

IAC Legislative Committee

March 1, 2023 | 10:00 am – 12:00 pm

MEETING MINUTES

Call to Order | *Chair Don Hall*

Elmore County Assessor Josh Dison made a motion to approve the minutes from February 22, 2023, Nez Perce County Commissioner Doug Zenner seconded. Motion carried.

Update on 2023 Legislative Package - Update

- IGA-06 Preliminary levy rate
There is a hearing today on Sen. Anthon's S1111. It will probably make it out of committee but then held. There are still ongoing discussions about what will be included in the final bill. It will still have up to \$150M for property tax relief. It would also impact elections dates. The March dates would stay, but the August dates would go away. The schools are ok with this. The speaker is holding strong on any property tax bill bring back Wayfair. We would receive more in revenue sharing after 8 years. The other thing we are working on is TECAM. The push is to have \$80M to the state and \$60M to the locals. We could be open to that as they are looking to bring back the strategic initiative program.

What about the homeowners' exemption? That is off the table right now.

It is important to establish the principles of fairness for our constituents. That needs to happen before we can move forward with these types of proposals.

- [H0070](#) – County Indigent Services - HB735 clean up
This bill was heard in the Senate Health and Welfare committee on Monday. It was sent to the floor with a due pass recommendation. It is sitting on the 3rd reading calendar. It will probably be heard next week sometime after the transmittal deadline has passed.
- IGA-11 Vape tax – [H0199](#)
This was finally introduced and has a bill number. The sponsor is working on the chairman to get a hearing. More than half of the committee is a co-sponsor. One of the vape companies has an alternative option for taxing vaping products. The sponsors want to move forward as is since there is so little time left in the session. The retailers are neutral right now. Staff requests that the committee start reaching out to the revenue and taxation committee members and other house members to get this a hearing.

- [H0085](#) - DMV Title Fees
This is on the House 3rd reading calendar. It will probably be heard next week as it is also waiting for the transmittal deadline.
- IGA-17 Lodging and Tourism
This is losing traction but may still be included in the property tax discussions.

New Business (Action)

- [H0100](#) Property Valuation – Opposed – New RS [H0230](#)
Some assessors met with the sponsor and other stakeholders to develop new language. They did change the language before the new bill went through and there are a few concerns. Rep. Manwaring is willing to run a trailer bill if we feel it is necessary. We would like to add in “fee simple” language in a trailer bill.

Staff will monitor.

- [H0101](#) Property Tax No Proration – Opposed
Staff has been working on this pretty hard. They met with sponsor, and he is willing to entertain other ideas. Rep. McCann has a proposal that would prorate quarterly. It looks like the House is going to move forward with H0101. We have not yet heard if the AG’s office is going to appeal the lawsuit. There was a motion to reconsider. Hopefully the judge denies that motion. Assessors and Treasurers provided data to the sponsor that would show what the tax cancellations would have been for the counties last year.
- [H0150](#) Penalties and Interest – Opposed
This bill was heard in committee yesterday and did not pass out of committee. The committee would like the cities and counties to come to a compromise. Seth is going to provide some language to the cities for consideration. Counties would like to at least recoup their collection costs and staff costs.
- [H0166](#) Accessory Dwelling Units (**Action**)
This is a bill that was brought last year. The sponsor has stated that it would still allow for locals to place certain ordinances such as setbacks and building code requirements. He just doesn’t want to see blanket ordinances prohibiting these dwellings. It is unclear what “reasonable regulations” mean? There are too many unintended consequences, and this is a local control issue. It appears that most planners are opposed.

Minidoka County Commissioner Wayne Schenk made a motion to oppose H0166, Nez Perce County Commissioner Doug Zenner seconded. Motion carried.

- [H0178](#) Broadband Equipment Exemption (**Action**)
The state has identified broadband as a critical need for the rural parts of our state. The Idaho Broadband Strategic Plan set a goal to connect 100% of Idaho’s businesses and homes to high-speed broadband by 2027. Meeting that goal will require a massive investment of federal and state dollars to deploy broadband, and that deployment needs to be as efficient as possible. This bill amends chapter 6, Title 63, Idaho Code by exempting

from property tax equipment and infrastructure used in deployment of high-speed broadband.

This sounds like it includes everything. This could be a tax shift. This could be an incentive to upgrade. How is Idaho Power is taxed? They are centrally assessed through the state tax commission. They value the company as a whole and then broken down to each county. They should be treated the same. ISPs are not. They are a for-profit company. Why would we give this kind of exemption. This could lead to other property types getting this kind of exemption. This broadband equipment should be centrally assessed like Idaho Power. We could offer something like the 6022NN to boost this type of business but doesn't create other issues. Make it incentive based.

Bonner County Commissioner Luke Omodt made a motion to oppose H0178, Nez Perce County Commissioner Doug Zenner seconded. Motion carried.

- [H0185](#) Fuel Tax Electric Vehicles (**Action**)

This is a new bill to fix the number issue to make the amount received to be closer in line to the amount received for registration.

Staff will monitor.

- [H0199](#) Vape Tax (**Action**)

See above.

- [H0221](#) Electioneering (**Action**)

The “No Electioneering with Public Funds Act” prohibits the executive branch and county commissioners, who play the executive role at the county level, from disseminating electioneering messages via State Tax Commission and property tax correspondence. This could have stemmed from when Gov. Little put a message on the tax notice that “this is a one-time rebate from Gov. Little.” This could have been interpreted to be electioneering.

Staff will monitor.

- [H0236](#) Public Defense (**Action**)

One concern right now is institutional offices having to provide that office space. Who will have oversight on utilizing taxpayer funds correctly? I.e.. Money judge. It is unfair to the counties that have facilities as other counties don't have facilities and won't have to contribute to those costs. There needs to be more work done. Some items will be reimbursed to the county.

The state has two years to negotiate a transition plan. There is a willing ness to work on this in the interim to add any clarification needed.

How do we provide property tax relief if we have to pay for facilities? You could make an argument that those are ongoing expenses and could not be pulled for property tax relief. The tax commission has provided the form to determine what that amount is. The clerks are completing it differently. Some are stating there were no funds used for PD and are not reducing their budgets.

Nez Perce County Commissioner Doug Zenner made a motion to support H0236, Minidoka County Commissioner Wayne Schenk seconded. Motion carried.

· [H0237](#) **TECAM (Action)**

Goal is to make sure the funds from TECAM is used for local highways and bridges. They added the word “administration” to the bill for allowable uses.

Nez Perce County Commissioner Doug Zenner made a motion to support H0237, Franklin County Prosecutor Vic Pearson seconded. Motion carried.

· [S1111](#) **Property Tax (Action)**

It appears that this bill will be heard but then will not move.

· [S1121](#) **Rule of 80 (Action)**

This bill adds in language to cover the supervisors for dispatch, juvenile and misdemeanor probation, and city dispatchers. This is a clear up bill. It should be heard soon.

Nez Perce County Commissioner Doug Zenner made a motion to support S1121, Madison County Commissioner Brent Mendenhall seconded. Motion carried.

[H0247](#) This would require referendum for budgets and would require a vote if any taxing district raises their tax budgets year over year, it would have to go to the voters for approval. This bill is not feasible.

Minidoka County Commissioner Wayne Schenk made a motion to oppose H0247, Owyhee County Treasurer Annette Dygert seconded. Motion carried.

[H0257](#) – This bill appears to be in reaction to the Latah lawsuit.

The Idaho Constitution charges the State Tax Commission with the supervision of the property tax work in Idaho’s Counties. Some Counties have applied interpretations of property tax law in such matters as property tax appraisal, exemption, assessment, or equalization—against direction of the Tax Commission—frustrating uniformity throughout Idaho’s property tax system. This bill adds clarity to the current supervisory powers of the Tax Commission and provides three substantive changes: 1. Removes the hearings and proceedings under this section from review under the Administrative Procedures Act. 2. Provides clear procedural timelines and directs the Tax Commission to enforce its orders as quickly as possible through any necessary litigation.

3. Provides the Tax Commission an enforcement tool of withholding revenue sharing distributions from a County, City, or taxing district for the time in which it is non-compliant with property tax statutes or rules.

Madison County Commissioner Brent Mendenhall made a motion to oppose H0257, Minidoka County Commissioner Wayne Schenk seconded. Motion carried.

[S1081](#) – Restricted drivers’ licenses – Donahue called this morning requesting a letter from the legislative committee on this. Reach out to senators and discuss your opposition.

[H0255](#) This legislation clarifies and reinforces the concept that public agencies do not gain authority to impose impact fees by entering into an intergovernmental agreement unless said public agency already has legislative authority to do so.

[H0256](#) This legislation clarifies and reinforces the concept that impact fees that are found to be null and void for being inconsistent with statute will be fully refunded to the fee payer.

[S1009](#) Public Health Districts – This bill was killed in committee on a tie vote. I could see this bill coming back. There is a component of removing local control and the rest pertains to patients’ rights. Staff will let the committee know if it comes back.

[S1054](#) – gone through the senate. Add to next week’s agenda.

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: Latah 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

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|--|---|--|--|
| Phil Lampert <i>District 1: Benewah Commissioner</i> | Donovan 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: Seth Grigg, Sara Westbrook, Kelli Brassfield, Kenny Huston, Jessica Roth, Johanna Defoort, Dayton Reed, Jeff Lavey