

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, February 15, 2024

TIME: 9:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Cannon, Vice Chairman Ehlers, Representatives Dixon(1), Manwaring, Weber, Shepherd, Cheatum, Cornilles, Durrant, Mickelsen, Monks, Pickett, Raymond, Wroten, Boyle, Necochea, Burns

**ABSENT/
EXCUSED:** None

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Cannon called the meeting to order at 9:29 a.m.

H 541: **Rep. Blanksma** presented **H 541**, legislation allowing a financing method to be used for improvements on commercial property.

Scott Turlington, CEO, Tamarack Resort, presented **H 541**, legislation creating a financing structure for commercial building owners to use for financing certain energy-saving projects. The program is called Commercial Property-Assessed Clean Energy (CSPACE). Payments are made via an assessment on their property tax bill. Local governments, lenders and commercial property owners must enter the program voluntarily. Mr. Turlington stated the program operates successfully in 35 states and there are no financial obligations on the part of local government. The property owner pays for any costs incurred by the local government or the local government may choose to have a third party administer the program and the property owner will be responsible for the fees incurred by the third party. Mr. Turlington shared lenders are attracted to the program because it is tied to a Junior Lien and the lien transfers with the property if the property changes ownership during the term of the loan. In order for projects to be qualified for this type of financing, the project must meet specific criteria. The legislation also requires public hearings to be held to allow the public to comment on the program.

In response to questions from the committee, **Scott Turlington** clarified several points such as the length of the loans are generally 20 years, the administration fee is capped at \$50K, a third party handles management of the loan and there are no federal monies or grants involved in this program. There was considerable discussion regarding why this type of financing is beneficial for lenders, property owners and local governments.

David Lehman, Tamarack Resort, presented **H 541** stating, he worked with the Idaho Banker's Association to develop the language and confirmed all participation from local governments, lenders and owners is voluntary.

MOTION: **Rep. Shepherd** made a motion to **HOLD H 541** for time certain, February 22, 2024. **Motion carried by voice vote.**

Chairman Cannon welcomed **Rep. Boyle** to the Revenue and Taxation Committee.

Chairman Cannon put the committee at ease at 10:17 a.m.

Chairman Cannon resumed the meeting at 10:19 a.m.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:20 a.m.

Representative Cannon
Chair

Lisa Hendricks
Secretary