

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, February 26, 2019

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Stevenson, Representatives Moyle, Anderst, Dayley, Chaney, Gestrin, Addis, Dixon, Furniss, Giddings, Nichols, Ricks, Erpelding, Ellis, Mason

**ABSENT/
EXCUSED:** Representative(s) Dayley, Erpelding

GUESTS: Alan Dornfest, Idaho State Tax Commission (ISTC); Russell Westerburg, RMP.

Chairman Collins called the meeting to order at 9:01 a.m.

RS 26966: **Rep. Marc Gibbs**, informed the committee Bear Lake County (County) has a courthouse built in about 1885 which has been remodeled three different times, but it is not currently feasible to remodel it to bring it up to Americans with Disabilities Act (ADA) compliance. After inspections, the County has been notified by the US Attorney they are in violation of the ADA, and they will file a lawsuit if the situation is not corrected. The County ran three bonds in five years to build a new courthouse, but none have passed. The County then sought judicial confirmation to build the courthouse which allows them under Idaho's Constitution to build the courthouse, but It doesn't allow for a funding mechanism, so it has become an unfunded mandate. The proposed legislation is patterned after legislation passed in 2012 for Boise County when they had a judgment of \$7 million against them with no way to pay it. Similar legislation was brought to this committee, which passed, and Boise County was able to meet their obligations. **RS 26966** is crafted for counties with populations of less than 7,500, who have had three previous failed bond elections within the preceding five years, and who have obtained a judicial confirmation since the first of March last year. This proposed legislation sunsets December 31, 2019.

In response to committee questions, **Rep. Gibbs** replied the loss of the three previous elections is by a simple majority, and the legislation would only apply to a county having a judicial confirmation done prior to December 31, 2019.

MOTION: **Rep. Addis** made a motion to introduce **RS 26966**. **Motion carried by voice vote.**

RS 26954: **Rep. Megan Blanksma** stated this legislation is a rewrite of **RS 26727**. She informed the committee **RS 26954** still makes the Administrative Procedures Act process apply to ISTC decisions, however, there were a few unintended consequences with the previous blanket statement. The rewrite in **RS 26954** doesn't penalize people if they need to appeal to district court, and they can carry on with the district court to finish that process. Rep. Blanksma refreshed the memories of the committee members with a brief recap of the county experiences where ISTC changed assessed values set by the county assessor and there was no appeal process.

MOTION: **Rep. Anderst** made a motion to introduce **RS 26954**. **Motion carried by voice vote.**

H 184: **Rep. Mike Moyle** said **H 184** deals with audits. Under current Idaho law, governing agencies send reports of budgets to the state, and if the budget is over \$100,000, they are required to do an audit every other year and every year for budgets over \$250,000. There are a few small Idaho taxing districts right on the cuff, and the audit costs for them of about \$10,000 is substantial. **H 184** supports a threshold of \$150,000 before governing agencies need to do biannual audits. These agencies will still be required to send in their budgets and reporting, just not be audited unless they meet the new threshold.

MOTION: **Rep. Ricks** made a motion to send **H 184** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Moyle** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:14 a.m.

Representative Collins
Chair

Lorrie Byerly
Secretary