deal, and a lot of money is being spent. County may be interested in letting the state use the current space, but the county needs to be paid for it. Ada County shares the same concerns with space.

The meeting adjourned at 12:10 pm.

IAC Legislative Committee

MEMBERSHIP

CHAIR Don Hall <i>Twin Falls Commissioner</i>		VICE CHAIR Len Humphries <i>Fremont Sheriff</i>	
Luke Omodt <i>District 1: Bonner Commissioner</i>	Mark Bair <i>District 5: Bingham Commissioner</i>	Annette Dygert <i>LACT: Owyhee Treasurer</i>	
Tom Lamar <i>District 2: Latahs Commissioner</i>	Brent Mendenhall <i>District 6: Madison Commissioner</i>	Vic Pearson <i>IPAA: Franklin Prosecutor</i>	
Sherry Maupin <i>District 3: Valley Commissioner</i>	Josh Dison <i>IACA: Elmore Assessor</i>	Kieran Donahue <i>ISA: Canyon Sheriff</i>	
Wayne Schenk <i>District 4: Minidoka Commissioner</i>	Doug Zenner <i>IACC: Nez Perce Commissioner</i>	Scott Carver <i>ISACC: Valley Coroner</i>	
	Angie Barkell <i>IACRC: Owyhee Clerk</i>		

ALTERNATES

Phil Lampert <i>District 1: Benewah Commissioner</i>	Donavan Harrington <i>District 5: Bingham Assessor</i>	Tracie Lloyd <i>LACT: Canyon Treasurer</i>
Justin McCleod <i>District 2: Lewis Commissioner</i>	Shayne Young <i>District 6: Jefferson Commissioner</i>	<i>IPAA:</i>
Brian Stender <i>District 3: Canyon Assessor</i>	Brad Wills <i>IACA: Twin Falls Assessor</i>	Andy Creech <i>ISA: Payette Sheriff</i>
Ben Crouch <i>District 4: Jerome Commissioner</i>	<i>IACC:</i>	<i>ISACC:</i>
	Kim Keeley <i>IACRC: Teton Clerk</i>	

Others Present: Cindy Riegel, Lorna Jorgensen