

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, March 19, 2024

TIME: 8:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Cannon, Vice Chairman Ehlers, Representatives Dixon(1), Manwaring, Weber (Mendenhall), Shepherd, Cheatum, Cornilles, Durrant, Mickelsen, Monks, Pickett, Raymond, Wroten, Boyle, Necochea, Burns

**ABSENT/
EXCUSED:** None

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Cannon called the meeting to order at 8:40 a.m.

MOTION: **Rep. Burns** made a motion to approve the minutes from March 12, 2024. **Motion carried by voice vote.**

H 717: **Reps. Ehlers** and **Burns** presented **H 717**, legislation relating to property taxes. The legislation places the burden of proof regarding property assessments on the county assessor under certain criteria. The bill also clarifies how the homeowners' exemption is calculated when a rental property is purchased as a primary residence. The committee inquired the resources available to the assessors, proper use of ratios, possible shift of property taxes, definition of good evidence and the appeal process.

Brad Smith, Ada County, **Erin Brady**, Ada County, **Alan Smith**, and **Hollie Ann Strang**, Gem County Assessor and Idaho Assessors, testified in **opposition** of **H 717**, citing the legislation will increase the number of appeals resulting in significant increased workloads, broad language, lack of clean definitions and concerns this may benefit commercial property owners disproportionate to residential owners.

The committee inquired regarding the amount of work required for an appeal, ratio use, steps taken to preempt a formal hearing and commercial property valuations.

Rep. Ehlers presented closing testimony and addressed concerns regarding what adequate evidence is and reaffirmed this legislation is a return to a taxpayer friendly process.

ORIGINAL MOTION: **Rep. Pickett** made a motion to send **H 717** to the floor **WITHOUT** recommendation.

SUBSTITUTE MOTION: **Rep. Mickelsen** made a substitute motion to **HOLD H 717** in committee indefinitely.

AMENDED SUBSTITUTE MOTION: **Rep. Durrant** made an amended substitute motion to send **H 717** to General Orders.

Rep. Durrant believes the current appeal process needs to be addressed, however, the bill language needs improvement.

In support of the substitute motion, **Reps. Wroten, Raymond and Cheatum** expressed concerns regarding the possibility of a tax shift to the taxpayer because of the legislation being advantageous to commercial property owners, increased costs and possible litigation. The legislation needs more time in order to be done correctly.

In support of the amended substitute motion, **Reps. Monks, Shepherd and Ehlers** stated the legislation will not change how corporations are addressing the appeals process, however, it will help small property owners and the language can be addressed.

**VOTE ON
AMENDED
SUBSTITUTE
MOTION:**

Rep. Mickelsen requested a roll call vote on **H 717. Amended substitute motion carried by a vote of 10 AYE and 7 NAY. Voting in favor** of the motion: **Reps. Cannon, Ehlers, Dixon(1), Manwaring, Shepherd, Durrant, Monks, Pickett, Boyle and Burns. Voting in opposition** to the motion: **Reps. Weber (Mendenhall), Cheatum, Cornilles, Mickelsen, Raymond, Wroten and Necochea. Reps. Ehlers and Burns** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:29 a.m.

Representative Cannon
Chair

Lisa Hendricks
Secretary