

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Wednesday, February 27, 2019

**TIME:** 3:00 P.M.

**PLACE:** Room WW53

**MEMBERS PRESENT:** Vice Chairman Grow, Senators Hill, Vick, Cheatham, Burgoyne, and Nye

**ABSENT/ EXCUSED:** Chairman Rice, Senators Anthon and Lakey

**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:** **Vice Chairman Grow** called the meeting of the Local Government and Taxation Committee (Committee) to order at 3:07 p.m.

**H 103** **Relating to Property Tax Levy Elections; Amending § 34-439A, Idaho Code, to Revise Provisions Regarding Disclosures in elections to Authorize a Property Tax Levy. Representative Doug Ricks** presented **H 103**, stating it was a simple bill that would add a paragraph to the laws that govern levies. The Secretary of State's office provides a form that county clerks use to generate levy ballots. They are all very similar, but nowhere do they indicate the actual cost to a taxpayer. **H 103** seeks to clarify that.

**DISCUSSION:** **Senator Nye** questioned if it is possible to know what the actual cost would be with all exemptions. **Representative Ricks** responded that at the time of the question, at current conditions, cost could be created by a formula which the Secretary of State's office would include on the form for county clerks. County clerks would write the language using the information from the Secretary of State's office when it was time to generate the levy ballot.

**Senator Burgoyne** thanked Representative Ricks for bringing **H 103** to the Committee. He related he had carried similar legislation previously and wondered how Representative Ricks would respond to adding a requirement that the ballot indicate whether it is a new tax as opposed to a replacement of an existing levy.

**Representative Ricks** pointed out the many different types of levies - supplemental, operational, maintenance - which would make it complicated to print a formula, yet there was nothing specifically prohibiting the information being on the ballot. He clarified the goal was to educate homeowners, not lead them to believe there will be no additional cost. A school district retiring a levy could print that on a ballot.

**Senator Hill** thanked Representative Ricks, reiterating nothing in the law prohibits additional information from the ballot. The question is, how much control does a school district have on other information printed or how the ballot is worded, if the Secretary of State's office provides the template. **Representative Ricks** responded he did not know unequivocally. In his work with the Secretary of State's office, the concern was regarding where the language would be printed. Looking at a tax assessment, there can be more than one levy listed. The goal was to err on the side of simplicity.

- TESTIMONY:** **Brian Stetzman**, private citizen, Iona, Idaho, testified in favor of **H 103**, believing it to be a simple disclosure bill. When taxpayers vote they would see the tax in terms they are most likely to understand: taxable value, not market value. **H 103** passed the House of Representatives as is and the desire is to keep it simple. Historical information gives a false impression that a levy goes forever, and selecting only particular information does not give context. **Mr. Stetzman** stated he was opposed to any changes to **H 103**.
- DISCUSSION:** **Senator Nye** questioned the amount disclosed to the taxpayer. The average annual cost of a proposed levy is per \$100,000, however, it also states the time length of the levy. If a taxpayer pays \$100 per year for 30 years, would the disclosure be \$3000 or \$100. **Mr. Stetzman** replied that most supplemental levies are for two years so the \$100,000 taxable value is on a per year basis.
- TESTIMONY:** **Karen Echeverria**, Executive Director, Idaho School Boards Association (Association), stated there are 600 members across the state. They request the Committee send **H 103** to the amending order. The Association supports transparency and the merits of the bill but believe it will create confusion. **Ms. Echeverria** indicated the reason **H 103** passed unanimously in the House was due to a miscommunication which erroneously led them to believe it would be withdrawn and a floor note was not sent to House members. The Association's suggested language would allow the district to indicate if they were replacing an existing levy with an increase or decrease, or no increase in assessed value. While that language may seem cumbersome for the bill, only one would actually show on the ballot.
- DISCUSSION:** **Vice Chairman Grow** disclosed to Ms. Echeverria that he had served on the West Ada school board for two terms. He wished to clarify her intent to indicate that asking for another levy may be replacing one, showing the net increase and not having it appear as a one-time occurrence. **Ms. Echeverria** replied they have no problem showing cost of the previous levy, cost of the current levy, and the net increase.
- TESTIMONY:** **Michael Law**, private citizen, Kuna, Idaho, testified in support of **H 103**. **Mr. Law** informed the Committee he was a former Kuna school board member and felt it important to leave out the increase or decrease wording. Every new levy is an increase, and the ballot should simply say how much per \$100,000 it will cost the taxpayers per year.
- DISCUSSION:** **Senator Burgoyne** stated his positive opinion of **H 103** while also feeling favorable to the amendment. He believes **H 103** to be what his constituents want.
- MOTION:** **Senator Burgoyne** moved to send **H 103** to the 14th Order of Business for possible amendment. **Senator Nye** seconded the motion.
- DISCUSSION:** **Senator Hill** acknowledged there is merit in having more disclosure, and enabling people to understand what they are voting for. He does believe in giving county clerks leeway, and believes them to be cooperative.
- SUBSTITUTE MOTION:** **Senator Hill** moved to send **H 103** to the floor with a **do pass** recommendation. **Senator Vick** seconded the motion. The motion carried by **voice vote**.
- H 91** **Relating to Development Impact Fees; Amending § 67-8203, Idaho Code, to Revise a Definition and to Make Technical Corrections; and Declaring an Emergency.** **Senator Lori Den Hartog** presented **H 91**, with the purpose to clarify confusion regarding public charter schools and impact fees assessed by local entities. Impact fees may be assessed by a local highway district or city when a school is under construction. Some local entities assess those fees while others do not. Our district schools have the ability to be exempted from impact fees at the time of construction and **H 91** adds the definition that allows for public charter schools to potentially be exempt as well.

**Senator Den Hartog** clarified the emergency clause in **H 91**, stating it would be in effect for one Meridian charter school only. The school has existed in Meridian for several years and has a new building under construction. They paid impact fees to the county highway district, who stated they did not have the leeway to not assess them under current law. They worked to help develop **H 91**.

**DISCUSSION:** **Senator Hill** requested assurance from Senator Den Hartog that **H 91** exempts from impact fees only, not any other provisions in the code. **Senator Den Hartog** pointed out that **H 91** allows the entity with a local ordinance related to traffic impact fees to exempt them. It does not require the local entity exempt them, and requires them to treat all public schools the same.

**Vice Chairman Grow** questioned the retroactivity of **H 91** regarding the charter school under development in Meridian. Does the retroactive emergency clause affect the specific Meridian charter school alone, or how many other charter schools that have paid development impact fees in the past will be affected. **Senator Den Hartog** assured the Committee that no other public charter school is affected.

**MOTION:** **Senator Burgoyne** moved to send **H 91** to the floor with a **do pass** recommendation. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

**MINUTES APPROVAL:** **Senator Vick** moved to approve the Minutes of January 24, 2019. **Senator Cheatham** seconded the motion. The motion carried by **voice vote**.

**Senator Nye** moved to approve the Minutes of January 29, 2019. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

**Senator Hill** moved to approve the Minutes of February 5, 2019. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

**ADJOURNED:** There being no further business at this time, **Vice Chairman Grow** adjourned the meeting at 3:47 p.m.

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Senator Grow  
Vice Chair

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Machele Hamilton  
Secretary