

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 P.M.
Room EW05
Tuesday, January 20, 2015

SUBJECT	DESCRIPTION	PRESENTER
	Organizational Meeting	
RS23343	Urban renewal, eminent domain	Representative Steven Harris
RS23344	Urban renewal, debt, bonds	Representative Steven Harris
	Idaho Association of Counties, Organization Overview	Daniel Chadwick, Executive Director, Idaho Association of Counties
	Association of Idaho Cities, Organization Overview	Seth Grigg Executive Director, Association of Idaho Cities

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

Erin Hutto
Room: EW06
Phone: 332-1147
email: hloc@house.idaho.gov

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Tuesday, January 20, 2015
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
**ABSENT/
EXCUSED:** Rep. Perry
GUESTS: Rep. Harris; Evan Mortimer, ITLA; John Eaton, Andrew Mitzel, Realtors; Elli Brown, Ventas Advisors; Jonathan Parker, Holland & Hart; Colby Cameron, Sullivan & Reberger; Dan Blocksom, Daniel Chadwick, IAC; Brody Aston, Lobby Idaho; Seth Grigg, Association of Idaho Cities.

Chairman Luker called the meeting to order at 1:31 p.m.

Chairman Luker welcomed the committee and introduced the Secretary and Page. He also discussed how meetings would run and reviewed Committee guidelines. He stated that public testimony is welcomed and should Committee members have questions they should respectfully ask them. Additionally, the Committee members may take information from their folders but are to leave the folders in the rooms. The meeting room will stream audio for all meetings held for the Committee.

Chairman Luker stated that **Rep. Nye** and **Rep. Horman** will review meeting minutes.

RS 23343: **Rep. Harris** presented **RS 23343**, which removes eminent domain authority from Urban Renewal Agencies and requires that eminent domain authority is exercised by an elected body directly responsible to its citizens. The first proposed change is in Section 7-701 which would provide that eminent authority is not authorized by the Urban Renewal Agency, but rather by the local governing body. In Section 50-2002, the words "power of eminent domain and," and "eminent domain" are struck from the body. Section 50-2010, strikes words relating to eminent authority of the Urban Renewal Agency and adds wording to give that authority to a local governing body. In response to questions, **Rep. Harris** said that in the eyes of the governing body nothing changes, however, for any action, agencies will need to get local governing body approval.

MOTION: **Representative Malek** made a motion to introduce **RS 23343**.

In response to questions, **Rep. Harris** said there was no outline of the formal process for the URA to request use of eminent domain by the local governing body in **RS 23343**.

VOTE ON MOTION: **Chairman Luker** called for a vote on the motion to introduce **RS 23343**. **Motion carried by voice vote.**

RS 23344: **Rep. Harris** presented **RS 23344**, which requires that a bond or debt obligation, undertaken by an Urban Renewal Agency, must have approval of the local governing body. In Section 50-2007, a statement is added which gives authority and requests for approval to a local governing body for any long-term debt or bonding for the Urban Renewal Agency. In Section 50-2012, a statement is added which outlines that no bonds or debt obligations may be incurred without approval of a local governing body.

MOTION: **Representative Collins** made a motion to introduce **RS 23344**. **Motion carried by voice vote.**

Dan Chadwick, Executive Director, Idaho Association of Counties (IAC), gave an overview of what the organization does and the resources it provides. The overview included information about the IAC's creation and legal structure. governance, staff support, roles, responsibilities and purpose, resources and functions.

Chairman Luker stated that at the start of the meeting, a silent roll was taken and that there were enough people present for a quorum.

Seth Grigg, Executive Director, Association of Idaho Cities (AIC), gave an overview of what the organization does and the resources it provides. The overview included information regarding the AIC's creation and structure, Board of Directors, primary revenue sources, responsibilities and purpose, and challenges it faces.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:32 p.m.

Representative Luker
Chair

Erin Hutto
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 P.M.
Room EW05
Monday, February 02, 2015

SUBJECT	DESCRIPTION	PRESENTER
RS23387	Approval of Minutes Printing Work, Counties	Phil McGrane, JD, Chief Deputy, Clerk of the District Court

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

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MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Monday, February 02, 2015
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
**ABSENT/
EXCUSED:** None
GUESTS: Phil McGrane, JD, Chief Deputy Clerk, Ada County
Chairman Luker called the meeting to order at 1:30 p.m.
MOTION: **Rep. Kloc** made a motion to approve the minutes of the January 20, 2015 meeting.
Motion carried by voice vote.
RS 23387: **Phil McGrane** Chief Deputy Clerk, Ada County, presented **RS 23387** which amends I.C. § 60-103 to include counties in the exemptions, allowed to the State, for out-of-state printing. Section 102 also indicates that counties must first seek printing services within their county. The penalty for violating these sections is a misdemeanor, which is spelled out in I.C. § 60-104. This legislation will ensure that current practices are properly aligned with the legal requirements. These practices save counties considerable amounts of money and allow counties to take advantage of improvements in technology. The IAC legislative committee supports this legislation.
Mr. McGrane also stated there are no cases that have been pursued in which the current law has been violated.
MOTION: **Rep. McCrostie** made a motion to introduce **RS 23387**.
In response to questions, **Mr. McGrane** stated that cities do not have any rules about printing.
In response to questions, **Mr. McGrane** stated the security of out-of-state ballot printing facilities is more secure than in state facilities.
VOTE ON MOTION: **Chairman Luker** called for a vote on the motion to introduce **RS 23387**. **Motion carried by voice vote.**
ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:40 p.m.

Representative Luker
Chair

Erin Hutto
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 P.M.
Room EW05
Wednesday, February 04, 2015

SUBJECT	DESCRIPTION	PRESENTER
RS23462	Areas of City Impact	Representative Sims
RS23421	Planning, Zoning Appointments	Tony Poinelli, Deputy Director, Idaho Association of Counties

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

Erin Hutto
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MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Wednesday, February 04, 2015

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye

**ABSENT/
EXCUSED:** None

GUESTS: Bill Nary, City of Meridian; Jason Kreizenbeck, Lobby Idaho, LLC; Amber Penie, City of Boise; Roger Seiser, Capital West; Andrew Mitzel, Realtors; Jim Lowe, and Benjamin Kelly, Food Producers; and Jonathan Parker, City of Caldwell

Chairman Luker called the meeting to order at 1:30 p.m.

RS 23462: **Rep. Sims** presented **RS 23462** which is to make a clear and equitable process for resolving conflicts between overlapping Areas of City Impact (AOCI). The bill provides for municipalities to negotiate overlapping boundaries disputes prior to annexation. The county commissioners will establish a resolution process. There is no fiscal impact.

MOTION: **Rep. Kloc** made a motion to introduce **RS 23462**.

In response to questions, **Rep. Sims** stated the cities are to inform their counties of their AOCl.

In response to questions, **Rep. Sims** noted there are many areas where cities have AOCl and must work with counties on a solution. If city boundaries are within three miles of another, they have to notify the county.

**VOTE ON
MOTION:** **Chairman Luker** called for a vote on the motion to introduce **RS 23462**. **Motion carried by voice vote.**

RS 23421: **Tony Poinelli**, Deputy Director, Idaho Association of Counties, presented **RS 23421** which allows the county commissioners to appoint to the county planning and zoning commission, a resident within a city's area of impact or incorporated city where the Board is unable to obtain applicants from outside the area of impact and the incorporated city limits. If a resident must be appointed from the city's area of impact of incorporated limits, and the county has multiple cities, then the appointments must be on a rotating basis. There is no fiscal impact from this proposed legislation.

MOTION: **Rep. Malek** made a motion to introduce **RS 23421**.

In response to questions, **Tony Poinelli** noted the commissioners must be a resident of the county and cannot be out-of-county or out-of-state residents.

In response to questions, **Tony Poinelli** said if there are existing commissioners, and an additional commissioner needs to be added, they may be appointed. No more than one-third of the members can be from a city of 1,500 or more. If this stipulation cannot be met there is the flexibility to reach out to the area of impact and to the city.

**VOTE ON
MOTION:**

Chairman Luker called for a vote on the motion to introduce **RS 23421. Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 1:44 p.m.

Representative Luker
Chair

Erin Hutto
Secretary

AMENDED AGENDA #1
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 P.M.
Room EW05
Thursday, February 12, 2015

SUBJECT	DESCRIPTION	PRESENTER
RS23531C2	Annexation by Cities	Rep. Moyle. and Rep. Harris
RS23525	Elections, Withdrawal of Candidacy	Dan Blocksom, Idaho Association of Counties
H 0068	Printing Work, Counties	Phil McGrane, Chief Deputy, Clerk of the District Court

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

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MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Thursday, February 12, 2015

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye

**ABSENT/
EXCUSED:** Representative Kloc

GUESTS: Dan Blocksom, Idaho Association of Counties; Phil McGrane, Chief Deputy Ada County, Elections Division

Chairman Luker called the meeting to order at 1:31 p.m.

MOTION: **Rep. Horman** made a motion to approve the minutes of the February 2, 2015 meeting. **Motion carried by voice vote.**

MOTION: **Rep. Horman** made a motion to approve the minutes of the February 4, 2015 meeting. **Motion carried by voice vote.**

RS 23531C2: **Rep. Harris**, presented **RS 23531C2** which makes changes to city annexation requirements. Category A annexation, where no consent is required for annexing enclaved parcels numbering less than 100, would be limited to areas within one city not including border areas of city impact. Category B and C annexations would be modified to require consent from more than 50% of private parcel owners in addition to the present requirements of consent by owners of more than 50% of the land area. There is no fiscal impact with this legislation.

In response to questions, **Rep Harris** stated the existing privilege of the large land owners is not being taken away, this is just allowing for small land owners to have input in regards to annexations. In the consideration of annexation, the large land owners agreement would not outweigh the agreements of small land owners unless there were more than 50% of land owners for annexation. If the majority of land owners decided the debated area will be annexed the land will be added to city limits. This change is needed because city annexation is expanding into country areas making property owners upset because they do not want to be annexed. Property owners want the right to have a say or if they are annexed.

MOTION: **Rep. Simms** made a motion to introduce **RS 23531C2**. **Motion carried by voice vote.**

RS 23525: **Dan Blocksom**, Idaho Association of Counties, presented **RS 23525** which would require partisan candidates to withdraw 53 days before a primary election. Moving the withdrawal date to 53 days provides more time for county clerks to finalize and proof ballots, have them printed, prepare them for mailing, and mail them by the 45 day deadline. This legislation will help prevent ballots from being mailed which are no longer accurate. This legislation has no impact to the state General Fund. Counties would see considerable cost avoidance because there would be no need to reprint ballots or expend labor redacting ballots because a candidate withdrew after the ballots were printed.

MOTION: **Rep. Redman** made a motion to introduce **RS 23525**.

In response to questions, **Mr. Blocksom** said there is not an exact turn around time for ballots to be printed, but when all counties ask for ballots to be printed at the same time, this can create a bottleneck. An increased withdrawal period could help avoid this issue.

VOTE ON MOTION:

Chairman Luker called for a vote on the motion to introduce **RS 23525. Motion carried by voice vote.**

H 68:

Phil McGrane, Chief Deputy Ada County, Elections Division presented **H 68** which deals with the exemptions to the in-state printing requirements to include counties. Due to both technical requirements and cost, there are similar circumstances where it is in the best interests of the counties to use out-of-state printers. This change will update legislation on how counties are currently operating. There is no fiscal impact to the General Fund.

MOTION:

Rep. Malek made a motion to send **H 68** to the floor with a **DO PASS** recommendation.

In response to questions, **Mr. McGrane** stated in the bidding process, there would be documentation of the reasons the counties are going out-of-state and evidence they have compared pricing with in-state printers. The bids are required to cover the entire cost, including shipping.

VOTE ON MOTION:

Chairman Luker called for a vote on the motion to send **H 68** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Cheatham** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the Committee, the meeting was adjourned at 1:57 p.m.

Representative Luker
Chair

Erin Hutto
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 P.M.
Room EW05
Monday, February 16, 2015

SUBJECT	DESCRIPTION	PRESENTER
RS23434	Optional Bidding on Seized Property	Rep. Kauffman
RS23585	Planning and Zoning	Tony Poinelli, Idaho Association of Counties
RS23421	Planning, Zoning Appointments	Tony Poinelli, Idaho Association of Counties
RS23564	Delinquent Property Taxes	Rep. Trujillo

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

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MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Monday, February 16, 2015
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
**ABSENT/
EXCUSED:** None
GUESTS: Tony Poinelli, Donna Peterson, Caitlin Rusche, Idaho Association of Counties; Andrew Mitzel, Realtors.

Chairman Luker called the meeting to order at 1:30 p.m.

RS 23585: **Tony Poinelli**, Idaho Association of Counties presented **RS 23585** which allows a Board of County Commissioners to appoint to the county planning and zoning commission, a resident within a city's areas of impact or an incorporated city when the Board is unable to obtain applicants from outside the area of impact and the incorporated city limits. If a Board must appoint residents from either a city's area of impact to incorporated limits, and the county has multiple cities, then such appointments from such cities must be on a rotation basis. **Mr. Poinelli** requested that **RS 23421** be returned to the him, as **RS 23585** is replacing it.

MOTION: **Rep. Perry** made a motion to introduce **RS 23585**. **Motion carried by voice vote.**

RS 23421: **Tony Poinelli**, Idaho Association of Counties presented **RS 23421** which is to be replaced by **RS 23585**.

MOTION: **Rep. Loertscher** made a motion to bring **RS 23421** back to the committee and return it to the sponsor. **Motion carried by voice vote.**

RS 23564: **Rep. Trujillo** presented **RS 23564** which requires that within thirty days of a property tax becoming delinquent, the county must send notification to the owner of the property. This may impact interest and penalties counties can collect on delinquent properties.

MOTION: **Rep. Loertscher** made a motion to introduce **RS 23564**. **Motion carried by voice vote.**

RS 23434: **Caitlin Rusche** presented **RS 23434** which clarifies the county tax collector's requirement to bid on a piece of property is optional. When no other person bids on the property, if the tax collector decides it is in the best interest of the county to purchase said property. This can be an option when the property would cost more to maintain or clean up than could be recouped from its sale by the county, if there is no interest to purchase from any party making it difficult to sell, or if the property can be a significant financial liability for the county.

In response to questions, **Ms. Rushe** stated if no one bids on a property it just languishes.

In response to deferred questions, **Donna Peterson**, Idaho Association of Counties stated if a property sits and there are no bids, the land owner has the option to buy the property. If there are no bids on a structure, taxes are still due and are the responsibility of the property owner.

MOTION: **Rep. McCrostie** made a motion to introduce **RS 23434** with the word "personal" to line 17.

In response to questions, **Ms. Peterson** stated, there is no provision stating that the county can not out bid what is owed to the county in back taxes. If there is a property with a second and third notice, this will more than likely happen to mobile homes and not of high value home and properties.

In response to deferred questions, **Rep. Kauffman** stated this change is in regards to personal property tax.

**VOTE ON
MOTION:**

Chairman Luker called for a vote on the motion to introduce **RS 23434** with the word "personal" added to line 17. **Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 1:54 p.m.

Representative Luker
Chair

Erin Hutto
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 P.M.
Room EW05
Tuesday, February 24, 2015

SUBJECT	DESCRIPTION	PRESENTER
H 141	Delinquent Property Taxes	Rep. Trujillo
H142	Planning and Zoning	Tony Poinelli, Deputy Director, Idaho Association of Counties

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker	Rep Collins
Vice Chairman Sims	Rep Cheatham
Rep Barbieri	Rep Loertscher
Rep Perry	Rep Redman
Rep Clow	Rep Kloc
Rep Horman	Rep McCrostie
Rep Malek	Rep Nye

COMMITTEE SECRETARY

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MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Tuesday, February 24, 2015

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye

**ABSENT/
EXCUSED:** None

GUESTS: Caitlin Rusche, Tony Poinelli, IAC; Donna Peterson, IACT

Chairman Luker called the meeting to order at 1:31 PM.

MOTION: **Rep. Horman** made a motion to approve the minutes of February 12, 2015.
Motion carried by voice vote.

MOTION: **Rep. Horman** made a motion to approve the minutes of February 16, 2015.
Motion carried by voice vote.

H 141: **Rep. Trujillo**, District 33, presented **H 141** which requires a property owner to receive notification within 30 days of delinquent property tax. As a taxpayer, the owner should be notified so they are aware of a delinquency caused by the lack of payment by the mortgage company.

In response to questions, **Rep. Trujillo** stated currently the Idaho counties handle delinquent taxes in different ways and there are no procedures to notify the property owner. The number of people with tax delinquency is not high thus a low fiscal impact is expected.

Rep. Trujillo said the 30 day notification period is suggested so the property owner is not accruing penalties. Some counties send tax delinquencies to the mortgage companies as well as the property owner and some counties only send this notification to the mortgage company. In the case where only the mortgage company has been notified, the property owner is not aware of the delinquency. Most mortgage companies adjust the property owners escrow payment to make up for the delinquency and the property owner may never be aware of any issue.

Rep. Trujillo said this legislation is meant to help taxpayers and will cause additional tracking and work on the part of the county. The Association of Counties is not opposed to this but have not endorsed it. There are not enough of the delinquencies to cause a huge fiscal burden. This bill is only to force the counties to send notifications when property owners are delinquent in taxes. Currently, penalties for delinquent taxes start to accrue after the second missed payment. The penalties accrue before the property owner is aware of the late payments. The solutions that have been brought forward from the counties are very costly.

Chairman Luker turned the gavel over to **Vice Chairman Sims**.

In response to questions **Tony Poinelli**, Executive Director of the Idaho Association of Cities, stated the tax delinquency starts to accrue on January 1st after the delinquency, but occasionally there is a lag time in the county that exceeds 30 days.

In response to questions, **Rep. Trujillo** stated the only required notification sent to the property owner is after a three year delinquency. When the notification is only sent to the mortgage company, the escrow balance is adjusted and the owner may never know they are delinquent. This bill is directed toward a mortgage company not paying tax, this is to protect the tax payer.

MOTION: **Rep. Malek** made a motion to **HOLD H 141** at the call of the chair. **Motion carried by voice vote.**

H 142: **Mr. Poinelli**, Executive Director of the Idaho Association of Cities, presented **H 142**. This legislation allows a Board or County Commissioners to appoint to the county planning and zoning commission a resident within a city's area of impact or an incorporated city when the Board is unable to obtain applicants from outside the area of impact and the incorporated city limits. If the Board must appoint residents from either a city's area of impact or incorporated limits, and the county has multiple cities, then appointments from such cities must be on a rotation basis.

In response to questions, **Mr. Poinelli** stated the statute regarding numbers of people sitting on the Board is existing. The rotating appointments aim to decrease favoritism of one area.

MOTION: **Rep. Redman** made a motion to send **H 142** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Redman** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:02 p.m.

Representative Luker
Chair

Erin Hutto
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 P.M.
Room EW05
Thursday, February 26, 2015

SUBJECT	DESCRIPTION	PRESENTER
H 156	Tax Collector, Property Purchase	Rep. Clark Kauffman.

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

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MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Thursday, February 26, 2015

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye

**ABSENT/
EXCUSED:** Representative(s) Perry, Loertscher

GUESTS: Caitlin Rushe, Donna Peterson, IACT

Chairman Luker called the meeting to order at 1:30 p.m.

H 156: **Rep. Kauffman** presented **H 156** which makes it optional for counties to bid on seized personal property. This clarifies that the county does not have to bid on seized property should it cost more to maintain than the county would make from the property. The purpose of the sale of these seized personal property is to recoup the taxes owed. The opening bid on the property is the amount owed to the county. If there is a higher bid that will create excess revenue, then it is given back to the property owner.

In response to questions, **Rep. Kauffman** stated if no one buys the property to include the county treasurer, the personal property remains the responsibility of the property owner. The sale of this personal properties is advertised to the public. Currently in some counties, the treasurer bids on the property regardless of it being a loss. This language change clarifies that the county may purchase, but it is not required to purchase, seized personal property up for auction.

In response to questions, **Donna Peterson**, from the Idaho Association of County Treasurers, stated the personal property is typically purchased for the minimum bid. The fees of properties can be waved.

MOTION: **Rep. Malek** made a motion to send **H 156** to the floor with a **DO PASS** recommendation.

In response to questions **Ms. Peterson** stated there is a difference between what the prosecutors and the county interpret in the existing laws. The changes would clarify the county may, but is not required, to bid on personal property. Personal property that is put up for auction must exceed \$100,000 in value.

VOTE ON MOTION: **Chairman Luker** called for a vote on the motion to send **H 156** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Kauffman** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:43 p.m.

Representative Luker
Chair

Erin Hutto
Secretary

AMENDED AGENDA #1
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 p.m. or Upon Adjournment
Room EW05
Monday, March 02, 2015

SUBJECT	DESCRIPTION	PRESENTER
S 1045	Port District Audits	Rep. Dan Rudolph

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

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MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Monday, March 02, 2015

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye

**ABSENT/
EXCUSED:** Representative(s) Barbieri, Perry

GUESTS: None

Chairman Luker called the meeting to order at 2:51 PM.

Chairman Luker welcomed the new secretary, **Francoise Cleveland**, to the committee.

S 1045: **Rep. Rudolph** presented to the committee **S 1045** which eliminates the requirement for the Port of Lewiston to publish their audited financial report in a newspaper within 45 days of the end of its fiscal year. He said with new accounting standards, 45 days is an extremely short period of time. The language in this legislation aligns with current Idaho Code 67-450B, Independent Financial Audit of Local Government Entities, which details filing requirements for Idaho cities, counties, and districts.

MOTION: **Rep. Kloc** made a motion to send **S 1045** to the floor with a **DO PASS** recommendation.

In response to a question, **Rep. Rudolph** said the Port could not publish notice until the completion of the independent audit. This aligns with current code for cities and counties that audits will happen within nine months. The due date would be within 30 days of the completion of the audit.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Rudolph** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:58 PM.

Representative Luker
Chair

Francoise Cleveland
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Wednesday, March 04, 2015

SUBJECT	DESCRIPTION	PRESENTER
H 127	Annexation by cities, revisions	Rep. Harris

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker	Rep Collins
Vice Chairman Sims	Rep Cheatham
Rep Barbieri	Rep Loertscher
Rep Perry	Rep Redman
Rep Clow	Rep Kloc
Rep Horman	Rep McCrostie
Rep Malek	Rep Nye

COMMITTEE SECRETARY

Francoise Cleveland
Room: EW06
Phone: 332-1147
email: hloc@house.idaho.gov

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

- DATE:** Wednesday, March 04, 2015
- TIME:** 1:30 PM or Upon Adjournment
- PLACE:** Room EW05
- MEMBERS:** Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek (Malek), Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
- ABSENT/
EXCUSED:** Representative(s) Loertscher, Perry
- GUESTS:** Jerry Mason, Association of Idaho Cities; Andrew Mitzel, Realtors; Dave Yorgason, Building Contractors; Tyler Mallard, BCA; Brad Clark, American Planning Association-Idaho Chapter; John Eaton, Realtors; Seth Grigg, AIC
Chairman Luker called the meeting to order at 2:39 PM.
- MOTION:** **Rep. Horman** made a motion to approve the minutes of February 24, 2015. **Motion carried by voice vote.**
- MOTION:** **Rep. Horman** made a motion to approve the minutes of February 26, 2015. **Motion carried by voice vote.**
- MOTION:** **Rep. Horman** made a motion to approve the minutes of March 2, 2015. **Motion carried by voice vote.**
- H 127:** **Rep. Harris** presented to the committee **H 127**. He said there are several principles Americans and Idahoans hold sacred. One is the principle of majority rule coupled with the concept that the strong do not out maneuver the weak. Another is the principle of property rights. He said the characteristic that distinguishes America most from all other democracies, and which is vital to a free society, is its fierce defense of the ability to own, control, develop, and dispose of personal and real property.
Rep. Harris said **H 127** addresses both of these issues when it comes to annexation. Annexation can be a good thing because it allows cities to grow and urban services are best delivered to urban areas. Annexation occurs by consent not by vote. This consent can be given at any time and stays with the property. He said, in some cases, annexation can occur once a majority of landowners have given consent to be annexed into a city but, many times, this is not the case. He then outlined current annexation law and how local governments can annex property based on parcels and consent.
Rep. Harris continued, this legislation will change the city annexation requirements. Category A, where no consent is required for annexing and enclaved parcels numbering less than 100, would be limited to areas within the city not including border areas of impact. Category B and C annexations would be modified to require consent from more than 50% of private parcel owners in addition to the present requirement of consent by owners of more than 50% of the land area.

In response to questions, **Rep. Harris** said annexation is a problem in his district. Very few states allow forced annexation like Idaho does. There are problems with forced annexation from a property rights point of view and from the majority point of view. Consent by parcel owners is a better test than consent by area. The few larger areas should not outweigh the majority of the parcel owners. He said this bill does not change any of the definitions of the landowners. This is determined by parcel count which makes the type of owner irrelevant. He recognized that most Idaho cities, if not all, will be against this legislation but believes the rights of the individual property owner should be a higher priority.

Jerry Mason, Legal Counsel for the Association of Idaho Cities, testified **in opposition** of **H 127**. He said annexation is an important tool for Idaho's cities and the 1.1 million people who reside within those cities. The current annexation law has provisions that resulted from compromise. The proposed change to the number of landowners as opposed to area by land acreage was not included in the original legislation. This is because landowners do not equal parcels and the parcel owner requirement is not equitable and can be manipulated.

Rep. Nye invoked Rule 38 stating a possible conflict of interest but that he would be voting on the legislation.

Dave Yorgason, Government Affairs representative for the local Building Contractor Association of Southwest Idaho and a local land developer, testified **in opposition** to **H 127**. He said that parcels are easy to create. They do not have to be buildable but they are taxable. Consent by area is the best way to determine annexation.

Brad Clark, Idaho Chapter of the American Planning Association, testified **in opposition** to **H 127**. He said the legislative intent in the Land Use Planning Act ensures adequate public facilities and services are provided to the people at reasonable cost, and encourages urban and urban-type development within cities. Statute also states cities should be able to annex lands that are reasonably necessary to assure their orderly development and to enable the orderly development of private lands which benefit from the cost-effective availability of municipal services.

John Eaton, Government Affairs Director of the Idaho Association of Realtors, testified **in opposition** to **H 127**. He said determining who the landowner is can be difficult, especially with investment properties in which the owners technically are the stockholders within a company.

MOTION: **Rep. Collins** made a motion to **HOLD H 127** in committee.

Rep. Collins said that while he has been a critic of annexation he believes this is not a step in the right direction and there are many questions that need to be answered before he can support it.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Sims** requested she be recorded as voting **NAY**.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 4:09 PM.

Representative Luker
Chair

Francoise Cleveland
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
Upon Adjournment of the House
Room EW05
Friday, March 06, 2015

SUBJECT	DESCRIPTION	PRESENTER
<u>H 202</u>	Fire Districts, Sale of Property	Gary Rohwer Joe Stear Idaho State Fire Commissioner Association
<u>H 203</u>	Fire District Employment Contracts	Gary Rohwer Joe Stear
<u>H 204</u>	Fire District Commissioner Residency	Gary Rohwer Joe Stear

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek(Malek)

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

Francoise Cleveland
Room: EW06
Phone: 332-1147
email: hloc@house.idaho.gov

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Friday, March 06, 2015

TIME: Upon Adjournment of the House

PLACE: Room EW05

MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye

**ABSENT/
EXCUSED:** Representative(s) Clow, Horman, Redman

GUESTS: David Gates, IFCA; Dan Friend, IFCA; Gary Rohwer, ISFCA; Joe Stear, ISFCA
Chairman Luker called the meeting to order at 11:55 AM.

H 202: **Joe Stear**, Idaho State Fire Commissioner, presented to the committee **H 202** which gives fire districts the ability to dispose of surplus property without using a certified appraiser. He said there are no certified appraisers in the state of Idaho and it is very costly to receive out-of-state appraisals. The legislation restricts those who made the valuation from making the purchase of that equipment and ensures fire districts can receive fair value for surplus equipment.

MOTION: **Rep. Malek** made a motion to send **H 202** to the floor with a **DO PASS** recommendation.

In response to a question, **Mr. Stear** said most fire districts and departments have rules against selling to employees or department personnel. He explained the main intent of this legislation is to get fair-market value out of the property. Currently, if the property is worth more than \$10,000, the board will lower the value so they do not have to pay the thousands of dollars it costs to have an appraisal.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Moyle** will sponsor the bill on the floor.

H 203: **Gary Rohwer**, Idaho State Fire Commissioner, presented to the committee **H 203**. He said this legislation creates a circumstance in which employment contracts not negotiated under Section 44-1804 of Idaho Code, be limited to two years with an at-will provision. He responded to a question regarding the need for both the term-of-time contract and the at-will provision. He said their intent is to eliminate employment contracts that extend beyond the term of the board and to control the financial burden of the board who, in the past, have had to buy out contracts upon termination of an employee.

MOTION: **Rep. Malek** made a motion to send **H 203** to the floor with a **DO PASS** recommendation.

David Gates, President of the Idaho Fire Chiefs Association, testified in **opposition** to **H 203**. He said public entities are being challenged to be more like private industry but policies are enacted to discourage this. Contracts are offered in private industry to provide stability to an organization to provide time to affect change. This is true for public entities as well. He said this legislation is being offered to provide a statewide change to address local particular circumstances. This is not needed.

Rep. Moyle testified in support of H 203. He said the legislation is result of situations occurring across the state where contracts were extended for long periods of time; the cost to get out of contracts was substantial; and, the at-will concept was not clear. He said the unions wanted to make clear that collective bargaining contracts were not included. This legislation provides for two-year contracts with the ability to renew, so every two years one would have to sit down and talk about their employment with their Chief. It also allows the removal of a Chief with the at-will clause. He impressed the importance of having both the at-will clause and the two-year term in the language.

Members of the committee expressed further concern whether a contract for a term-of-time and an at-will provision represented different concepts within the law. They questioned the need to have both in the legislation.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Malek made a unanimous consent request to withdraw his original motion. There being no objection, the request was granted.

MOTION:

Rep. Malek made motion to **HOLD H 203** in committee at the call of the chair. **Motion carried by voice vote.**

H 204:

Joe Stear, Idaho State Fire Commissioner, presented to the committee **H 204**. He said there have been fire districts who have increased their boards from three members to five. Since then, some have had difficulties finding people to fill those positions but there is no mechanism to reduce the number of seats back to three. This legislation allows the reduction of the size of the board by a majority vote of 4/5ths. In addition, the geographical jurisdiction of the fire districts is divided by population and land area. In rural areas, this is difficult to do. He said this legislation allows for the subdivision of fire districts by either land mass or population rather than both.

Concern was expressed by members of the committee regarding the change of the term "elector" to "resident." **Rep. Moyle** responded this was a change requested by Legislative Services but was unclear as to the reason.

MOTION:

Rep. McCrostie made a motion to **HOLD H 204** in committee to a time certain date of March 10, 2015. **Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 12:38 PM.

Representative Luker
Chair

Francoise Cleveland
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Tuesday, March 10, 2015

SUBJECT	DESCRIPTION	PRESENTER
H 204	Fire District Commissioners Residency	Joe Stear Idaho State Fire Commissioner Association
S 1044	Eminent Domain	Sen. Guthrie

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

Francoise Cleveland
Room: EW06
Phone: 332-1147
email: hloc@house.idaho.gov

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Tuesday, March 10, 2015
TIME: 1:30 PM or Upon Adjournment
PLACE: Room EW05
MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
**ABSENT/
EXCUSED:** None
GUESTS: Joe Stear, ISFCA; Jay Gibbons, City of Meridian; Jack Brennan; Justin Ruen, Assoc. of Idaho Cities; Darcy Hoellwarth; Steve Peel, Laguna Point HOA; Cynthia Gibson, Idaho Walk Bike Alliance; Steve Berch; David Maguire, Portneuf Greenway Foundation; Rob Shoplock, PFFI; John Eaton and Andrew Mitzel, Idaho Assoc. of Realtors; Meghan S. Conrad, RAI; Daren Fluke, City of Boise; Larry Maneely, Ada County; Russ Hendricks, Idaho Farm Bureau Federation; Steve Price, ACHD; Norm Semanko, Idaho Water Users

Chairman Luker called the meeting to order at 1:31 p.m.

H 204: **Chairman Luker** returned **H 204** to the committee for consideration, which was held for time certain from the meeting of Friday, March 6, 2015. Text from the bill was clarified after questions were raised at the last meeting.

MOTION: **Rep. Kloc** made a motion to send **H 204** to the floor with a **DO PASS** recommendation.

In response to questions, **Mr. Joe Stear**, Idaho State Fire Commissioner Association, clarified the purpose of the legislation is to allow Fire Districts that have a difficult time maintaining five commissioners to reduce the membership of the committee to three commissioners by a 4/5th majority vote. **Rep. Clow** said although he does not have any issues with reducing the size of the Fire District Board, he has concerns with Section 4 of the bill.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Clow and Chairman Luker** requested to be recorded as voting **NAY. Rep. Moyle** will sponsor the bill on the floor.

S 1044: **Senator Jim Guthrie** presented to the committee **S 1044**, that would place additional limitations on the use of eminent domain. He recounted a short history on eminent domain, specifically on private property rights. He acknowledged local governments want to maintain the ability to utilize eminent domain, but he felt that using eminent domain for greenbelts, walkways, bike paths and trails is not an appropriate use of that power. He spoke of 93 year old **Opal Douglas** from Boise, who is having difficulties with the Ada County Highway District (ACHD) in regard to her property.

Rep. McCrostie, reported that he communicated with **Ms. Douglas**. He had spoken to ACHD about the situation and was informed that she was eligible to appeal of the decision.

Jay Gibbons, Project Manager for the City of Meridian testified **in opposition** to the bill. He stated eminent domain is a tool that has only been used three times. Most situations are able to be resolved through negotiation and eminent domain has not been abused locally. The City of Meridian chooses not to use eminent domain in this manner. In response to a question regarding how the city handles easements, he said the city won't use force. **Jack Brennan**, volunteer in the greenway project in Pocatello, testified **in opposition** to the bill. He discussed property rights vs. public rights in these situations.

Darcy Hoellworth, Laguna Pointe Subdivision, Eagle, testified **in support** of **S 1044**. She explained the situation she and fellow residents found themselves in with the city of Eagle and the easement along the river. After three years of negotiations the Home Owners Association (HOA) was served with eminent domain papers. They settled but do not feel the city is living up to their end of the bargain. In response to questions from the committee, Ms. Hoellworth said the homeowners were paid a flat amount based on a 2011 property assessment in 2013. **Steve Peel**, Laguna Pointe HOA President, also testified **in support** of the bill. In response to questions from the committee, Mr. Peel responded that the HOA did pay for the greenbelt between the river and the subdivision. **Russ Hendricks**, Idaho Farm Bureau Federation, testified **in support** of **S 1044**. He stated that eminent domain takes property rights away and that greenways are not a necessity.

Steve Berch, representing himself, testified **in opposition** to **S 1044**. He referred to contact he had with residents of District 15 that opposed the legislation. **David Maguire**, Portneuf Greenway Foundation, testified **in opposition** to the bill. He stated we should trust the local officials to make the correct decisions for their areas. In his experience he feels that eminent domain is a needed tool to be able to finish their greenway project. **Meghan Conrad**, Redevelopment Association of Idaho, spoke **in opposition** to the bill and asked that **S 1044** be held in committee.

Steve Price, General Counsel, Ada County Highway District, testified **in opposition** to **S 1044**. He has 15 years of experience and personal experience with eminent domain and states. He said there needs to be a balance between property rights and public use rights. Mr. Price was also in attendance to clarify issues regarding **Ms. Opal Douglas**. He stated her property was platted in 1940 for a public right of way and they are offering to pay to move her fence and irrigation system. **Daren Fluke**, Comprehensive Planning Manager, City of Boise, also testified **in opposition** to the legislation. He feels properties are more valuable with greenways and the Legislature should not hinder local governments from making decisions.

Senator Guthrie closed testimony by stating eminent domain puts people in a defensive posture and the Legislature should be proactive to prevent future problems.

MOTION:

Rep. Cheatham made a motion to send **S 1044** to the floor with a **DO PASS** recommendation.

Rep. Nye debated **in opposition** to the bill. He referred to the Idaho Constitution, Article 1, Section 14, private property may be taken for public use. **Rep. Clow** debated **in opposition** to the bill and stated his negative personal experience with eminent domain. He is still able to recognize the importance of eminent domain as a tool.

SUBSTITUTE MOTION:

Rep. Clow made a substitute motion to **HOLD S 1044** in committee.

**VOTE ON
SUBSTITUTE
MOTION:**

Roll call vote was requested on the substitute motion to **HOLD S 1044** in committee. **Substitute motion failed by a vote of 4 AYE, 9 NAY, 1 Absent/Excused. Voting in favor** of the substitute motion: **Reps. Clow, Kloc, McCrostie, Nye. Voting in opposition** to the substitute motion: **Reps. Luker, Sims, Perry, Horman, Malek, Collins, Cheatham, Loertscher, Redman. Rep. Barbieri** was absent/excused.

**VOTE ON
ORIGINAL
MOTION:**

Roll call vote was requested on the original motion to send **S 1044** to floor with a **DO PASS** recommendation. **Original Motion carried by a vote of 9 AYE, 4 NAY, 1 Absent/Excused. Voting in favor** of the original motion: **Reps. Luker, Sims, Perry, Horman, Malek, Collins, Cheatham, Loertscher, Redman. Voting in opposition** to the original motion: **Reps. Clow, Kloc, McCrostie, Nye. Rep. Barbieri** was absent/excused. **Rep. Perry** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 3:56 p.m.

Representative Luker
Chair

Michele Jarvis
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Thursday, March 12, 2015

SUBJECT	DESCRIPTION	PRESENTER
H 239	Urban Renewal Agencies	Rep. Youngblood
HCR 17	Urban Renewal Interim Committee	Rep. Youngblood

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

Francoise Cleveland
Room: EW06
Phone: 332-1147
email: hloc@house.idaho.gov

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

- DATE:** Thursday, March 12, 2015
- TIME:** 1:30 PM or Upon Adjournment
- PLACE:** Room EW05
- MEMBERS:** Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
- ABSENT/
EXCUSED:** Representative(s) Loertscher, Clow
- GUESTS:** Wayne Hoffman, Idaho Freedom Foundation; Hubert Osborne; Ron Harriman, Tax Accountability Committee; Alan Dornfest, ISTC; Ryan Armbruster, RAI; Scott Turlington, MDC; Ashley Squires, MDC; Jonathan Parker, H & H; Amber Pence, City of Boise; Ray Stark, Boise Chamber; John Watts, Idaho Chamber Alliance; Seth Grigg, Assn. of Idaho Cities; Dan Blacksom, Idaho Association of Counties; Tommy Ahlquist, Gardner Company; Cameron Arial, Zions Bank
- Chairman Luker** called the meeting to order at 1:30 PM.
- MOTION:** **Rep. Horman** made a motion to approve the minutes of March 4, 2015. **Motion carried by voice vote.**
- H 239:** **Rep. Youngblood** presented to the committee **H 239**. He said last year, Rep. Anderst and he wrote new verbiage to amend the current urban renewal statutes from a previous bill that did not pass. Its premise: using incremental tax financing from revenue allocation areas to build public buildings is not a good purpose for urban renewal. Public buildings do not create jobs or new tax revenue. He said he held a working group with stakeholders for six weeks this session to work through concerns. The legislation resulting includes a provision that requires agencies to report annually to the public about the activities, including budget reports and financial reports, of the urban renewal agency. If this is not done, the agency would lose the previous year's levy. It will be a one time loss of the previous year's incremental increase. The legislation includes a definition as to what is identified as a public building.
- Rep. Youngblood** said he has heard there are some who have concerns about the dates listed in the legislation; however, he has not heard from any of the county assessors indicating there might be a problem. He concluded that urban renewal agencies are good tools for economic development but they need to be used correctly.
- When asked why libraries are included in the legislation when they are good for economic development, **Rep. Youngblood** said the primary purpose was to include buildings that are tax exempt. Public buildings don't fit the growth, revenue generation, and job-hiring benefit for which economic development is purposed. They should be built through public approved, government obligation, super-majority voter approval which has been the normal process for spending public dollars.
- In response to a question regarding the language requiring commissioners to reside within the municipality, **Rep. Youngblood** said the intent was to include residents of the city or the county where the agency resides.

Ron Harriman, Chairman of the Tax Accountability Committee of Idaho and a member of the working group, testified **in support of H 239**. He said the intent of the original law was to cause economic development and to repair blighted areas. The urban renew law was designed to create a tax base benefiting the public and the tax payers in that district. Unfortunately, the law was broadly written and needs this type of editing so the people who are in charge of the urban renewal areas actually use urban renewal for the proper legislative intent.

Wayne Hoffman, President of the Idaho Freedom Foundation, testified **in support of H 239 and HCR 17**. He said the Freedom Foundation started working on urban renewal in 2009. They commissioned a study in 2010 to review urban renewal practices across the state. He said the voters never have the chance to look at the project proposals. Voters should have the decision to say whether or not they are needed.

Alan Dornfest, Property Tax Policy Bureau Chief of the Idaho State Tax Commission, said the Idaho State Tax Commission had concerns in regard to **H 239** and its effects on their administrative responsibilities. He reported the timing of the second Tuesday in September is too late for their agency to accomplish the necessary apportionment of operating property for which increment value must be assigned within each revenue allocation area. In addition, the legislation adds the increase to the base assessment roll using this adjusted base value to set levies. Nothing has been included in the bill to amend Chapter 29, which defines base value and how levies are to be set; therefore, the legislation can create a conflict so they will no longer be able to ensure levies are set correctly in cases of noncompliance. He said because there is no reporting compliance in regard to the second reporting deadline, neither the counties nor the Tax Commission will know whether compliance has been achieved.

Mr. Dornfest continued, if the penalty is administered by adding the increase in the increment value to the base value, despite the requirements of Chapter 29, this will have the effect of permanently denying that increase to the urban renewal agency. This is because although the base can be adjusted annually, the removal of a penalty is not one of the adjustments permitted in Chapter 29. He said while a new allocation area is active, new construction is not permitted for increasing budget capacity for underlying taxing districts. When the revenue allocation area dissolves, the difference between the final increment value and a 2006 base increment value is captured by taxing districts for increased budget capacity.

If the penalty in **H 239** persists, meaning that the additional increment penalty is lost permanently, **Mr. Dornfest** said taxing districts will never receive this additional budget authority. He concluded that the Idaho State Tax Commission recommends appropriate amendments to base assessment roll, base assessment roll adjustments, levy setting, and to specify notice requirements to include counties and the Tax Commission.

Ryan Armbruster, Counsel to the Redevelopment Association of Idaho, Inc., testified **in opposition to H 239**. He said they do not have an objection to the residency requirement but does think the language is a little confusing as to whether someone from the county would be considered part of the municipality. An agency is created by either a city or a county. He also said they do not have a problem with the exclusions for using tax increment financing for the designated public buildings. He does have concern with the annual report and the notice provisions. As worded, it would subject an agency to a complete loss, not just for one year, of their levy. He said urban renewal agencies are subject to an approved budgetary process that is similar to what the city uses. They are also subject to filing information with the Legislative Services portal. Failure to report would result in penalties of up to \$5000.

Ray Stark, Boise Chamber of Commerce, testified **in opposition to H 239**. He offered information in regard to how the urban development agencies are different in the state. He said the Boise Chamber of Commerce is concerned specifically about the exclusion of libraries in the legislation. Libraries are activity centers and bring economic vitality to the area. He asked the committee to support **HCR 17** to create an interim committee instead.

John Watts, representing the Idaho Library Association and the Idaho Chamber Alliance, testified **in opposition to H 239**. He said libraries have a true economic role. He said it might be the will of the legislature to eliminate libraries but more thought should be given before it is done. He said Chambers of Commerce have been involved in urban development from the beginning. In those years, he has witnessed a lot of patchwork legislation offered to fix a well-intended urban renewal law. Intent has crept from curing blighted areas to urban development. He asked the committee to hold this bill and create an interim committee to determine what the role of urban development should be in Idaho.

Seth Grigg, Executive Director of the Association of Idaho Cities, testified **in opposition to H 239**. He said the language restricting a commissioner to reside within the municipality in which the urban renewal agency was created, would preclude a resident of the county if the agency was created in the city. It would be a problem as there are city urban renewal agencies which have county commissioners on the board. He said their other concerns relate to penalty provisions and the restriction of libraries.

Tommy Ahlquist, Chief Operating Officer for Gardner Company, testified **in opposition to H 239**. He said this legislation treats the symptoms of the problem instead of the disease.

Rep. Nye invoked Rule 38 stating a possible conflict of interest.

Cameron Arial, of Zions Bank Public Finance, said from a financial perspective, if there is a way to limit the revenue stream, buying bonds will become difficult. The result would make the tax increment bonds more costly or result in having a very limited market. Eminent domain and how it affects tax exemptions are critical elements to tax increment financing. This is because it reduces the interest costs paid on the bonds. Without it, they would be paying a taxable commercial loan rate which is about a third higher.

Rep. Anderst said from the beginning, the conversation was one of support for urban development. The intent here is to put accountability with the urban renewal agencies to report back to the people, the electors. There needs to be an open dialogue with the elected officials and the urban development agencies themselves. He stressed this is not the only tool available for economic development.

Rep. Youngblood was recognized to close testimony on **H 239**. He said it was their intent the urban renewal commissioners reside within the city or county of the agency. In addition, the county clerks and assessors were the ones who gave him the dates and process for the reporting deadlines. They are the ones who determine the values and set the levies for their counties. The state only certifies them.

MOTION:

Rep. Redman made a motion to send **H 239** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION:

Rep. McCrostie made a substitute motion to **HOLD H 239** at the call of the chair.

Rep. Horman said although she supports the intent of the legislation, her constituents have concern in regard to the language used; therefore, she will be supporting the substitute motion.

Rep. Kloc said he supported the substitute motion because there is a lot of concern about the issue and there are still too many questions about the bill.

**VOTE ON
SUBSTITUTION
MOTION:**

Roll call vote was requested. **Motion carried by a vote of 6 AYE, 5 NAY, and 3 Absent/Excused. Voting in favor of the motion: Reps. Luker, Horman, Collins, Kloc, McCrostie, and Nye. Voting in opposition to the motion: Reps. Sims, Perry, Malek, Cheatham, and Redman. Reps. Barbieri, Clow, and Loertscher were absent/excused.**

HCR 17:

Rep. Youngblood presented to the committee **HCR 17** which would request Legislative Council to appoint a committee to study urban renewal and urban renewal agencies. Chairs would be able to invite non-legislative members to the committee as well. He offered background regarding how Utah works urban development in their state.

MOTION:

Rep. Collins made a motion to send **HCR 17** to the floor with a **DO PASS** recommendation.

Rep. Collins said he has been dealing with urban renewal for 13 years. He said it is time to correct the problems with urban renewal and rewrite the entire legislation.

Ryan Armbruster, Counsel to the Redevelopment Association of Idaho, testified on **HCR 17**. He said he would defer to the committee's judgement as to the proper move in this situation.

**VOTE ON
MOTION:**

Motion carried by voice vote. Reps. Youngblood and Anderst will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 3:36 PM.

Representative Luker
Chair

Francoise Cleveland
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Tuesday, March 24, 2015

SUBJECT	DESCRIPTION	PRESENTER
H 303	Blighted Property	Jesse Taylor Legislative Advisor

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

Francoise Cleveland
Room: EW06
Phone: 332-1147
email: hloc@house.idaho.gov

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

- DATE:** Tuesday, March 24, 2015
- TIME:** 1:30 PM or Upon Adjournment
- PLACE:** Room EW05
- MEMBERS:** Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
- ABSENT/
EXCUSED:** Representative(s) Horman, Barbieri
- GUESTS:** Jeff Kunz, City of Eagle; Jim Reynolds, City of Eagle; Ryan Armbruster, Redevelopment Association
- Chairman Luker** called the meeting to order at 2:42 PM.
- MOTION:** **Rep. Sims** made a motion to approve the minutes of March 6, 2015. **Motion carried by voice vote.**
- MOTION:** **Rep. Sims** made a motion to approve the minutes of March 10, 2015. **Motion carried by voice vote.**
- MOTION:** **Rep. Sims** made a motion to approve the minutes of March 12, 2015. **Motion carried by voice vote.**
- H 303:** **Jesse Taylor**, Legislative Advisor for Gem State Consulting, presented to the committee **H 303**. He said this legislation requires an expert assessment from an architect, engineer or qualified third-party when blight is cited as a cause for condemnation. These findings must be turned over to the property owner who will be given 90 days to remedy the blight before eminent domain is used. This bill adds fundamental property rights protection to the process. He said eminent domain is often used as a hammer to force a property owner to sell or dispense of property.
- In response to a question, **Mr. Taylor** said the language "but need not be limited to" references other provisions needed to assert the power of eminent domain.
- Ryan Armbruster**, an attorney for Elam & Burke and representing the Redevelopment Association of Idaho, testified **in opposition to H 303**. He said the statute does not impact a public entities right to acquire property by eminent domain for public facilities, rights-of-ways, streets, or utilities. The limitations under this subsection applies to those acquisitions where the property will ultimately be disposed for a private purpose. The statute allows for port districts, housing authorities, and urban renewal agencies to invoke eminent domain for economic development for future disposition only if it meets certain criteria, such as risk to human health, conditions of crime, and threat to building occupants. These burdens are difficult for the urban renewal agencies to meet and are reviewable by the court.
- Mr. Armbruster** said they oppose this bill because the proposed new text raises more questions and provides little guidance. He believes this issue would be more appropriately dealt with by the Urban Renewal Interim Committee which was recently proposed by the Local Government Committee. In response to a question, he said a court order is required before property ownership changes title.
- Mr. Taylor** closed the debate on this legislation. He said every precaution should be taken to protect the property owner. It should not be an easy process to obtain their property. A defined list of complaints against the property should be given to a property owner with the chance to fix the concerns before the property is taken.

MOTION: **Rep. Sims** made a motion to send **H 303** to the floor with a **DO PASS** recommendation.

Rep. Nye invoked Rule 38 stating a possible conflict of interest because he represents cities in his profession and has a family member who is a city council member. He indicated he would be voting on the motion.

SUBSTITUTE MOTION: **Rep. Clow** made a substitution motion to **HOLD H 303** in committee.

In clarification of questions raised, **Rep. Luker** said the language "but need not be limited to" serves as a protection for the parties. It does not limit what evidence can be presented, but set the minimum qualifications.

VOTE ON SUBSTITUTE MOTION: **Substitute motion failed by voice vote.**

VOTE ON ORIGINAL MOTION: **Rep. McCrostie** requested a roll call vote. **Motion carried by a vote of 8 AYE, 4 NAY, 2 Absent/Excused. Voting in favor of the motion: Reps. Luker, Sims, Perry, Malek, Collins, Cheatham, Loertscher, and Redman. Voting in opposition to the motion: Reps. Clow, Kloc, McCrostie, and Nye. Reps. Barbieri and Horman were absent/excused. Rep. Moyle will sponsor the bill on the floor.**

Chairman Luker recognized house page **Alexa Snooks** for her outstanding service to the committee.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:22 PM.

Representative Luker
Chair

Francoise Cleveland
Secretary

AGENDA
HOUSE LOCAL GOVERNMENT COMMITTEE
1:30 PM or Upon Adjournment
Room EW05
Monday, March 30, 2015

SUBJECT	DESCRIPTION	PRESENTER
	Approval of Minutes	

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Luker
Vice Chairman Sims
Rep Barbieri
Rep Perry
Rep Clow
Rep Horman
Rep Malek

Rep Collins
Rep Cheatham
Rep Loertscher
Rep Redman
Rep Kloc
Rep McCrostie
Rep Nye

COMMITTEE SECRETARY

Francoise Cleveland
Room: EW06
Phone: 332-1147
email: hloc@house.idaho.gov

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Monday, March 30, 2015
TIME: 1:30 PM or Upon Adjournment
PLACE: Room EW05
MEMBERS: Chairman Luker, Vice Chairman Sims, Representatives Barbieri, Perry, Clow, Horman, Malek, Collins, Cheatham, Loertscher, Redman, Kloc, McCrostie, Nye
**ABSENT/
EXCUSED:** Representative(s) Barbieri, Perry, Clow, Loertscher, and Nye
GUESTS: None.
Chairman Luker called the meeting to order at 2:37 PM.
MOTION: **Rep. Horman** made a motion to approve the minutes of March 24, 2015. **Motion carried by voice vote.**
Chairman Luker expressed his appreciation of the Committee and the Secretary for all of the work they have done this session on behalf of the Local Government Committee.
ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:40 PM.

Representative Luker
Chair

Francoise Cleveland
Secretary