

MINUTES
SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE

DATE: Wednesday, March 04, 2020

TIME: 3:00 P.M.

PLACE: Room WW53

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

ABSENT/ EXCUSED: Senator Anthon

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 3:05 p.m.

H 451 **Representative Wisniewski**, District 3, presented **H 451**, relating to annexation. He informed the Committee that **H 451** is a companion bill to H 25 (2019), which prevented forced annexation of agricultural land. This bill extends the exemption to actively engaged forest land with the same five-acre minimum requirement

MOTION: **Senator Vick** moved to send **H 451** to the floor with a **do pass** recommendation. **Senator Cheatham** seconded the motion. The motion carried by **voice vote**.

H 442 **David Lehman**, Primus Policy Group, representing Idaho Agricultural Aviation Association (IAAA), presented **H 442**, to provide a sales and use tax exemption for certain aircraft. **Mr. Lehman** explained that this bill adds aircraft that are used for the primary purpose of agricultural spraying, seeding, and conservation to the list of commercial care aircraft currently exempt from sales tax. Agricultural equipment used for ground application of chemicals is exempt under Idaho's production exemption. Aerial applicators do not qualify for the same tax exemption. **H 442** leaves the current exemption in language and the production exemption in place, and addresses the inequity in the tax code for aerial agricultural equipment.

DISCUSSION: **Vice Chairman Grow** asked for clarification regarding line 39 of **H 442** where it specifies the sale, lease, purchase, or use of aircraft primarily used for agricultural spraying, assuming this would be more than 50 percent. **Mr. Lehman** responded that taxable hours are added against the nontaxable hours and the greater amount determines how it is primarily used.

TESTIMONY: **Mike Jurak**, IAAA, of Kimberly, Idaho and **John Cooper**, IAAA, of Burley, Idaho testified in support of **H 442**.

MOTION: **Senator Lakey** moved to send **H 442** to the floor with a **do pass** recommendation. **Vice Chairman Grow** seconded the motion. The motion carried by **voice vote**.

H 518

Representative Doug Ricks, District 34, presented **H 518**, to revise provisions regarding the content of property tax notices. **Representative Ricks** explained to the Committee that the purpose of this legislation is to add additional disclosures on property tax notices and tax bills specifically. He referred to a handout titled "Ada County Consolidated Property Tax Bill" (see Attachment 1) where numerous school bonds were listed. **H 518** provides that a disclosure specifying when those bonds expire is shown. In the next handout, "Madison County Tax Bill," (see Attachment 2) there are several school related bonds. It would appear that they have more transparency as the effective date is shown. However, it does not show how many more years for the bond, or a specific date.

Representative Ricks relayed that he had discussed the bill with assessors and treasurers who conveyed that the intent was doable. However, there are different computer software programs being used by several counties. In order to not create a burden for counties, he asked the Committee to send **H 518** to the 14th Order of Business for amendment. The intent is to allow the counties to either show it on their tax bill, or have a website link that citizens can go to. Bonneville County uses the link system where they show the outstanding school bonds with expiration dates (see Attachment 3). However, the link is not up to date, showing figures only through October 2017. Counties would be encouraged to update the link on a regular basis.

DISCUSSION: **Chairman Rice** questioned if the language of the amendment had been discussed with county treasurers. **Representative Ricks** replied affirmatively. **Senator Burgoyne** pointed out that he would appreciate a link for everything on his property tax bill.

MOTION: **Senator Burgoyne** moved to send **H 518** to the 14th Order of Business for possible amendment. **Senator Lakey** seconded the motion.

DISCUSSION: **Senator Hill** explained to the Committee that he was going to support the motion, but relayed a word of caution regarding disclosure. He warned that in an effort to educate the citizenry he feared it would overwhelm them and they would only look at what they owe. The intent is to get them to look at it as a whole, educate themselves, and make better decisions. **Chairman Rice** indicated his approval of the link system as well.

VOICE VOTE: The motion to send **H 518** to the 14th Order of Business for possible amendment carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Rice** adjourned the meeting at 3:34 p.m.

Senator Rice
Chair

Machele Hamilton
Secretary