

Revenue & Tax Committee

September 15, 2025 | 10:00 am – 11:30 am
Riverside Hotel Juniper Room

MEETING AGENDA

- 10:00 am** Call to Order | *Chair Josh Dison*
- *Welcome and Introductions*
- 10:00 am** Approval of January and June Meeting Minutes (Action Item)
- Motion: Lindsey Mollineaux commissioner
 - Second by Brian Stender
 - Approved
- 10:05 am** Discussion of SB 1216
Property Tax Policy Specialist ~~Kathlynn Ireland~~ (GEORGE BROWN), Idaho State Tax Commission (ISTC)
- George: this law deals with ratio studies; each sale of each major categories is compared to assessment value of the sold home
 - If it is within 90-110% it is in compliance (with rule)
 - This bill applies IOAA standards to Idaho to ensure that all categories are within 5% of each other.
 - The usual case is the Assessment values are within the already established ratio study they will also be within this 5% category update.
 - Brian Stender: what if the preliminary values are within the range but the BOCC changes the values to be out of compliance. So state BOE should fix that (George's answer)
- 10:20 am** State Tax Commission on Idaho Code Clean Up
Commissioner Paul Woods, ISTC
- Paul: Idaho Code Clean Up: ISTC has reviewed their codes and have provided a draft of all the changes made. Categorically there was nothing cut that would be contentious and the majority was stuff that did not apply or was not constitutional. The assessor and treasurers have a copy of that. Josh Dison asked if we are in a comment period for this? Paul: there was a tight deadline

thus no public comment period but more legislative review of the code changes.

- Brian Stender: So the draft are the changes? Paul no those are the recommended changes and the amendment process can change that.
- Paul provided an update on the process to buy a statewide software for assessment purposes update: the request was for 8 million a year in appropriations to replace the patchwork current system to a state wide program. Legislators have heard our need and current history of issues stemming from being a non-disclosure state. Discussed total assessed value and centrally (operating property) assessed values across the state. With the 4-R outcome the change in taxing operating property was felt all over and not uniformly. The governor's office has allowed ISTC to set up a working group to continue the discussion on the software.

10:35 am Idaho's Budget

Representative Dustin Manwaring, District 29

- Explained the JFAC make up and the role of the committee:
 - Appropriations bills that come out of the committee have a 95% pass rate without amendment.
 - Current Fiscal State: 26 revised revenue is 5.555 Billion - when they left session the forecast was 375 million more than that number. Current cash balance 320 million - of that is obligated past that by a couple hundred million dollars. The one OBB is adding pressure by its impact on medicare and Snap benefits which requires Idaho to provide an additional 4.2 billion Snap is 4 million a year.
 - State collections and product taxes have exceeded those last year but income tax is 21 million shorter between personal and corporate. (in one month) this means the trend is going to force a change in outlook with the Governor putting a 3% holdback.
 - Going into the next session we will be looking to tighten spending and reductions. As this is an election year there will be efforts to have tax cuts.
 - Reserve Balance: 2 primary funds budget stabilization fund 800 million public education stabilization 200 million these could cushion the deficit but these are one time solutions.
 - Budget Outlook: The 5.7 billion revenue with 5.88 budget we will have about a 200 million deficit. We will have to cut programs or tap reserves
 - Fiscal pressure and impact on counties: With the OBB and supplemental requests - IDOC and Medicaid growth. 1216(8) The

Transportation spending will be up for debate with the 40% share to local highways that could be under siege or adjusted going forward.

- This will hit counties with the revenue sharing (sales tax) Public defense the state has spent more on this than expected. Counties will have to cut contracted costs as well. The holdbacks will help. But need additional cuts to state employee travel and fleet management and LSO has a website where you can make suggestions to cut budgets.
- Closing: Idaho is entering into a leaner fiscal environment with ARPA and migration settling to a normal pace. We need a collaborative effort to navigate this new fiscal reality.
- Brian Stender: HB 292 property tax narrowing budget is this going to change credit funding for the school component - Manwaring: have not heard that is on the table
- Rick Hogaboam: Heard get ready to handle indigenous again is that possible? Isolated thought but the sentiment is there where the legislature is concerned that the cost is higher than they expected. However the State took on this obligation and there will be some tweaks but the lion share is the State's. However this could squeeze other areas.
- Zach Brooks: does the correction budget include paying counties what it actually costs the county to house the state inmate. Manwaring is being discussed but it is a lean year so we need to be aware of that.

10:50 am Discussion and Recommendations: Legislative Resolutions from the Committee (Action Items) (2/3) of 38 members: (25)

- RT1 - County Homestead Exemption
 - Hollie Ann Strang question: Is this feasible? Probably not.
 - No opponents listed including multiple organizations when the shift will go to other tax payers.
 - With no sideboards there will be large issues between counties regarding fairness. Stability will be in question when the amount can change every year. Counties will also lose tax base in businesses that shop for counties with lower homestead exemption. Could also increase fraud.
 - Response from sponsor: the stability is for the changes between the property category increases - believes that the differences between

counties on this front will be good to determine which ratio is best and the ballot box will make that outcome known.

- Regarding the opponents he agrees they will be there but IAC should be for the homeowners.
 - Jessica Roach: the way this is written now would only help the high value property as this only impacts the 50% residential homes.
 - Responds that this will not affect renters and the lower home values will still get a benefit.
 - Amber Sloan: this will increase the levy on the homes who have not maxed out the exemption amount.
- Motioned by: Rick Hogaboam to hold the resolution
 - Seconded by: Hollie Ann Strang Seconded
 - Vote: Unanimous
- RT2 - Regional Air Service Enhancement: Sponsor Joseph Gish
 - Joseph Gish offered the purpose: the economy is slowing and this will help alleviate this. The regional airports have lost their air service and we should fix this in Idaho state grants to small counties to pay for these flights. Modeled after the New Mexico version.
 - Motioned by: No motion
 - Seconded by:
 - Vote:
 - RT3 - County Road Maintenance Fee Logging : Mitch Reggear
 - Reggear: This fee would include endowment lands. Mills shutting down resorts in a centralized logging effort with non-uniform impact on infrastructure. No rail transport of logs adding to the problem. Already has a funding mechanism so adding a 10\$ per logging truck load would be the starting point of 1% net tax on landowner.
 - Hollie Ann Strang: the opposition can you explain what the pushback would be

- Reggear if we do the fee splitting with the county commissioner they can spread them with the taxing districts.
 - Ted Lindsley minimum for imposing the fee
 - Yes, a small threshold limit.
 - John David Davidson: asking about alternative allocation
- Motioned by: Ted Lindsley
 - Seconded by: Commissioner Ron James
 - Vote: Unanimous approval
- RT4 - Recorder Fees Doug Miller presenter
 - Motioned by: Abby Mace
 - Seconded by: Donna White
 - Vote: Unanimous approval
- RT5 - Tax on Tourism Ron James: adds 2% to lodging tax to go directly to counties to offset the costs. Seth added this bill has been run several times this just lowers the previous bill from 3% to 2% and all counties would get this.
 - Motioned by: Ernie Moser
 - Seconded by: Brian Stender
 - Vote: Unanimous Approval
- RT6 - County & City Local Option Tax: Bruce Mattarie Abbie Mace asked who would get this if the property is outside of city limits - it would be flat 2 % - Rick Hogaboam - this would be before the voters and what majority - Simple and 10 year implementation Hollie Strang:
 - Motioned by: Hollie Ann Strang
 - Seconded by: Rick Hogaboam
 - Vote: Unanimous approval
- RT7- Property Tax Reform Seth Grigg : Review the property tax system and explore alternatives and present possible changes to the legislature after review at IAC midwinter. Rick Hogaboam asked about flat tax? Seth we will look at alternatives with

- Motioned by: Kristine Lund
- Seconded by: Annette Dygert
- Vote: Unanimous Approval
- RT8 - Food Establishment License Fees: Commissioner Brooks: passed last year -
 - Motioned by: Rick Hogaboam
 - Seconded by: Ernie Moser
 - Vote: Unanimous Approval
- RT9 - Local Option for Jails & Courthouses - Idaho Sheriff's association Chris Goetz
 - Motioned by: Ernie Moser
 - Seconded by: Ted Lindsley
 - Vote: Unanimous approval
- RT10 - Property Tax COLA 3% Orton: Tying property taxes to SS COLA:
 - Motioned by: Ernie Moser
 - Seconded by: Jim Williams
 - Vote: Unanimous Approval

11:30 pm Adjournment

Revenue & Taxation Committee

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