

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Thursday, March 07, 2013

**TIME:** 3:00 P.M.

**PLACE:** Room WW53

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

**ABSENT/ EXCUSED:** Senator Vick

**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) to order at 3:10 p.m. (The Senate Transportation Committee ran late, causing this Committee to start late.)

**MINUTES:** **Senator Lacey** moved to approve the minutes of February 14, 2013. **Senator Hill** seconded the motion. Motion carried by **voice vote**.

**H 140** **Chairman Siddoway** invited Bill Roden of Hopkins Roden Corckett Hansen & Hoopes, representing the Coeur d'Alene Tribe, to the podium to introduce **H 140** relating to property taxation for property on a reservation belonging to a federally recognized Indian tribe. **Mr. Roden** deferred to Helo Hancock, Legislative Director for the Coeur d'Alene Tribe. **Mr Hancock** said the legislation would recognize Indian tribal governments within Idaho as governmental partners in providing essential services to citizens of the state of Idaho.

He said **H 140** will treat property owned by Indian tribal governments the same way Idaho treats all other property owned by governments in the state by amending Idaho Code § 63-602A. He said right now that code exempts other government-owned property, whether federal, state, county, city, school districts, highway districts, libraries and so forth. It does 'not' include property owned by an 'individual' Indian on the reservation.

**Mr. Hancock** said there are relatively few laws on the books in Idaho that deal with Indian property. He said the most important one is the Idaho Constitution, article 21, section 19, which he paraphrased, "Idaho forever disclaims all right and title to any land owned by Indians or Indian Tribes." (See Attachment 1.) He said Idaho Code § 63-309 demonstrates another example of the legislature's intent to not tax Indian land. (See Attachment 2.) He said that provision addresses properties exempt from taxation as it relates to personal property.

**Mr. Hancock** said there has been a legal question of the taxability of property owned by a tribe on its reservation. He said there was a federal case in U.S. Supreme Court the 1990s that discussed property owned by an individual in Washington, and whether or not those lands were taxable. He said there is no Supreme Court case that has discussed those types of arguments to interpret Idaho's constitution, so the legal question remains. **Mr. Hancock** said, "But that is not really the question **H 140** is addressing." He said the bill addresses the question "should" they be taxed, and should tribal government property be treated the same as all other government property in the state.

**Mr. Hancock** said he feels the history behind the issue is important. He said the practice of counties taxing tribal property became widespread in 2005 through 2006, with the exception of a few properties. He said the tribe learned later that Kootenai County had implemented a new tax assessment computer program that required the accounting of 'every' parcel of land. He said what is interesting is the policy behind that. He said the tribe and Kootenai County have been discussing whether or not to continue the policy, and whether or not they agree the property is taxable.

**Mr. Hancock** pointed to a news article from February 15, 2013 that he distributed with materials for the Committee members. (See Attachment 3.) He said it describes how the Coeur d'Alene Tribe met with Kootenai County Commissioners to discuss property taxes. He said the Commissioners cancelled three and a half years of taxes, including half of 2009 and all of 2010, 2011 and 2012. He said some of the reasons cited for doing that include: the tribe is a government, just like a county that is required to provide services; the tribe provides services to members as well as nonmembers of the tribe; tribes have deputized police officers, who help the local sheriff's department; and, the tribe has its own courts, medical facilities, education programs, welfare programs, social service programs, roads programs, and farming programs. **Mr. Hancock** noted some of the best farming land is within the reservation, most of which is leased out to non-Indian farmers, and they access that land on roads serviced by the tribe.

**Mr. Hancock** said another example of the services the tribe provides is the Benewah Medical Center, which he said was the first medical center in the country that served the medical needs of both Indians and non-Indians in the community. He said there are about 6,000 patients who frequent that facility, many of whom receive a sliding scale for payments. He said these types of services reduce the cost to the counties and other entities who would otherwise bear the burden. He said this was cited by the Commissioners at their meeting with the tribe that tribal services reduce their county budget.

**Mr. Hancock** next asked the Committee to direct attention to a spreadsheet that shows contributions and payments the Coeur d'Alene Tribe has made to taxing districts. (See Attachment 4.) He said many of these are from agreements the tribe has with the county. He gave examples of ways he says the tribe reduces the burden on county agencies: The tribe is the only municipality in Kootenai county that pays for their inmates at the county jail; the tribe has a contract in which the tribe pays for use of the dispatch service; the tribe has a memorandum of understanding with Burley Fire Department to provide \$10,000 for the next ten years to help with fire protection on the reservation; the tribe gave a donation of \$20,000 to the highway district; the tribe gives significant contributions to the schools under a gaming compact. He said all of this reduces the burden on the county taxing districts.

**Mr. Hancock** said there is an even more important number to address, which is the amount of federal impact aid that local schools get on the reservation. He said the federal impact program is set up to offset the loss of property taxes that school districts wouldn't otherwise receive because of the tribal lands in their school district. He said in their school district on the reservation, the Plummer/Worley School District, gets close to \$1 million a year in federal impact aid dollars. He said the handout packet also includes a letter of support from the Plummer/Worley School District superintendent, who she said supports this bill, and alluded to the amount of money the school gets because of the tribe and federal impact aid. (See Attachment 5.)

**Mr. Hancock** said the tribe and the county discussed **H 140** and while the county can cancel taxes assessed in the past, he said they don't feel like they can stop assessing it, and that is why they need this bill to provide the clarity and uniform law that exempts this property from taxation. He said the bill will not leave counties empty handed. He said in the last four years, the Coeur d'Alene Tribe made more than \$10 million in payments and contributions, which he said is different than county services or other taxes. He said according to the fiscal note, the total statewide impact among the five tribes is just over \$300,000, the bulk of which is in the Coeur d'Alene reservation.

**Mr. Hancock** noted **H 140** was passed unanimously by the House Revenue and Taxation Committee, and there was no opposition given at that time, and it then passed the House with a vote of 64 to 3. He said they did approach the Idaho Association of Counties legislative committee to present the merits of this bill before it was introduced, and he said to his knowledge there was no opposition.

**Senator Hill** asked about the fiscal impact, and if the \$300,000 figure is the gross before or net after the forgiveness of the property tax. **Mr. Hancock** replied that is before any taxes were cancelled. **Senator Hill** asked approximately what percentage of that figure has been forgiven in past years. **Mr. Hancock** replied Kootenai County is close to \$100,000 per year, and about the same amount for Benewah County.

**Senator Lacey** asked if these are lands the tribe is purchasing back. **Mr. Hancock** said the majority of these properties were acquired over the past eight years. He said most were homesteaded when the reservations were open to homesteading in the early 1900s and the tribe has reacquired them through whatever means possible. **Senator Lacey** asked if the tribe is trying to rebuild the reservation. **Mr. Hancock** said the reservations in Idaho are very different in the amount of land that was homesteaded. For example, the Coeur d'Alene reservation is very fertile with sediment for wheat lands, so about 80 percent of the land was homesteaded, or otherwise lost from Indian ownership during that period. As farmers retire and express interest in selling their land, if there is money available, with a willing seller and willing buyer, the tribe would look at purchasing that property. **Mr. Hancock** said lands are definitely important to tribes within their reservation.

**TESTIMONY:**

**Chairman Siddoway** invited Douglas Payne, Benewah County Prosecuting Attorney, to the podium. **Mr. Payne** said he has worked in Benewah County since 1994. He said he did 'not' know about this bill, and only found out about it on the news. He said the county commissioners asked him to come down to speak against it. He said the bill is not necessarily a bad idea, but the language is too broad. He said the general idea of making tribal government properties tax exempt is a good idea, and in fact, Benewah County has been doing that by practice. He said there were court cases in 1996 that caused the Idaho State Tax Commission to conclude that land in a reservation was taxable, whether held by an individual or the tribe. It was a time in history when the Coeur d'Alene Tribe was becoming a serious economic power, in that the Indian Gaming Act provided an economic engine to an annual budget of about \$60 million for a reservation with about 1,400 residents.

**Mr. Payne** said Benewah County had a flat income and "a sleeping giant was awakening in half of its domain." He said half of Benewah County lies within the reservation. He said that is why they have a different footing than Kootenai County. Kootenai County has a smaller area in the reservation, but it is rich, in that its tax base would dwarf Benewah County's by 20 to 25 times the income. He said, "Quite frankly, Kootenai County can afford it. It's not really that big of a deal to them." He said Benewah County, on the other hand, is split in half by the reservation boundary, right through the city of St. Maries. He said these are significantly different circumstances.

**Mr. Payne** said the tribe is a growing power and has had some growing pains over the past decade sorting out new relationships between the tribe and the counties. Some are doing better, but this is one that needs some work, because Benewah County is not comfortable with taxing tribal government property either. He said the county itself has granted exemptions to any tribal owned property used for governmental purpose, like the tribal headquarters, tribal hospital and so forth. He said last year, the tribe submitted a pile of applications to the Department of Interior for trespass, which makes properties nontaxable. Those applications were not approved for the tribe on those properties which were governmental in nature.

**Mr. Payne** said this bill is broader than that, as it is 'all' the government properties, 'anything' the tribe uses for government, no matter how it's acquired or how it's used. He said it is problematic because the tribe has become such a power, noting they have a \$60 million per year budget, with \$10 million to purchase land each year. He said that kind of purchasing power is certainly enabling them to rebuild their reservation. He said it creates a problem with how they manage county affairs and tribal affairs because the majority of land and the people in the reservation at this time are still non-tribal persons. **Mr. Payne** said all sorts of services are provided. While the tribe is starting to maintain some of the roads, it is only about five percent of the roads on the reservation in Benewah County that are actually maintained by the tribe. The county has to pay for that. He said it costs three quarters of a million dollars each year to remove the solid waste from the reservation, and it is disposed of at the county's great expense.

**Mr. Payne** said Benewah County has some significant costs, and they're worried about how they're going to pay for them now and in the future, especially considering the economic powerhouse the tribe is becoming. He said Mr. Hancock told the Committee the purpose of the bill is to treat the tribal property the same as property owned by any other government. He said in principle, that is true, but **Mr. Payne** said, tribal governments are unique, and he wants the Committee to understand how unique. He said he looked at Indian Law at the University of Idaho and it made his head spin because it is so different. He said tribal government is not just government, it is business – 'big' business. He said the tribal government employs 1,700 people. There are only 1,400 tribal members on the reservation. **Mr. Payne** said they employ more people than they have people.

**Mr. Payne** said they have casinos, gas stations, grocery stores, manufacturing, agricultural businesses, tribal farming, and others that show it is not just government, it is big business. He said that is why this bill is a problem, because it is so 'broad' that it creates a situation in the free market. He said there are tribal businesses competing with non-tribal businesses, and the non-tribal businesses, through taxes, have to subsidize their competitors – the tribal businesses. He said that is a situation that is going to create increasing problems as the tribe gains more and more property.

**Mr. Payne** said Benewah County is split in half: half on the reservation, half off. He said as the tribe accumulates more and more property ownership, the burden and costs of paying for road maintenance, trash disposal, and fire and emergency services on the reservation will shift to be paid for by people who don't live on the reservation.

**Mr. Payne** said "Yes, tribal government is a government and should be respected as a government. However, we have to be careful because it's not only a government, it's different than other governments." He said citizens in Benewah County pay taxes to be citizens of Benewah County. Citizens of tribal governments get paid dividends to be citizens of the tribal governments. The dividends are per capita, directly tied to how much money the tribe makes.

**Mr. Payne** pointed out the tribe's 2008-2009 budget which is over \$60 million per year. (See Attachment 6.) He also noted the per capita payments in 2008 are higher than they were in 2009 when they were making less money. He said the whole structure of tribal government is different than county government. He said county government taxes people based on the amount of property they have to tax, and as the tribe takes property off the tax rolls, the remaining county taxpayers' taxes will go up. Other governments make payments in lieu of taxes for extraordinary situations, like for Fish and Game, or easements of land.

**Mr. Payne** said this bill is simply too broad. He said it's a good idea and would like to see it passed with moral integrity, which brings him to the point of the constitutionality of it. He said as a prosecutor, he deals with constitutionality every day. He said when police officers arrest bad guys, they are restrained by all kinds of amendments, and no one can push the rules. He said he has to explain to them, "The Constitution not only applies to us, it applies 'especially' to us, and it applies especially to you [the Committee Members] because the Idaho Constitution requires that taxation be fair and equal, and that applies to you specifically, as you are in charge of making sure it's fair and equal." **Mr. Payne** said his job is not to work around the Constitution, it's to work 'by' the rules.

**Mr. Payne** drew the Committee's attention to two more handouts that addresses government's role under the Constitution. (See Attachments 7 & 8.) He read, "Government is instituted for their equal protection and benefit..." and "All taxes shall be uniform upon the same class of subjects within territorial limits...The legislature may allow exceptions from taxation from time to time as shall seem necessary and just." **Mr. Payne** said that is what Benewah County is asking for in its objection to this bill, in that they want a sense of fairness in this bill so it doesn't have greater implications down the road.

**Mr. Payne** said the bill has implications to Benewah County right now with immediate first year costs to the county. He pointed to another handout that shows the 30,200 acres in Benewah County that are taxable at full market value. (See Attachment 9.) He said all the other acres are discounted for some reason or another. He said the tribal government has almost 4,000 of those taxable acres, which amounts to twelve percent of the county's taxable property. He said the tax loss is shown on the next handout, which he said he put together the best he could on short notice, with only 48 hours notice of this meeting. (See Attachment 10.) He said the lost revenue is \$120,000 – of which \$61,000 is to the county itself, while the rest of it is lost to the small entities, most of which provide services to the tribe.

**Mr. Payne** said one of the points the tribe makes is that not all these entities benefit the tribe, but he points out that except for the city of St. Maries and School District 41, all of the services listed on the handout directly benefit the tribe, which amounts to about \$100,000.

**Mr. Payne** said one possible resolution to this is to have the tribe make payment in lieu of taxes. He said the county has asked that a couple of times but they have yet to see the tribe do it, in that the tribe refuses to pay for services actually rendered. He said there are 9,000 residents in Benewah County, and 1,000 of them are tribe members, which is eleven percent of the population.

**Mr. Payne** pointed to an example with the garbage services. He said Benewah County pays over \$700,000 per year to truck it to Montana. He said the county sends a bill of about \$13,000 per year to the tribe for their share of garbage collection. (See Attachment 11.) He said they received only one payment since 2010, which was in the amount of \$14,950, which while appreciated, does not correlate to anything. He said the tribe is currently \$23,660 in arrears, not counting 2013.

**Mr. Payne** said there was a letter from the tribe chairman included with the \$14,950. **Mr. Payne** said he thinks the letter is important because he thinks it corrupts the political process. (See Attachment 12.) He read from the letter, where it says, "I believe it would be appropriate for the Tribe to make a financial contribution to the county to assist with solid waste costs. Therefore, I am enclosing a check for \$14,950 to help the County meet such expenses. I trust this will be of assistance." **Mr. Payne** said it's not that the county doesn't appreciate the funds, but he thinks it shows that if they used per capita, it would be eleven percent of the \$700,000 or about \$70,000 per year. He said the problem is the county never knows what the payments are going to be, so it makes it hard to do business and takes the political leverage out of it.

**Mr. Payne** said the tribe is 'obligated' to pay five percent of the gambling proceeds to state programs, especially education. He said those are not 'contributions' but rather 'obligations' and he said the tribe confuses the two. He said if one opposes the tribe, the tribe will withdraw contributions and put it elsewhere. He said last year, Kootenai County objected to some tribe applications and the Tribe Chairman, Chief J. Allan, pointed out to them that he makes a lot of contributions to the county, and they would stop if Kootenai County opposed the applications. **Mr. Payne** said the Kootenai County Commissioners immediately withdrew their opposition to the applications.

**Mr. Payne** said "it's a very clever business tactic" but it corrupts the political process. He said he is asking the Committee to make sure to separate payment of fees for services rendered from generous contributions which are paid or withheld based upon the political appearance. He said Benewah County just wants the tribe to pay the county what it is entitled to and pay its obligations. He said there should not be a system set up where "that kind of money interferes with the judgment of right and wrong and political power."

**Mr. Payne** said he asks the Committee to pass the bill, but with an amendment to include six words: "property used exclusively for governmental purposes." He said governmental purposes can be broad, as some cities operate a pool or golf course, because they're open to the public. He said when a government acts like a business, that is not government, that is a business, with gas stations, retail stores, grocery stores, farms and manufacturing businesses. He said the tribe did not talk with Benewah County about this bill.

**Mr. Payne** said another way to amend it is to add language that says "shall enter into agreement for payment of respective taxes which approximates that portion of the tax which pays for districts or services actually provided to the tribe or its members." He said the County does provide services to the tribe on the reservation, but the tribe does not pay for those. He said as time goes on, the tribe will provide more services for itself and will require fewer services from the county, but in the meantime, the county needs to be compensated. He said the county will lose \$100,000 revenue, which is a ten percent loss, and in the long-term, it will be more than that.

**Mr. Payne** said, "Someone once said, 'If you want peace, seek fairness.' We need fairness between counties and tribes. If this bill reflects this, we'll get along better. If it reflects the opposite, unfortunately, it will be more strikes against us."

**Vice Chairman Rice** asked if the county gets to tell the federal government how much it will pay in lieu of taxes. **Mr. Payne** answered no. He has seen the checks come in, and they're reliable, but he doesn't know how the amount is agreed upon. He said he thinks the county is open to the idea of figuring out some way of meeting the guidelines to come up with a fair amount for payments in lieu of taxes.

**Chairman Siddoway** invited Phil Lampert, Benewah County Commissioner, to the podium. **Mr. Lampert** said he has lived in Benewah County all of his life and he is opposed to this bill as it is written. He said Mr. Payne addressed many of his concerns with the bill. He said **H 140** affects Benewah County government and citizens in two ways, in that taxes will go up and services will be reduced, plus the tax burden will be shifted to fewer and fewer residents of Benewah County.

**Mr. Lampert** said the long range plans of the tribe is to purchase more property, which will be funded by the Coeur d'Alene Casino. He said the Bonneville Power Administration purchased and donated land to the Coeur d'Alene tribe for wildlife mitigation for Albeni Falls Dam, which is 100 miles north of Benewah County. **Mr. Lampert** said the Bureau of Indian Affairs has a program that has provided funding to purchase land within the reservation boundaries. He added these scenarios will likely be repeated over and over again, and every three thousand acres they buy is one percent more of the county's taxable property that goes into exemption, if this bill passes.

He said most of the governmental functions the tribe performs are covered under funding from the federal government through the Bureau of Indian Affairs. These include law enforcement, land services, forestry, education, EPA (Environmental Protection Agency) activities, and other programs. **Mr. Lampert** said most of these programs are funded to cover the cost plus administrative fees, so the cost of their government is pretty much funded with federal dollars. The tribe is also "big business," as Mr. Payne described, since they have two fuel stations, some stores, etc., through which the tribe generates funds, because the tribe is a taxing entity. They levy 20 cents per gallon on their two tribal service stations, and three stations owned by tribal members. They also sell a lot of cigarettes, which do not have a state sales tax, but there is a tribal tax that generates more funds.

**Mr. Lampert** said another funding source is public works projects within reservation boundaries, which are subject to Tribal Employment Rights Ordinance (TERO) fees. He explained that if he understands correctly, contractors who participate in public works projects on the reservation must pay a three percent fee to the Coeur d'Alene Tribe, which means in the last two years with about \$30 million in projects, the tribe has collected fees of about \$900,000. He said in future years, when a new bridge, new roads and highway 95 improvements are in progress, the Idaho Transportation Department will have to pay this three percent TERO fee to the tribe.

**Mr. Lampert** described the situation with the Plummer/Worley School District 44, which covers the lower part of Kootenai County and the western part of Benewah County. He said in the school district, about 10,000 acres have been purchased by the tribe and would fall into the category of not being taxable. The school itself receives local funding through property tax and about \$1 million in impact aid from the federal government, as well as voluntary donations of \$110,000 to \$120,000 per year from the Coeur d'Alene tribe. He noted the upcoming sequester may cause them to lose about \$53,000, and a Title 1 program might get lost, so they're looking at losing up to \$80,000 before the end of the fiscal year.

**Mr. Lampert** said with the local property tax, state funding, federal funding and voluntary donations, since 2009, their funding has dropped 29.5 percent, from \$4.3 million to \$3.1 million, to about \$2.92 million estimated next year. He said they will probably need to apply for an override levy and ask for \$1 million plus. He said if this bill passes and these lands come off the tax rolls, that means fewer people will be paying for higher dollars worth of services. **Mr. Lampert** shared his grandchildren's school was the first to participate in the state program to receive a loan to build a new school after their school was declared unsafe. The loan has to be paid back to the state over 20 years. It was a wonderful program because the portables without running water were replaced with a beautiful \$11 million state of the art school.

He said, if the Coeur d'Alene tribe continues to purchase more land, and take it off the tax rolls, fewer and fewer property owners will be paying a bigger portion of the bill to the state for the new school, which has over 50 percent tribe members.

**Mr. Lampert** said he does not think the tribal purchases planned for the future are necessarily for government operations. He said he likes the idea of separating out property for government purposes and non-government purposes. He said the tribe does have adequate funding and there will not be much of an impact on them. He said the state legislature has the responsibility to "do no harm to local jurisdictions," but if this bill passes in this form, there 'will' be harm to Benewah County, because it already struggles to make obligations of county services. **Mr. Lampert** said he suggests using Mr. Payne's recommendations for amendment, or have the state of Idaho step up and make up the money the county loses.

**Vice Chairman Rice** asked if the tribe is the only government entity that Benewah County taxes. **Mr. Lampert** said it probably is, and "as you know, if you tax the county, you're just taxing yourself." He said school districts are exempt, but as Mr. Payne says, it is a unique government.

**Vice Chairman Rice** said something was made of the tribe being slow to pay a bill. He asked Mr. Lampert if just last month he finally agreed to pay a judgement he personally owed the tribe from a 2010 contract. **Mr. Lampert** answered yes, he did, but that has absolutely nothing to do with what this bill is talking about.

**Vice Chairman Rice** asked in that contract, didn't he recognized the tribe as a sovereign nation within the United States. **Mr. Lampert** said he is not sure where he is going with that question.

**Chairman Siddoway** invited Mr. Roden to the podium to complete the presentation.

**Mr. Roden** said in the interest of time, he would make just a few comments. He said some of the expenditures by the Coeur d'Alene Tribe are by virtue of compacts with the state of Idaho, as with the casino, and the tribe will certainly continue with those. He said there is no threat that those payments will go away. He said a few years ago he negotiated the compact between the tribe and the state for the fuel tax, which the tribe does collect. Those funds are distributed for the same purpose as the state of Idaho uses fuel tax proceeds, which is for roads.

**Mr. Roden** said the Coeur d'Alene Tribe is the largest employer in north Idaho and finally has been able to find an economic manner to provide for the welfare of its citizens. He said they are also interested in providing benefits for 'all' the citizens in the area, because they are a very sharing people and have always been. **Mr. Roden** said he is glad Mr. Payne agrees with the concept of the bill. He said, "We don't dictate to any other government exactly how they spend their money."

**Mr. Roden** said if the tribe leases land to farmers, the revenues are used for government purposes. He said that is not much different than the state of Idaho leasing a building it owns on 9th and Bannock in Boise to a brewery, so that it can collect rent. Governments do collect these monies like this. He said that is why this bill is limited to government property for governmental purposes.

**Mr. Roden** said the Coeur d'Alene people are interested in the welfare of their children in the Plummer/Worley School District, and the people of Benewah County get the benefit of the tribe's public health services that are open to everyone in that area.

He said a major expenditure is the transportation services provided throughout Benewah County and Kootenai County for people to get to and from work. He said that is all in addition to federal funds that are made available for that purpose.

**Mr. Roden** said **H 140** is about the basic principle of not taxing government entities, and he said he respectfully asks for the Committee's favorable consideration.

**Senator Hill** asked if county officials in Benewah County and other counties affected by this legislation were contacted and asked for opinions before the writing of this bill. **Mr. Roden** replied that prior to presenting this legislation, they consulted at length with the Association of Idaho Counties and participated in their legislative group dealing with this issue. He said in addition, Kootenai County was consulted, and he was surprised that Mr. Payne did not know about this, as it is a simple bill to read. **Mr. Roden** said he'd like to point out that in the taxes that are allegedly being paid to Benewah County are trust properties. (See Attachment 13.) He showed an example of a tax bill to Benewah County, which **Mr. Roden** said he assumes are for properties that Benewah County claims will be lost. He said he has many other bills like this that are taxed to the United States government held in trust to the tribe. He said these are tax assessments that have been claimed in the past.

**Mr. Roden** said all he is saying is that this has been a continuing dialogue and he thinks it should come to a close. He said he won't argue the constitutionality of it. It is just the concept of government relationships.

**Senator Hill** said he understands these legislative bills are available and anyone can access them, but based on what he's hearing, Mr. Roden has no idea why Benewah County would not have known about this ahead of time, because he had made some efforts through the Association of Idaho Counties to make sure everyone was aware of it. **Mr. Roden** replied he would inquire about this issue almost daily when he would see Dan Chadwick in the hallway. He said they broadcasted it through the Association of Idaho Counties to advise them of the presence of the bill. **Mr. Roden** said Mr. Chadwick advised him they had almost no pushback throughout the state.

**Senator McKenzie** asked if these properties are taken off the tax rolls and the county is providing the services of police, fire, waste disposal, and other things, is it the expectation that the county will bill directly to the tribe or will that cost be absorbed by the remaining tax base. **Mr. Roden** said the tribe has no intent, regardless of this bill, to cease participating in the governmental units within Benewah and Kootenai Counties. He said they will continue to make contributions and will have those contracts. He said they'll make the same contributions to the school districts. The decisions will continue to be made on an annual basis. He said they do pay for solid waste disposal, and that is a legitimate cost that will continue.

**Mr. Roden** said it is the concept that the dollars are really not that important. It is the concept of a government taxing a government. He said, "If problems develop, what the legislature gives, it can also take away."

**MOTION:** **Senator Werk** moved to send **H 140** to the floor with a **do pass** recommendation. **Vice Chairman Rice** seconded the motion. Motion carried by **voice vote**. Vice Chairman Rice will carry the bill on the floor.

**RS 22207** **Senator Werk** brought to the Committee **RS 22207** relating to solid waste disposal.

**UNANIMOUS CONSENT:** **Vice Chairman Rice** asked, seconded by **Senator Lacey**, for unanimous consent to send **RS 22207** to State Affairs Committee for printing. There were no objections.

**ADJOURNED:** There being no further business, **Chairman Siddoway** adjourned the meeting at 4:17 p.m.

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Senator Siddoway  
Chairman

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Christy Stansell  
Secretary