

MINUTES
SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE

DATE: Thursday, January 24, 2013

TIME: 3:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Siddoway, Vice Chairman Rice, Senators Hill, McKenzie, Johnson, Vick, Bayer, Werk and Lacey

**ABSENT/
EXCUSED:**

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 Siddoway** called the Local Government and Taxation Committee (Committee) meeting to order at 3:09 p.m. He thanked the attendees for their patience in the start of the meeting and noted that Vice Chairman Rice and Senator Johnson will arrive shortly, after their photos are taken for the official record, and that is where the Committee Secretary was until now, as well.

Chairman Siddoway asked the Committee's permission to amend the agenda to accommodate the arrival of Vice Chairman Rice who is to present **S 1009**, and instead begin with the confirmation hearing for Leland "Lee" Heinrich.

GUBERNATORIAL APPOINTMENT: **Chairman Siddoway** invited to the podium Leland "Lee" Heinrich to discuss his Gubernatorial Appointment to the Idaho Board of Tax Appeals (BTA, Board). **Mr. Heinrich** deferred to the Dave Kinghorn, Chairman of the Idaho Board of Tax Appeals. **Mr. Kinghorn** said he wanted to inform the Committee about some changes to the BTA. Chairman Lyle Cobbs passed away and Mr. Kinghorn took his place. Susan Renfro was the director, but she retired and was replaced by Steve Wallace. **Mr. Kinghorn** said he thinks the governor made a good choice in selecting Leland Heinrich and the Board supports his appointment.

Mr. Heinrich approached the podium and shared his background. He said he is currently retired, but from 2006 to 2010 he served in the Idaho Senate for District 8, including four years on the Local Government and Taxation Committee, two of which were as Vice Chairman under Senator Hill who was Chairman at the time. **Mr. Heinrich** said when the governor appointed him, the governor actually appointed two people, because his wife, Linda, has been there with him every step of the way since 1978. **Mr. Heinrich** shared that he served as Valley County Clerk for sixteen years, and before that he and his wife operated a lodge on Lake Cascade with sixteen cottages, grocery store, gas station, boat and show machine rentals, trailer park, recreation hall, and laundromat. He said they sold that when their kids graduated and then went into public service. **Mr. Heinrich** shared prior to that he worked with Idaho Farm Bureau and Arizona Farm Bureau and he was born and raised on a sweet potato range south of McCall. He graduated from Donnelly/McCall High School and went on to University of Idaho for his Agricultural Economics degree. **Mr. Heinrich** said he has always been active in the community.

Mr. Heinrich said he was semi-forced into retirement from the Senate and after a couple of years in his woodworking shop, he was ready to again offer his service to Valley County and the state of Idaho, the citizens of which have trained and trusted him for so many years. When the opening on the BTA came up, he said he was encouraged to apply for it, given his experience as Valley County Clerk and clerking all the Board of Equalization hearings for that county.

Mr. Heinrich said since he was appointed a couple of months ago, he has conducted his first hearings and developed complete records of appeals for other Board members to review. He has attended two Board meetings and he is "in the process of home schooling himself in the entire envelope of what the Board of Tax Appeals is."

Mr. Heinrich said the BTA's process is very similar to that of a Senate Committee, where people come or are called to share the pros and cons of an issue and ultimately the Committee makes a decision. He said the BTA does the same, with one big difference: When a Committee makes a decision, policy is set; when the Board makes a decision, it is trying to interpret and implement that policy.

Mr. Heinrich said in the short time he has been with the BTA, he has enjoyed the position of being an administrative judge. He said it puts one in a position to insure the public has a simple and inexpensive process to appeal most any decision concerning property, sales or income tax. He said the BTA helps to insure fairness, confidence and equality in the taxation system.

Senator Werk said he thanks Mr. Heinrich because his presentation was one of the best initial presentations in a confirmation hearing that he's ever heard.

Senator Werk said he understands Mr. Heinrich's background, public service and passion are great qualifications for the position he is seeking. He said he looks forward to Mr. Heinrich's service for years to come.

Senator McKenzie said Mr. Heinrich has a very unique background that uniquely qualifies him to serve here, especially having served on this Committee and having owned a business before that. **Senator McKenzie** asked Mr. Heinrich if he sees any potential conflicts serving on the BTA based on Mr. Heinrich's background. **Senator McKenzie** said he realizes Mr. Heinrich is retired now and Senator McKenzie doesn't think there would be any current conflicts, and he does not anticipate anything that would come up from when Mr. Heinrich was either in the Senate or as Clerk, but he asked if that has been an issue for the Board.

Mr. Heinrich answered that he does not see any of that as a problem, except for when it gets into relatives. However, he said, the BTA has three judges and a decision requires two of three signatures to agree, so there is an opportunity to abstain, so that should not be a problem. As for his career in public service, **Mr. Heinrich** said he thinks that has been long ago enough that it won't be an issue. He said he attended a hearing and he didn't know the people who were there.

Chairman Siddoway said he was also impressed by Mr. Heinrich's resume and that he was grateful he had the opportunity to work with Mr. Heinrich when he did. He said the Committee will take up the confirmation for a vote next week and be in touch.

S 1009

Vice Chairman Rice introduced **S 1009** to the Committee. **Vice Chairman Rice** said this is a small change that was actually discussed in one of the rules discussions on the timing for getting appeals from the County Board of Equalization to the Idaho State Tax Commission. The change is the county auditor shall submit all such appeals or tax appeals within 30 days of being notified of the appeal. It deletes the language "or by October 1, whichever is later." The purpose is to eliminate some of the lag that can happen so that the appeals are received right away. **Vice Chairman Rice** said it is more of a housekeeping change and it's his understanding it should go to the consent calendar.

Senator Vick said he has no problem with the bill, but as it is so early in the session, he wonders what the point is of sending it to the consent calendar for it to sit there for a month, when it could just go up for a vote.

Chairman Siddoway said it would only be for a lesson point. **Senator Werk** said he agreed it would be a learning experience for members but would offer a do pass recommendation anyway.

MOTION:

Senator Werk moved that **S 1009** be sent to the floor with a do pass recommendation. **Senator Vick** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business, **Chairman Siddoway** adjourned the meeting at 3:26 p.m.

Senator Siddoway
Chairman

Christy Stansell
Secretary