

IAC Legislative Committee

January 30, 2023 | 12:30 am – 2:30 pm

Riverside Hotel

MEETING MINUTES

Call to Order | *Chair Don Hall*

Nez Perce County Commissioner Doug Zenner made a motion to approve the minutes from January 25, 2023, Owyhee County Treasurer Annette Dygert. Motion carried.

Update on 2023 Legislative Package - (Action)

- IGA-06 Preliminary levy rate
There isn't a clear path forward yet. The issue is that staff is trying to make sure there isn't a negative impact on county budgets. It looks like if we want to move forward with this, legislators want us to reduce our new construction rate from 90% to 80%.
- IGA-07 HB735 clean up
Kelli Brassfield will be presenting this to the House Health and Welfare committee at 9:00 am on Wednesday for a print hearing.
- IGA-11 Vape tax
Staff is working to get an introduction hearing in House Revenue and Taxation.
- IGA-16 DMV Title Fees
The draft language is ready, and this proposal will have an introductory hearing on Thursday in the House Transportation committee. The initial proposal was to increase the title fee by \$6.00 but it was suggested that a more likely path forward would be to have counties set their own title fees. ITD has a calculator that has the ability for inputs to help determine that fee. There may also be a cap implemented.
- IGA-17 Lodging and Tourism
See IGA-06 – Staff is trying to leverage this topic in the property tax discussion. The legislators want to supplant property taxes. They aren't looking at this as new funds for tourism impacts.

New Business (Action)

- [H0046](#) Data Center Tax Exemptions
Data centers (Facebook Center) were provided a sales tax exemption a few years ago. They could also benefit from being in an urban renewal district. This would require the entity to choose one or the other. There isn't really an impact on counties. Why were they granted an exemption in the first place? It was to attract companies like Facebook.
- [H0047](#) Invasion of Personal Privacy
This would further define the public records act. This bill seeks to align Idaho Code with the Idaho Court decisions regarding the protection of personal privacy and weighing that against the public right to access.
- [H0049](#) TECAM
This bill defines what TECAM could be used for. Limits it to the expansion of travel lanes and congestion mitigation.
- Property Tax
Proposals – Grow and Moyle
Sen. Grow may have an introduction in a week or so. He has made some adjustments to the dates based on some feedback. The amount of relief would be proportional to the amount of tax paid by the owner-occupied properties.

Speaker Moyle and Rep. Monks have their idea, and it is to take the \$120M to buydown school bonds and levies. It would be allocated to schools based on attendance methods. That hasn't been finalized. The funding would first be used to buy down the bonds and supplemental levies. If there are any funds left, they would go to plant facilities. They are also looking to increase the \$120M by using the Wayfair funds but we have continued to tell legislators that it has already been obligated for public defense. They are also looking at eliminating the March and August election dates. This is a negotiation piece with the schools.

There may be a circuit breaker bill as well as a homeowners' exemption bill. These will be wrapped up in the property tax discussions. Have the schools indicated that they will not bond after this type of proposal passes? No, they haven't made that commitment but that is why there has been discussions to having the ability to bond off of the revenue received.

Have they talked about changing the voter threshold on this proposal? That is more than a legislative fix. A constitutional amendment would be needed to change that threshold. Do we have a list of our ideals? What is the approach? Three components: Circuit breaker, Homeowner exemption, and it actually has to reduce property taxes.

Proration – Rep. McCann is ready to bring a bill to fix the proration issue but there is another legislator that has a bill that would do the exact opposite. We may have to wait on the courts to make a decision.

- Public Defense (PD)

There has been a working group discussing the possibilities of new public defense models. Last year, the legislature passed HB735 that moved PD to a state funded system. The Governor's office is advocating for a regional model, which would include an appointed chief public defense (would set the standards for public defense around the state). This person would create a death penalty qualified team to take care of capital cases. There would also be a judicial district system. The institutional office spaces would be used to provide for the district with a hired regional chief public defender hired by the main chief PD.

What would be main communication between the chief public defender and the regions? If there is an issue, how is that communicated up the chain? This all needs to be worked out. The other piece that needs to be worked out is the actual office space/facilities and other office components. We also need to figure out the election process for these public defenders. The idea right now is that the magistrate commission should make those selections. There are concerns about having the ADJ in that process. There are some ideas floating around about how to address that.

Who would negotiate the contracts moving forward? It is still part of the conversation of how the communication between the chief PD and the institutional PD. It makes sense that the decision should be made at a more local level.

- Area of City Impact

Sen. Lakey has agreed to make a few modifications to the bill. There will be another meeting this week to discuss. What is the position of AIC? They are trying to make it something they can support but the impacts are bigger for them.

- Assessment Notices

H0051 – This would alter the way assessment notices are sent out. The state tax commission would have to create a uniform tax notice. This proposal would also require tax information on the notice. Some counties are already doing this. Others are not. There is a concern that putting tax information on this notice, it will confuse more people. It could be a way for the tax information to overshadow the actual assessment. It takes away from what the job of the assessor is. Their job is to show the value/assessment of the process. The tax is not the assessor's job. Are the legislators targeting the wrong notice? The intent is to provide a little more context to the value increase compared to the actual tax.

- Penalties and Interest

This proposal would require counties to remit penalties and interest to the taxing districts. There are a couple of counties that do not do this. Most counties are already doing this. Kootenai County notified taxing districts that they would no longer remit penalties and interest to them. There were a few of those districts filed suit against Kootenai County because of that decision. Kootenai County feels that the law is not clear on having to send the funds to the taxing districts. The lawsuit may help decide this issue.



How much money are we looking at? In Kootenai county it is usually about \$1M, but it has been as high as \$2.5M and as low as \$500,000. Sen. Guthrie has an idea is that the county would pay upfront the full taxes due to the taxing districts, but it is unknown that counties had enough funds to do this. In this, counties would then keep the penalties and interest because there would not be anything late for the taxing districts.

Water moratorium? There are no new water rights available. We are looking at utilizing community wells vs having each home have its own well.

The meeting adjourned at 2:00 pm.

IAC Legislative Committee

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