MINUTES

HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Wednesday, February 16, 2022

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Mendive, Vice Chairman Kingsley, Representatives Barbieri, Clow,

Christensen, Bundy, Erickson, Galloway, Nate, Skaug, Weber, Berch, Green, Burns

ABSENT/ None

EXCUSED:

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the

end of the session the sign-in sheet will be filed with the minutes in the Legislative

Library.

Chairman Mendive called the meeting to order at 1:31pm.

MOTION: Rep. Bundy made a motion to approve the minutes of February 14, 2022. Motion

carried by voice vote.

H 575: Rep. Skaug explained H 575 would require any county lease for a jail or courthouse

lasting longer than five years to have voter approval. Currently, two out of three commissioners can approve a lease for up to thirty years which is against the spirit of the Idaho Constitution which restricts how much long term debt a government entity can accrue without voter approval. This will not take away leasing as a tool for counties to get new jails and court houses, it will simply involve the taxpayers in

that decision.

Sharon Harris and David Harris spoke in support of H 575.

Seth Grigg, Executive Director of the Idaho Association of Counties, spoke **in opposition** to **H 575**. He said this tool is constitutional and is not seeking to increase revenue authority which is why it doesn't currently require voter approval. Counties determine if they have enough funds within their existing budget before entering into the lease agreement. Additionally, it is an annual lease that has to be renewed every year. They can choose not to renew it if they lack funding. These counties also usually solicit broad public approval and don't go forward with the project if there is push back. He also raised concerns about the language 'and such other public buildings' which was removed because he feared this would prevent counties from using this tool for any buildings, not just jails and courthouses.

Rep. Berch clarified that the goal of the language removal was to ensure that these additional restrictions on leases would only affect jails and courthouses and not other buildings.

In response to questions about the need for a lease if the counties already have funds in the existing budget, **Mr. Grigg** said the counties have enough money for the debt service, not for the entire building.

In response to questions about how counties use the provision requiring these leases to be renewed every year, **Mr. Grigg** explained counties aren't permitted to incur debt for longer than one year so they enter into one year rolling leases to be continued for thirty years. This would be affected by the five year limit because lenders will be less likely to enter into agreements and while the counties can choose not to renew every year, they very rarely do so.

Russ Hendricks, representing Idaho Farm Bureau Federation, spoke in support of H 575. He said their members see this as a small step in closing a loophole allowing counties to incur long term debt without voter approval. Long term leasing is against the spirit of Constitution. It is always better to purchase than to lease because of the long term expenses. Bonds are a more efficient means of paying for jails and courthouses but counties avoid them because the voters don't support the counties' plans.

In closing, **Rep. Skaug** reminded the committee that not all counties are opposed to this. **H 575** would remove a clever way to work around the legality of long term debt.

MOTION:

Rep. Barbieri made a motion to send H 575 to the floor with a DO PASS

recommendation.

SUBSTITUTE MOTION:

Rep. Weber made a substitute motion to send **H 575** to the floor without recommendation.

Rep. Burns said he supports the substitute motion. The state requires counties to have courthouses and jails and is now making it more difficult for them to fulfill these requirements.

ROLL CALL VOTE ON SUBSTITUTE MOTION: Roll call vote was requested. Substitute motion failed by a vote of 6 AYE, 7 NAY and 1 Absent/Excused. Voting in favor of the motion: Reps. Bundy, Erickson, Weber, Berch, Green, and Burns. Voting in opposition to the motion: Reps. Mendive, Kingsley, Barbieri, Clow, Galloway, Nate, and Skaug. Rep. Christensen was absent/excused.

VOTE ON ORIGINAL MOTION:

Chairman Mendive called for a vote on the original motion to send H 575 to the floor with a DO PASS recommendation. Motion carried by voice vote. Reps. Berch and Burns requested to be recorded as voting NAY. Rep. Skaug will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 2:07pm.

Representative Mendive	Emily Huddleston
Chair	Secretary