

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, March 16, 2020

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairwoman Lodge** called the Senate State Affairs Committee (Committee) to order at 8:15 a.m.

VOTE ON GUBERNATORIAL APPOINTMENT: **Vote on the Gubernatorial Appointment** of Anthony Vahsholtz to the Idaho State Building Authority.

MOTION: **Vice Chairman Harris** moved to send the Gubernatorial appointment of Anthony Vahsholtz to the Idaho State Building Authority to the floor with the recommendation that he be confirmed by the Senate. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

H 601 **RELATING TO THE PUBLIC RECORDS ACT** to identify what information is required when requesting public records.

Representative Megan Blanksma, District 23, explained that **H 601** has the following primary components: it defines notes created by a public official that remain unshared with others and not part of the public record; it defines the specific information required when making a records request, including subject matter, and the record and date range; it defines all personal communications between legislative members unrelated to public business and are not a public record, and it allows for privacy when communicating with constituents that are not registered lobbyists, public officials, or an organization requesting research or analysis information and related documents. **Representative Blanksma** reviewed types and numbers of requests that have been provided over the past few years by the Legislative Services Office (LSO). During 2019, 658 requests were received at a cost to LSO of approximately \$20,000; they were reimbursed \$1,295. She noted that this legislation tightens up the request process rather than having an open ended request for all information.

DISCUSSION: **Senator Stennett** stated that there has been a cap on the number of pages or hours of staff time provided by the State at no cost, Idaho Code § 74-102(10), for these requests and suggested it might be better to extend that number rather than do what this bill is designed to accomplish. The other part is to make sure the public has the opportunity to use a records request to allow transparency between the public and elected officials. She asked how this bill would impact their ability to scrutinize the work and interact with their government. **Representative Blanksma** responded that **H 601** does nothing as far as decreasing transparency, it only tightens up the language; there would be no difference between what could be requested now and what could be requested

in the future. This bill protects the private life and personal information from public record requests, but allows full transparency on all public business.

Senator Vick inquired about some potential amendments. **Representative Blanksma** said they were not hers. **Chairwoman Lodge** asked if requests had been made to other departments, such as corrections. **Representative Blanksma** answered that her work reflects only LSO concerns.

TESTIMONY:

Jeremy Pisca, Attorney with Risch Pisca Law, PLLC and the Executive Director for the Newspaper Association of Idaho (NAI), requested the Committee to either hold this bill or send it to the amending order. The amendments for the Committee to review have been drafted by Mr. Pisca. **Mr. Pisca** extended his appreciation to Representative Blanksma for meeting with him on several occasions to discuss language he thought was problematic, and some of those changes were made. He then discussed some further changes he thought should be made (see attachment 1). **Mr. Pisca** went through the bill and identified what he determined to be problem areas. He is offering a compromise between the public records request and the public's right to know. This bill does not meet the public's desire for more transparency.

DISCUSSION:

Senator Stennett referred to § 74-109 (4), Idaho Code, related to redistricting. There could be influence over the redistricting commission if a good public request policy was not available. She asked if these amendments would make information more free flowing. **Mr. Pisca** stated his concern about public policy in general. The amendments to the act outlined in **H 601** prevent a problem from being identified and rectified easily. The changes need to be more precise.

Senator Souza said she believes this bill is saying to the public or media, public records should indicate exactly what you want rather than making very broad, open ended requests, creating a burden for LSO, and for those who receive the requests. The purpose of **H 601** is that the requestor be more specific. **Mr. Pisca** stated that the NAI felt it was reasonable to limit some types of requests.

TESTIMONY:

Ken Burgess, Veritas Advisors, representing Idaho Press Club (IPC), asked that this bill be held or amended. He credited Representative Blanksma with working with them but there are some issues they agreed to disagree on. **Mr. Burgess** stated his preference that no changes be made to the current public records law. He agreed some language could be tightened down. Referring to the confidentiality of the RS version of a bill, **Mr. Burgess** said IPC believes this part of the process should be more open. There is a trend that legislators are moving in that direction. **Senator Winder** stated confidentiality is not required and this bill does not change nor prohibit that.

Mr. Burgess touched on several other items that were questionable related to public records requests: taxpayer dollars paying for the work product of full time State employees should be public; when private conversations blend into the possibility of creating public policy; and the possibility of redacting certain information. **Mr. Burgess** stated that the IPC agrees with Mr. Pisca's proposed amendments and would support the bill going to the amending order if not held.

Senator Stennett referred to page 11, line 27 and inquired about the broadness of "organization" and "representative" of an outside organization. **Mr. Burgess** could not answer that question.

MOTION:

Senator Anthon moved to send **H 601** to the Senate floor with a **do pass** recommendation. **Senator Winder** seconded the motion.

SUBSTITUTE MOTION:

Senator Stennett moved to send **H 601** to the 14th Order of Business for possible amendment. **Senator Buckner-Webb** seconded the motion.

DISCUSSION: **Senator Stennett** agreed with parts of this bill but had questions about transparency and some other parts of the language.

VOICE VOTE: The substitute motion failed by **voice vote**.

VOICE VOTE ON THE ORIGINAL MOTION: The original motion carried by **voice vote**. **Senators Stennett and Buckner-Webb** requested that they be recorded as voting nay.

S 1417 **RELATING TO PROPERTY TAX RELIEF** related to the Property Tax Relief Program.

Senator Anthon explained that **S 1417** brings the Property Tax Relief Program (Circuit Breaker) up to date. He described who qualified for the program as defined/outlined in Title 63, Idaho Code. The Idaho Veteran's Administration program can reduce the amount of property taxes and that money is backfilled by the State and put into the program. This program does not shift property taxes inside the taxing district. During a tax study last summer, it became apparent that the policy behind the Circuit Breaker was not effective. It has been several years since any adjustments have been made; however, residential property taxes have increased significantly while the number of claimants has decreased. **Senator Anthon** outlined the two things this bill accomplishes: 1.) it separates out a household of one versus a household of two; and 2.) it provides for different income thresholds for both categories. The result is an increase in the maximum benefit.

Senator Anthon stated that this bill does not fix property tax issues in Idaho. It is a narrowly drafted bill to address an existing policy for certain categories of people so they don't lose their homes. This bill will not shift property tax burdens to businesses or agriculture.

Senator Souza asked if the \$6.5 million comes from the General Fund. **Senator Anthon** stated his understanding is that it comes from sales tax.

Senator Burgoyne reiterated that this is not a tax bill, it is a benefit program.

MOTION: **Vice Chairman Harris** moved to send **S 1417** to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion.

Chairwoman Lodge announced that Fred Birnbaum, Idaho Freedom Foundation was signed up to testify in opposition to this bill and Seth Grigg, Executive Director, Idaho Association of Counties was signed up to testify in support of the bill. She asked them to stand and be recognized but time constraints prevented additional discussion.

VOICE VOTE: The motion to send **S 1417** to the floor with a do pass recommendation carried by **voice vote**.

S 1416 **RELATING TO PROPERTY TAXES** with provisions regarding homestead exemptions.

Senator Vick, stated that **S 1416** proposes to increase the homestead exemption to \$120,000, meaning a homeowner would not pay property taxes on the first \$120,000 of the assessed value of a property occupied by the homeowner. This is approximately a one percent tax shift to businesses; it may be more or less depending on location. **Senator Vick** explained the bill in more detail. In 2017 the exemption was frozen at \$100,000. This bill reestablishes the index and raises the minimum to \$120,000. This does not solve property tax problems but it helps homeowners pay a little less in property taxes.

Senator Hill asked what the fiscal impact would be with the shift from homeowners to another segment of taxpayers. **Senator Vick** stated he did not have the answer.

TESTIMONY:

Fred Birnbaum, Idaho Freedom Foundation, spoke in opposition of this legislation because it is a tax shift and is not equitable tax policy.

Russ Hendricks, Idaho Farm Bureau Federation, testified in opposition to **S 1416**. He stated that, under the current homeowner's exemption, the shift is about \$210 million per year. That is an ongoing additional tax burden on other property owners. He explained other issues such as an already wide discrepancy between the dollar amount residential property receives back in services and the dollar amount a business or agriculture property receives in services. Those with very low home values will actually pay higher taxes. He said he could discuss other issues, but because of time, requested the Committee hold this bill.

Seth Grigg, Idaho Association of Counties (IAC), spoke in support of **S 1416**. The IAC took a stand on this issue at its September conference to support the change in the homeowner's exemption because indexing would be reinstated.

MOTION:

Vice Chairman Harris moved that **S 1416** be held in Committee. The motion failed for lack of a second.

DISCUSSION:

Senator Vick stated his opinion that owning a home is valuable as is making home ownership affordable; that is the purpose for changing this exemption. This will shift taxes to other properties but the primary concern is staying in one's own home.

MOTION:

Senator Vick moved to send **S 1416** to the floor with a **do pass** recommendation. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

Senator Anthon reserved the option of not supporting this bill on the floor.

ADJOURNED:

There being no further business as this time, **Chairwoman Lodge** adjourned the meeting at 9:20 a.m.

Senator Lodge
Chair

Twyla Melton
Secretary