

MINUTES
SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE

DATE: Thursday, February 11, 2021

TIME: 3:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Grow, Senators Vick, Lakey, Souza, Bayer, Ricks, Nye, and Rabe

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: **Chairman Rice** called the meeting of the Local Government and Taxation Committee (Committee) to order at 3:00 p.m.

MOTION: **Senator Souza** moved to send **RS 28353C1**, **RS 28445**, **RS 28447**, and **RS 28549** to print. **Senator Bayer** seconded the motion.

DISCUSSION: **Chairman Rice** stated he wished to clarify each RS for the public before the Committee vote. **RS 28353C1** was related to bonds and levies, to revise provisions regarding bond and levy information to be provided by taxing units. **RS 28445** refers to local land use planning, to provide that plans and ordinances shall not apply to state and local transportation systems and essential facilities. **RS 28447** was related to highway districts, to provide for agreements regarding certain financial responsibility for urban renewal projects. **RS 28549** was regarding taxing district budgets, to revise provisions regarding the limitation on taxing district budget requests.

Chairman Rice explained the intent of a print hearing was to take a bill to printed form, making it available to the public. He clarified that it is not a hearing in which the Committee advances the bill to the Senate floor. There would be a hearing at a later date where testimony would be allowed for each bill.

VOICE VOTE: The motion to send **RS 28353C1**, **RS 28445**, **RS 28447**, and **RS 28549** to print carried by **voice vote**.

PASSED THE GAVEL: Chairman Rice passed the gavel to Vice Chairman Grow.

DOCKET NO. 35-0101-2001 **Cynthia Adrian**, Income Tax Policy Specialist, Idaho State Tax Commission (Commission), presented **Docket No. 35-0101-2001**, relating to income tax administrative rules. **Ms. Adrian** explained that the Commission is statutorily required to update the tax brackets each year. The Commission automatically removes the oldest table, while adding the most recent. This assures five years of information is always available.

Senator Vick pointed out a typographical error in the 2020 Taxable Income chart on page 9. Commission members assured the Committee that it would be corrected.

Ms. Adrian continued with Rule 263, showing they had updated that table as well, reflecting the statutory requirement. Rule 799 is amended regarding credit for employer contributions to employees' Idaho college savings program. The last four rules of the docket were amended to reflect the change of the program end date from December 31, 2022, to December 31, 2030.

MOTION: **Chairman Rice** moved to approve **Docket No. 35-0101-2001**. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 35-0103-2001 **Kathlynn Ireland**, Property Tax Policy Specialist, Idaho State Tax Commission (Commission) presented **Docket No. 35-0103-2001**, relating to property tax administrative rules. She explained that Rule 701 should be deleted as it was redundant. The changes in Rule 803 will update the language to follow statute, and to remove the chart on page 22 in accordance with the Red Tape Reduction Act.

MOTION: **Chairman Rice** moved to approve **Docket No. 35-0103-2001**. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 35-0109-2001 **Tom Shaner**, Tax Policy Manager, Idaho State Tax Commission (Commission), presented **Docket No. 35-0109-2001**, relating to the Idaho beer and wine taxes administrative rules. **Mr. Shaner** informed the Committee that this was the only rule in any chapter that had public input. The previous rule stated that the Commission must witness any destruction or breakage of excess stock of beer or wine. The rule change takes away the requirement for permission from the Commission in advance, however, vendors must still explain their change in inventory.

MOTION: **Senator Souza** moved to approve **Docket No. 35-0109-2001**. **Senator Bayer** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 35-0201-2001 **Cynthia Adrian**, Income Tax Policy Specialist, Idaho State Tax Commission (Commission) presented **Docket No. 35-0201-2001**, relating to the tax commission administration and enforcement. She explained the rule change was to add the interest rate and the revenue ruling for calendar year 2021 to the table. Information for the years 1981 through 2016 were to be removed, retaining the five year historical data.

MOTION: **Senator Vick** moved to approve **Docket No. 35-0201-2001**. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 36-0101-2000 **Travis VanLith**, Tax Specialist, Idaho State Board of Tax Appeals, presented **Docket No. 36-0101-2000**, relating to the Idaho State Board of Tax Appeals. **Mr. VanLith** stated there were no changes to the docket and requested the Committee approve it.

MOTION: **Senator Rabe** moved to approve **Docket No. 36-0101-2000**. **Senator Ricks** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Vice Chairman Grow passed the gavel to Chairman Rice.

ADJOURNED: There being no further business at this time, **Chairman Rice** adjourned the meeting at 3:25 p.m.

Senator Rice
Chair

Machele Hamilton
Secretary