

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, February 21, 2018

TIME: 8:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Acting Vice Chairman Kauffman, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Gibbs, Erpelding, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Brody Aston, Enterprise; Chris Goetz, IAC; Carrie Byrd, IAC; Vicky McIntyre, IACT; Mandy Murphy, Enterprise; Russell Westerberg, Enterprise; Donna Peterson, IAC; Tracie Lloyd, IACT; Alex Adams, Board of Pharmacy; Mike Kane, ISA; Sarah Bettwieser, Turo

Chairman Collins called the meeting to order at 8:06 a.m

RS 26210: **Rep. Nate** presented **RS 26210**. This legislation amends Title 34, Chapter 4 of Idaho Code by amending language and adding a new subsection with a requirement for bond election ballot questions. When a taxing district proposes a bond election, the ballot will include a disclosure statement indicating the term of the bond and the anticipated average annual tax increase per \$100,000 of property value (based on the amount of the bond, net interest costs, the term of the bond, and the most recent valuation of taxable property in the taxing district). The county clerk will make the calculation and include the financial information on the disclosure statement on the bond ballot. In response to a question deferred to **Seth Grigg**, Idaho Association of Counties, confirmed that all involved are good with the language of the proposed legislation.

MOTION: **Rep. Chaney** made a motion to introduce **RS 26210** and recommend that it be sent to the Second Reading Calendar with an amendment as follows: Page 2, Line 26, strike the word New and insert the word A. **Motion carried by voice vote.** **Rep. Nate** will sponsor the bill on the floor.

RS 26248: **Rep. Luker** presented **RS 26248**. This legislation is designed to fund and provide services to prevent and treat opioid addiction in Idaho. The bill imposes on opioid distributors into the state a one-half cent tax per MME (morphine milligram equivalents) based upon the potency and quantity of various opioid drugs. The state tax commission would oversee collection of the tax. The funds would be distributed to several opioid addiction programs in the state including the board of pharmacy for education and medical provider outreach; to the public health districts to fund local recovery centers specifically related to treatment and prevention of opioid addiction; to the division of behavioral health for its medication-assisted treatment program specific to opioid addiction, and any balance to the Department of Health and Welfare for other opioid treatment and prevention programs. In response to a question, Rep. Luker stated it is a tax upstream, so this would be outside of that exemption, it's a new tax and it's using money having a nexus with the problem. He confirmed the up front implementation cost is \$119,300 and then the ongoing would be \$77,300 per year. **Alex Adams**, Director, Board of Pharmacy, responded to a question deferred to him, by confirming products used for treatment should not be taxed.

MOTION: Rep. Chaney made a motion to introduce **RS 26248. Motion carried by voice vote.**

H 517: Brody Aston, Enterprise, presented **H 517**. This legislation protects the private property rights of Idaho vehicle owners by ensuring the right to rent their vehicle is maintained. The legislation further requires vehicle rental marketplaces, that contract with Idaho vehicle owners, to collect and remit all applicable taxes to the state and local governments which are currently due. In response to questions, Mr. Aston confirmed that this proposed legislation covers one specific industry.

ORIGINAL MOTION: Rep. Thompson made a motion to send **H 517** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION: Rep. Hartgen made a substitute motion to **Hold H 517** in committee.

ROLL CALL VOTE ON SUBSTITUTE MOTION: Roll call vote was requested. **Substitute Motion failed by a vote of 3 AYE and 11 NAY, 2 ABSENT/EXCUSED. Voting in favor** of the motion: **Reps. Hartgen, Nate, Erpelding. Voting in opposition** to the motion: **Vice Chairman Kauffman, Reps. Moyle, Raybould, Anderst, Dayley, Thompson, Gestrin, Stevenson, Gibbs, Gannon, Chairman Collins. Absent/Excused: Reps. Chaney and Troy.**

VOTE ON ORIGINAL MOTION: **Chairman Collins** called for a vote on the original motion to send **H 517** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Nate, Hartgen and Erpelding** requested to be recorded as voting **NAY. Rep. Thompson** will sponsor the bill on the floor.

H 555: **Seth Grigg**, Idaho Association of Counties presented **H 555**. The county justice levy was established to allow counties to levy a dedicated property tax to fund county justice related services including sheriffs patrol, jail operations, juvenile detention, misdemeanor and juvenile probation, prosecution, public defense, and certain court related personnel costs. The current statutory levy limit for the county justice levy is twenty hundredths of a percent of a taxable market value (.002). Thirty-two counties currently levy a justice levy. Of these 32 counties, 16 are at or near statutory levy limits, thus capping their ability to raise revenues to pay for necessary justice related services. This legislation will increase the statutory limit on the county justice levy to twenty-five hundredths of a percent of taxable market value (.0025). Mr. Grigg confirmed that some of the forgone is unavailable due to the levy cap. He stated there has not been an increase since it was instituted in 1990. He clarified this provides the counties with the flexibility to move their funds around internally as they need to.

Chris Goetz, Clearwater County Sheriff and the Legislative Chair for the Idaho Sheriffs Association, spoke **in support** of **H 555**. He stated the increasing medical costs require a shift from other areas of the budget and this bill would give the county commissioner the authority and ability to calculate the expense from the justice fund instead of spreading it from other places.

Carrie Byrd, spoke **in support** of **H 555**. She stated increasing the justice fund levy rate will allow counties to levy for the needs within the justice fund itself, rather than forcing counties to move those expenses and revenue to other funds like the current expense fund when they are up against the maximum levy rate. Keeping the justice funds expenses within the justice fund allows counties to track and account for the enforcement and prosecution expenses within that justice fund, which is the appropriate fund for those expenses.

MOTION: **Rep. Gestrin** made a motion to send **H 555** to the floor with a **DO PASS** recommendation.

- ROLL CALL VOTE:** Chairman Collins requested a roll call vote on **H 555**. **Motion carried by a vote of 8 Aye and 6 NAY, 2 Absent/Excused.** Voting in favor of the motion: **Vice Chairman Kauffman, Reps. Raybould, Thompson, Gestrin, Stevenson, Gibbs, Erpelding, Gannon.** Voting in opposition to the motion: **Reps. Moyle, Anderst, Dayley, Hartgen, Nate and Chairman Collins.** **Reps. Chaney and Troy were absent/excused.** Rep. Kauffman will sponsor the bill on the floor.
- S 1230:** Donna Peterson, Payette County Treasurer, presented **S 1230**. Idaho Code § 63-1002(2) states delinquent tax payments "may" be paid and accepted upon the oldest delinquency. Some counties have interpreted the statute to say the taxpayer can decide to pay whatever year they want rather than the most delinquent. This legislation would require that delinquent tax payments "shall" be paid and accepted upon the oldest delinquency.
- MOTION:** Rep. Kauffman made a motion to send **S 1230** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** Rep. Kauffman will sponsor the bill on the floor.
- S 1231:** Donna Peterson, Payette County Treasurer, presented **S 1231**. Idaho Code specifies that interest on property taxes is applied from January 1st of the current year, except for the supplemental and missed property rolls. This legislation would require interest for supplemental and missed property taxes to be applied and collected the same as all other property taxes.
- MOTION:** Rep. Thompson made a motion to send **S 1230** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** Rep. Thompson will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:30 a.m.

Representative Collins
Chair

Susan Steed
Secretary