

MINUTES  
**HOUSE WAYS & MEANS COMMITTEE**

- DATE:** Monday, March 19, 2012
- TIME:** 8:30 A.M.
- PLACE:** Room E403
- MEMBERS:** Chairman Wood(35), Representative(s) Moyle, Bedke, Roberts, Rusche, Higgins, Cronin
- ABSENT/  
EXCUSED:** None
- GUESTS:** Jeremy Pisca M3 Companies, LLC; Representative Christy Perry, Representative Vito Barbieri
- Chairman Wood (35)** called the meeting to order at 8:31 a.m.
- MOTION:** **Rep. Rusche** made a motion to approve the minutes of the March 2, 2012 meeting. **Motion carried by a voice vote.**
- MOTION:** **Rep. Higgins** made a motion to approve the minutes of the March 14, 2012 meeting. **Motion carried by a voice vote.**
- MOTION:** **Rep. Roberts** made a motion to approve the minutes of the March 12, 2012 meeting. **Motion carried by a voice vote.**
- RS 21489:** **Rep. Barbieri** stated the proposed legislation protects property rights by creating a Property Rights Council to work with the local planning and zoning committees. The proposed legislation would ensure that property holders would be protected by establishing a local Property Rights Council consisting of individuals from residential, commercial and agriculture property owners. The establishment of the Property Rights Council will build in safeguards to prohibit non-taxpayers from taking over control as well as establish a representation of the taxpayer base.
- In response to questions raised by the committee members, **Rep. Barbieri** stated the proposed legislation is not an attempt to replace the planning and zoning commissions but will act in an advisory capacity. The Property Rights Council would be tasked with providing input from property owners. The advisory board would focus specifically on tax ramifications on property rights. Currently there is nothing prohibiting local authorities from establishing a Property Rights Council, however, Rep. Barbieri stated the intent is that the council must be made up of taxpayers. Further questions from the committee members raised concerns regarding the language in **RS 21489** and suggested Mr. Barbieri work with the Legislative Service Office to clarify the legislative intent.
- MOTION:** **Rep. Rusche** made a motion to return **RS 21489** to the sponsor. **Motion carried by a voice vote.**
- RS 21539C1:** **Rep. Perry** stated the proposed legislation adds a new section to 56-205 which authorizes the Idaho Department of Health and Welfare to issue Supplemental Nutrition Assistant Program (SNAP) benefits over the course of multiple days each month.
- In response to questions raised by the committee members, **Rep. Perry** informed the committee it was her understanding the proposed legislation would not require a change to JFAC funding.
- MOTION:** **Rep. Roberts** made the motion to introduce **RS 21539C1**. **Motion carried by a voice vote.**

**RS 21549:** **Rep. Moyle** invoked Rule 38 as he has applied for a conditional use permit in the past, he will be voting on the motion.

**Ken McClure**, Givens Pursley, stated the proposed legislation is a replacement for **H 614** (2012), which addresses conditional use permits. In *Burns Holdings, LLC v Teton County Board of Commissioners*, the Idaho Supreme Court stated a conditional use permit may not be used to waive building requirements. The Court stated, in its decision, that all previously issued conditional use permits would be void as a result of this decision.

In response to questions raised by the committee, **Mr. McClure** stated the Idaho Supreme Court found the current statute to be ambiguous and that clarification between a variance and conditional use permit is needed. Mr. McClure went on to state a variance can be used if something is particularly unique to the use of the land and relief from the requirements is needed, whereas, a conditional use permit permits sight specific waivers that would allow for erecting a structure that is not normally used in that area. In *Burns Holdings, LLC v Teton County Board of Commissioners* the Court stated a variance could be used for natural restrictions, but not to circumvent zoning requirements. Section two (2) of the proposed legislation will bring Idaho Code up to the historical standard. Section one (1) will amend **67-6512** and asks for increased notice provisions for conditional use permit hearings, and will be retroactive to address previously issued conditional use permits.

**MOTION:** **Rep. Bedke** made a motion to introduce **RS 21549. Motion carried by a voice vote.**

**RS 21546:** **Rep. Moyle** invoked Rule 38 as his father owns property along State Highway 16, he will be voting on the motion.

**Jeremy Pisca**, M3 Companies, LLC, stated the proposed legislation started out as a modification of the STARS legislation. It is a creative financing solution for highway projects of \$100 million or more. There is a need for new highways to be completed, however, we have no state funding and will not be receiving earmarks from the federal government. The proposed legislation is being introduced to allow Idaho to take advantage of provisions in the 2013 Federal Highway Bill. Among other things the federal highway bill included the Transportation Infrastructure Finance and Innovation Act (TIFIA) which provides a funding set aside for rural state projects and interest rates at one-half of the treasury rate (currently 1/6%). It would allow the Idaho Department of Commerce and Idaho Department of Transportation to select projects that will have proven economic benefits to the State. The proposed legislation would create a Transportation and Economic Development Zone where tax and economic impacts are measured. Before the zone is established, they must find that the zone would have revenue positive sales tax impacts and other revenue positive economic impacts in Idaho. There is also a provision that these highway construction projects must be completed expeditiously, any monies not used within ten (10) years would revert back to the general fund.

In response to questions from the committee, **Mr. Pisca** stated the Idaho Department of Transportation economist would study the zone, and the projected sales tax and economic impacts would be measured after the base year. Those monies would then be placed in a specific account for those projects with any unused money being returned after ten (10) years. In order to qualify for TIFIA funding, the state must show continuous appropriated dedicated funding for the debt service repayment.

In response to further questions from the committee, **Mr. Pisca** stated the proposed legislation started off as a STARS concept but unlike the STARS these projects are largely green fields—there isn't an immediate retail area. Mr. Pisca stated that an urban renewal district uses tax increment taxes and as the values grow it is specifically captured in that district. Unlike an urban renewal district, benefits from the zone would flow to the state. Mr. Pisca went on to state this funding solution would use only a portion of the positive sales taxes generated because of the expedited construction. The Idaho Department of Commerce is taking a more active role in infrastructure, and there should be a partnership between this agency and the Idaho Department of Transportation.

In response to questions regarding the standards for choosing an economist for this project, **Mr. Pisca** stated page four (4) of the proposed legislation spells out the criteria for the economist. The State would verify the projects meet the two positive revenue tests prior to creating a Transportation and Economic Development Zone. In response to questions from the committee regarding the bonding, **Mr. Pisca** stated the State's credit would not be impacted. They have worked with a bond attorney to ensure all safeguards are in place. The proposed legislation gives the Idaho Department of Transportation the flexibility to work with the bonding bank in order to acquire the best rates. Mr. Pisca went on to state that adequate safeguards have been built in to ensure that no project could be constructed utilizing this method unless positive revenue impacts to the state are proven. As Idaho is one of the highest growth states in the nation, we must have an adequate highway system in place.

**MOTION:** **Rep. Higgins** made a motion to introduce **RS 21546**. **Motion carried by a voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:21 a.m.

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Representative Wood(35)  
Chair

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Brenda Walters  
Secretary