

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

- DATE:** Monday, February 26, 2018
- TIME:** 8:00 A.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Collins, Acting Vice Chairman Kauffman, Representatives Moyle, Anderst, Dayley, Hartgen, Chaney, Nate, Gestrin (Walton), Stevenson, Troy, Gibbs, Erpelding, Gannon
- ABSENT/
EXCUSED:** Reps. Raybould, Thompson
- GUESTS:** Brian Stender, Canyon County Assessor; Joe Cox, Canyon County Assessor; Tami McHugh, Trinity New Hope; Diane Gooding, ID Growers Association; Jerry Jackson, ID Growers Association; Mike Gooding, ID Growers Association; Michelle Gooding, ID Growers Association; Maria Kenndy, ACLU
- Chairman Collins** called the meeting to order at 8:02 a.m.
- RS 26221:** Honoring **Michael Patrick Nugent**, Manager of the Division of Research and Legislation of the Legislative Services Office, for his forty-one years of service to the Legislature, upon his retirement in May 2018.
- MOTION:** Due to a drafting error, **Chairman Collins** made a motion to return **RS 26221** to the sponsor. **Motion carried by voice vote.**
- RS 26144:** **Rep. Miller** presented **RS 26144**. This legislation amends Idaho Code, Section 31-3908 to revise the amount of tax that may be levied by Boards of County Commissioners for certain ambulance service districts. In response to a question concerning the \$500 million dollar value, a county must be under this value to have the vote.
- MOTION:** **Rep. Kauffman** made a motion to introduce **RS 26144**. **Motion carried by voice vote.**
- H 593:** **Rep. Anderst** presented **H 593**. The intent of this bill is to exempt facilities, owned and operated by a bona fide church, from the requirement that the facility be managed by the owner or a related nonprofit organization. This exception is believed to have limited application but will give churches that own such facilities more flexibility in finding qualified management. He stated the property must be solely owned. Rep. Anderst confirmed the meaning of bona fide church as verified or certified by the commission.
- Joe Cox**, Canyon County Assessors Office, spoke **in opposition** of **H 593**. Mr. Cox stated he is concerned about non-profit people hiring for-profit management companies. He provided an example by stating the management companies created their own plumbing, painting and landscaping businesses and used this as a way to syphon off, through the expenses, most of the profit, which left less income at the bottom. Further stating, when that smaller income is capitalized, it comes out with less assessment on it. The assessors office wanted the churches to take care of the ultra poor by managing it themselves to qualify for the exemption.

Tami McHugh, Trinity New Hope, spoke **in support** of **H 593**. Ms. McHugh stated Idaho Housing requested they be professionally managed. Through research, they found that the law had changed and the church would have to self-manage in order to qualify for the exemption. She clarified the church is asking for the ability, should they need to hire a property manager, that the church have the right to do so without losing their property tax exemption.

MOTION: **Rep. Gibbs** made a motion to send **H 593** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderst** will sponsor the bill on the floor.

H 594: **Rep. Anderst** presented **H 594**. This legislation exempts hop crops production machinery and equipment from property taxation bringing hop crops machinery and equipment into alignment with other agricultural machinery and equipment.

Joe Cox, Canyon County Assessors Office, spoke **in opposition** of **H 594**. Mr. Cox stated they are wanting a dialogue with the hop growers to define where the exemptions end and where they start and need clarification of the gray areas. He stated this bill will give the hop growers an advantage over other agricultural industries. Mr. Cox clarified when equipment is exempt under certain circumstances.

Jerry Jackson, Certified Public Accountant, spoke **in support** of **H 594**. Mr. Jackson stated it seems to him that under the current statute, it should be treated as agricultural equipment and some clarification is needed with this change.

Mike Gooding, Idaho Growers Association, spoke **in support** of **H 594**. Mr. Gooding confirmed the equipment is strictly used for the purpose of harvesting hops and all of the equipment utilized has an agricultural use.

Brock Obendorf, Obendorf Farms, spoke **in support** of **H 594**. Mr. Obendorf stated this bill would greatly affect these facilities and the way they farm.

MOTION: **Rep. Moyle** made a motion to send **H 594** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Anderst** will sponsor the bill on the floor.

H 383aaS: **Rep. Troy** presented **H 383aaS**. She stated the Senate did not like the range of codes that were included in the original bill and they are asking to include every code number specifically reiterating if something within that range was added at a later date, there's a possibility it wouldn't get the same evaluation it warranted.

UNANIMOUS CONSENT REQUEST: **Chairman Collins** made a unanimous consent request to concur with the amendments made in the Senate to **H 383aaS**. There being no objection, the request was granted.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 8:57 a.m.

Representative Collins
Chair

Susan Steed
Secretary