

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Thursday, January 31, 2019

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

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Rice, Vice Chairman Grow, Senators Hill, Vick, Anthon, Lakey, Cheatham, and Nye

**ABSENT/ EXCUSED:** Senator Burgoyne

**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:** **Senator Rice** called the meeting of the Local Government and Taxation Committee (Committee) to order at 3:14 p.m.

**H 19** **Relating to Income Taxes. Tom Shaner**, Tax Policy Manager, Idaho State Tax Commission (Commission) presented **H 19**, a bill related to income taxes. He stated this bill would add a sentence to Idaho Code § 63-3029L, Idaho Child Tax Credit (2018). This credit is available only to Idaho residents. The partial year resident would receive a proportional credit reflecting the part of the year in which they were domiciled in Idaho. The fiscal impact was incorporated in H 463 (2018), therefore this is a technical correction only. It was effective January 1, 2018, which coincides with the creation of the credit.

**MOTION:** **Senator Cheatham** moved to send **H 19** to the floor with a **do pass** recommendation. **Senator Anthon** seconded the motion. The motion carried by **voice vote**.

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

**DOCKET NO. 35-0103-1802** **Relating to Property Tax Administration Rules. Alan Dornfest**, Property Tax Policy Bureau Chief, Idaho State Tax Commission (Commission) presented **Docket No. 35-0103-1802**, Rule 702, a new rule to implement provisions of H 492 (2018). It provides an additional property tax reduction circuit breaker benefit for veterans with 100 percent service related disabilities. The rule clarifies that the benefit continues for a surviving spouse, provided that person remains in the homestead first receiving the exemption. The rule further clarifies that the surviving spouse may file on behalf of a deceased veteran who could have applied and qualified by April 15th of that year.

**MOTION:** **Senator Hill** moved to approve **Docket No. 35-0103-1802**. **Senator Vick** seconded the motion. The motion passed by **voice vote**.

**DOCKET NO. 35-0103-1803** **Relating to Property Tax Administration Rules. Alan Dornfest**, Property Tax Policy Bureau Chief, Idaho State Tax Commission (Commission) presented **Docket No. 35-0103-1803**, Rule 600. The rule is being amended to implement the new provisional exemption enacted in H 559 (2018). The bill restricted the exemption to property under renovation or construction, clarifying that existing property not part of construction would remain on the tax rolls. Third party ownership could apply for and receive the exemption.

**DISCUSSION:** **Chairman Rice** and **Mr. Dornfest** discussed the statute of this rule. **Chairman Rice** commented that this rule was re-stating the statute in a way that was not clear.

**MOTION:** **Chairman Rice** moved to reject **Docket No. 35-0103-1803**. **Senator Hill** 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 3:30 p.m.

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Senator Rice  
Chair

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Carol Waldrip  
Secretary