



House of Representatives State of Idaho

March 11, 2019

Joint Legislative Oversight Committee
Idaho Legislature

Dear Esteemed Colleagues,

The recent study “Impact of State Mandates on County Government” conducted by the Office of Performance Evaluations uncovered significant issues facing rural counties because of mandated tax and expenditure limitations placed upon counties. Rural counties are more likely to be constrained than urban counties, as they are not experiencing the growth in tax revenue from new construction and increasing values.

While ranked the “fastest growing state in the nation,” Idaho’s counties and communities are also experiencing a rapid and growing divide between the “have’s” and the “have nots.” These measurements include population growth, economic development and job growth, median income levels, and property values.

While these measurements of community vitality are wildly fluctuating across the state, one thing remains consistent: the cost of doing business is going up. Comprehensive services are required and provided by every local unit of government (counties, cities, schools and highway districts) across the state, regardless of the economic health of the region, the size of the taxing district, or the constraints imposed by the state on their ability to tax residents.

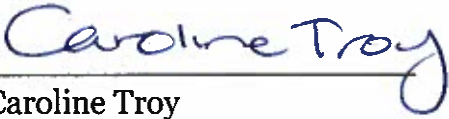
The Idaho Legislature passes laws and imposes rules that make a tremendous impact on local units of government regardless of economic vitality or decreasing tax base that underpins the ability to provide these required and necessary services. The purpose of this study is to more clearly understand what is causing budget problems for the counties. Specifically, it is requested that the Office of Performance Evaluation review the following issues:

1. Review the overall Revenue picture for counties, including all funding sources
2. Determine the impact of state and federally owned lands on the county’s budgets

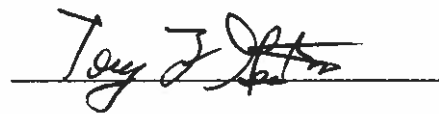
3. Specifically review the impact of levy's and property tax exemptions, both real and personal, on the historical budgets of counties.

Additional follow-up surveys should be considered that measures the impact of mandates on other units of local government, such as cities, highway districts and schools.

Thank you for your consideration,



Caroline Troy

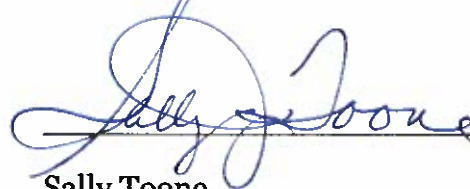

Scott Bedke

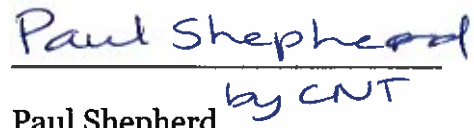

Terry Gestrin

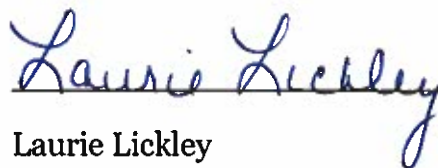

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