AGENDA HOUSE LOCAL GOVERNMENT COMMITTEE 1:30 P.M.

Room EW05 Thursday, January 10, 2013

SUBJECT	DESCRIPTION	PRESENTER
SUBJECT	DESCRIPTION	FRESENTER

Organizational Meeting

COMMITTEE MEMBERS

Chairman Barrett

Vice Chairman Sims

Rep Holtzclaw

Rep Barbieri

Rep Horman

Rep Luker

Rep Malek

Rep Perry

Rep Clow

Rep Kloc

Rep Hancey

Rep Meline

COMMITTEE SECRETARY

Mary Tipps
Room: EW06
Phone: 332-1147

email: hloc@house.idaho.gov

HOUSE LOCAL GOVERNMENT COMMITTEE

DAIE:	Thursday, January 10, 2013
TIME:	1:30 P.M.
PLACE:	Room EW05
MEMBERS:	Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline
ABSENT/ EXCUSED:	None
GUESTS:	Ken Harwood and Leon Duce, Association of Idaho Cities (AIC); Russell Westerberg and Raeleen Welton, Westerberg and Associates; Tony Smith, Benton Ellis and Associates; Dan Chadwick and Tony Poinelli, Idaho Association of Counties (IAC); Erik Makrush, Idaho Freedom Foundation; Christie Herrera, Foundation for Government Accountability (FGA); Les Lake, Idaho Fraud Awareness Coalition (IFAC); Paul Jackson, Farmers Group Insurance; Teresa Molitor, Lake City Development Corporation (LCDC) and Jerome Urban Renewal Agency (JURA)
	Chairman Barrett called the meeting to order at 1:34 p.m.
	Chairman Barrett introduced herself and invited the committee members to do the same. She then asked that the legislative advisors who will be working with the committee provide a brief introduction to the services offered by their agencies.
	Tony Poinelli , Deputy Director of the Idaho Association of Counties (IAC), explained that the IAC provides education and training, and also supports various county agencies. They have helped create a program for indigent healthcare (Community Action Partnership) and will be involved in upcoming legislation to that regard. Additionally, they perform legal research.
	Dan Chadwick , Executive Director of the Idaho Association of Counties (IAC), said that he and Mr. Poinelli are available to assist legislators and are happy to come to the Capitol any time they are needed. Their offices are one block away. They will be presenting legislation this year related to the Idaho Public Defender.
	Ken Harwood , Association of Idaho Cities (AIC), stated that his group produces training manuals, videos, and newsletters to inform and assist officials, at no cost to the users. They also offer several thousand technical assistance services annually. He explained that every city in Idaho, regardless of size, is affected by the same laws except for Bellevue, which operates under its own charter.
	Erik Makrush , Idaho Freedom Foundation, introduced himself and stated that the Idaho Freedom Foundation is glad to be a resource for legislators. They perform research on an array of issues and focus on transparency.
	In response to questions, Mr. Poinelli stated that a directory of cities and counties will be provided to legislators later in the session.
ADJOURN:	There being no further business to come before the committee, the meeting was adjourned at 2:15 p.m.
Representative E Chair	Barrett Mary Tipps Secretary

AGENDA HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 P.M.

Room EW05 Friday, February 08, 2013

SUBJECT	DESCRIPTION	PRESENTER
RS21807	County Recorder Fees	Kerry Ellen Elliott, Idaho Association of Counties
RS21817	Revenue Allocation Areas	Rep. Sims
RS21847	Local Land Use Planning	Rep. Barbieri
RS21942	Process Change for Filing Plat	Rep. Malek
RS21816	Additional Allowable Investments for Public Hospitals	Rep. Malek
RS21915	Restricting Power of Entry for Urban Renewal Agencies	Rep. Malek

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Barrett	Rep Harris	Mary Tipps
Vice Chairman Sims	Rep Holtzclaw	Room: EW06
Rep Barbieri	Rep Horman	Phone: 332-1147
Rep Luker	Rep Malek	email: hloc@house.idaho.gov
Rep Perry	Rep Chew	
Rep Clow	Rep Kloc	
Rep Hancey	Rep Meline	

HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Friday, February 08, 2013

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry,

Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

ABSENT/ EXCUSED: Representatives Perry and Kloc

GUESTS: Tony Smith, Benton Ellis; John Eaton and Miguel Legarreta, Realtors; Tyler Mallard

and Mark Dunham, Risch Pisca; Kerry Ellen Elliott, Idaho Association of Counties (IAC); Ray Stark, Boise Metro Chamber of Commerce; Ryan Armbruster, Elam and Burke; Pam Beaumont, Garden City Urban Renewal; Teresa Molitor, Lake City Development Corporation (LCDC) and JURA; Elli Brown, Veritas Advisors; Raeleen

Welton, Westerberg and Associates; Neil Colwell, Avista Corporation

Chairman Barrett called the meeting to order at 1:32 p.m.

MOTION: Rep. Horman made a motion to approve the minutes of January 10, 2013. **Motion**

carried by voice vote.

RS 21807: Kerry Ellen Elliott, Idaho Association of Counties, presented RS 21807. She

stated that the Idaho Association of County Recorders and Clerks requested this change. The proposed legislation would amend Section 31-3205, Idaho Code, to provide uniformity and consistency in the application of recording fees for mining claims. The Legislature increased the recording fees during the 2010 Legislative Session to \$10 for recording every instrument, paper or notice for the first page and \$3 for each additional page, in order to provide necessary funding for county offices to meet new technological requirements and continue providing services. At that time, fees had not increased since the 1980s. When changes were made during the 2010 Session, Sections (h) and (i) for recording location notice of a mining claim and for recording affidavit of labor of mining claims were not changed to reflect the \$10 fee for the first page. This amendment would make the recording fee consistent and would treat all users equally. While there is no fiscal impact to the General Fund, some counties could realize a slight increase in recording fee revenue, dependent on usage. It is estimated that, if this proposed legislation becomes law, statewide recording fees will increase by approximately \$50,000. Ms. Elliott stated that most counties do perform some type of recording of mining claims.

Chairman Barrett invoked Rule 38, stating a possible conflict of interest. She said that her husband and family have been involved in mining for many years. She stated that she would be voting on **RS 21807**.

In response to questions, **Ms. Elliott** stated that a four page document that previously cost \$12 to record would cost \$19 to record under the proposed legislation, reflecting an increase of \$7 for the first page. The goal of **RS 21807** is to create uniformity and consistency in the filing of mining claims.

Rep. Sims invoked Rule 38, stating a possible conflict of interest. She explained that she sits on the Board of Directors of a mining company in Shoshone County. She stated that she would be voting on **RS 21807**.

MOTION: Rep. Hancey made a motion to introduce RS 21807. Motion carried by voice

vote. Rep. Harris and Chairman Barrett requested to be recorded as voting NAY.

RS 21817:

Rep. Sims presented **RS 21817**. She stated that this proposed legislation provides an election for the creation of a new revenue allocation area, in order to assure that plans and areas are created with voter approval.

In response to questions, **Rep. Sims** stated that "the electorate" is the electorate that set up the original revenue allocation area. There is no fiscal impact because this would be a ballot measure and a separate election would not be held.

MOTION:

Rep. Luker made a motion to introduce **RS 21817**.

Rep. Clow spoke **in opposition** to the motion, stating that in his experience, there might not be time for an election before work begins.

Chairman Barrett spoke **in favor** of the motion, stating that citizens should never be denied their right to make decisions about things that affect their finances.

VOTE ON MOTION:

Chairman Barrett called for a vote on the motion to introduce RS 21817. Motion carried by voice vote. Rep. Clow requested to be recorded as voting NAY.

RS 21847:

Rep. Barbieri presented **RS 21847**. He stated that this proposed legislation would amend Section 67-6503, Idaho Code, to say that any changes to a comprehensive plan, resolution or ordinance be submitted for approval to the local voters. It would also establish a property rights council, made up of taxpayers in the taxing district, for recommendations to the governing board.

In response to questions, **Rep. Barbieri** stated that Kootenai County is in the final stages of preparing a comprehensive plan. Establishing these plans requires a great deal of time on the part of County Commissioners. The word "may" is in place to allow flexibility. Certain property owners have indicated dismay that plans have been put in place without their input because of inadequate or ineffective notice. Those areas that have established a comprehensive plan and determined that it is best to move forward would institute a property rights council to ensure that someone represents the taxpayers.

MOTION:

Rep. Sims made a motion to introduce RS 21847.

Rep. Clow spoke **in opposition** to the motion, stating that he is concerned about the use of the word "may" and believes that this proposed legislation could actually institute a reduction in the number of citizens who provide input.

Rep. Luker spoke **in support** of the motion, but indicated that he does have some concerns related to allowing areas to opt out.

VOTE ON MOTION:

Chairman Barrett called for a vote on the motion to introduce RS 21847. Motion carried by voice vote. Representatives Chew, Meline and Clow requested to be recorded as voting NAY.

RS 21942:

Rep. Malek presented **RS 21942**. He stated that currently in Idaho Statute, at the time a plat is filed with a county clerk or county recorder, a copy must also be filed. Idaho Code, Section 50-1310, requires that silver image emulsion be used to make such a copy, because it does not fade. Silver image emulsion is costly, rare and currently unavailable in some Idaho counties. He explained that there are suitable alternatives that serve the same permanent purpose, and this change would allow for such substitutions. There is an emergency clause that would allow Idaho counties to begin using alternatives immediately, as they are currently unable to create copies as required.

MOTION:

Rep. Harris made a motion to introduce RS 21942.

In response to questions, **Rep. Luker** stated that silver emulsion is an old-fashioned photograph, and currently he believes no one is producing film.

VOTE ON MOTION:

Chairman Barrett called for a vote on the motion to introduce RS 21942. Motion carried by voice vote.

RS 21816:

Rep. Malek presented RS 21816. He stated that this proposed legislation would clarify that public hospital districts and county hospitals may invest funds generated from the operational revenues of the public hospital districts or county hospitals in prime commercial paper, bonds, debentures or notes. He said that this shall not be construed to enlarge or expand the powers of the treasurer for public hospital districts or county hospitals to invest funds generated through ad valorem taxes, assessments or levies. Currently public hospitals are required to deposit their funds in U.S. banks or U.S. treasuries. Allowing public hospitals to maximize their investment earning will assist them in meeting their financial potential, possibly preventing them from needing to raise property taxes.

In response to questions, **Rep. Malek** stated that this proposed legislation is modeled after the authority given in Idaho Code to the State Treasurer.

David Lehman, Kootenai Health, stated that this would provide added certainty and security. The funds in question are excess or reserve funds that are generally reserved for capitol projects. Very few investment grade corporations are involved in defaults. The investments being proposed are safer than municipal bonds with a higher rate of return than U.S. securities.

MOTION:

Rep. Hancey made a motion to introduce RS 21816. Motion carried by voice

vote.

RS 21915:

Rep. Malek presented **RS 21915**. He stated that urban renewal agencies currently have the power to enter any building or property in any urban renewal area, including private residences. This proposed legislation would remove that power.

MOTION:

Rep. Horman made a motion to introduce RS 21915.

In response to questions, **Rep. Malek** stated that urban renewal districts do have eminent domain authority.

emment domain authority.

Chairman Barrett stated that when too many people have eminent domain rights,

individual property rights become diminished.

VOTE ON MOTION:

Chairman Barrett called for a vote on the motion to introduce RS 21915. Motion

carried by voice vote.

ADJOURN:

There being no further business to come before the committee, the meeting was

adjourned at 2:25 p.m.

Representative Barrett	Mary Tipps
Chair	Secretary

AGENDA HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 P.M. Room EW05

Thursday, February 14, 2013

SUBJECT	DESCRIPTION	PRESENTER
<u>H 135</u>	Revenue Allocation Areas	Rep. Sims
<u>H 136</u>	Local Land Use Planning	Rep. Barbieri
<u>H 137</u>	Urban Renewal	Rep. Malek

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY Chairman Barrett Rep Harris Mary Tipps

Vice Chairman SimsRep HoltzclawRoom: EW06Rep BarbieriRep HormanPhone: 332-1147Rep LukerRep Malekemail: hloc@house.idaho.gov

Rep Perry Rep Chew
Rep Clow Rep Kloc
Rep Hancey Rep Meline

HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Thursday, February 14, 2013

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry,

Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

ABSENT/ EXCUSED: Representative Chew

GUESTS: The sign-in sheet will be retained in the Committee Secretary's office until the end

of the Session. Following the end of the Session, the sign-in sheet will be filed with

the minutes in the Legislative Services Library.

Chairman Barrett called the meeting to order at 1:31 p.m.

MOTION: Rep. Horman made a motion to approve the minutes of February 8, 2013. **Motion**

carried by voice vote.

H 135: Rep. Sims presented H 135, which she stated provides an election for the creation

of a new revenue allocation area. She said this would help assure that plans and areas are created with voter approval. She stated that the State of Idaho spends hundreds of millions of tax dollars on urban renewal projects, which were originally designed to remove blight. Urban renewal agency boards are selected by city councils. Once an agency is established, the agency selects revenue allocation areas, which are specific plots of land within city boundaries. Tax increments on the original price (which can simply be the land) go to necessaries like police, fire, ambulance, and schools, but tax increments on any improvements and growth in a revenue allocation area, whether from new building or from enhanced value, go to urban renewal. To illustrate, she submitted a Kootenai County Tax Statement for the Committee's review. It showed that in the specific revenue allocation area, Emergency Medical Services receives \$0.16 and the community college receives \$1.14, while the Coeur d'Alene River Urban Renewal District receives \$3423.98. She outlined projects in her community that have been paid for by urban renewal tax dollars: \$686,000 for art, \$3,750,000 for a park, and \$230,000 for an ice rink. She reminded the Committee that urban renewal is supposed to remove blight. She

stated that for twenty years this process has bypassed voters.

In response to questions, Rep. Sims stated that the Supreme Court has said that urban renewal boards are their own entities. Once established, urban renewal boards take direction only from themselves. There is no process she is aware of that would allow the public to remove members from these boards, however, she believes that mayors or city councils can remove these board members. H 135 requires a vote for the creation of a new revenue allocation area. Currently boards can open as many revocation areas as they would like. Developers benefit from urban renewal. There are no term limits for urban renewal board members. The Lake District and the River District are two different revenue allocation areas. The bill would require an election to set up new revenue allocation areas, but does not require a vote for specific plans. She believes revenue allocation areas must not be more than 10% of a city, however, if a city has six revenue allocation areas that each represent 10%, 60% of the city would be revenue allocation areas. Additionally, due to growth, a revenue allocation area that represented 10% ten years earlier could represent more than 10% in future years as the city grows and changes. There are not separate boards for each revenue allocation area.

Ryan Woodings, Capital City Development Corporation (CCDC), stated that he is a local business owner who moved his business to downtown Boise due to Boise's vibrancy. He sits on the Board of Directors of CCDC and has a five-year term. He said that he is part of the 30th Street Plan, which will revitalize a decaying area to make it more attractive to new businesses.

In response to questions, **Mr. Woodings** stated that the taxing district and project area are the same. He believes that the revenue allocation area extends from 17th or 18th street to 30th Street, and from the I184 onramp to State Street. Only the business areas are to be revitalized. The residential portion of that area will not be revitalized. The mission statement of CCDC includes removal of blight and decay, and assisting with development. He believes that all revenue allocation areas combined cannot be more than 10% of a city. The development of the 30th Street Plan was timed to work alongside the Ada County Highway District's (ACHD's) 30th Street extension plan. He believes that CCDC began in the late 1960s and that they have an annual budget of approximately \$12,000,000.

Erik Makrush, Idaho Freedom Foundation, lives in the Caldwell East Urban Renewal District. He stated that 85.6% of his property tax dollars currently go to urban renewal. Approximately \$240,000,000 in bonding for urban renewal around the State takes place with no vote of the taxpayers. The Canyon County Administration Building was built with urban renewal dollars after a jail expansion was denied by voters for three years in a row. To solve the problem, the urban renewal district elected to build a new administration building using urban renewal tax dollars so that the jail expansion could take place in the old building.

In response to questions, Mr. Makrush stated that tax dollars are sent to counties. and counties distribute monies. If a revenue allocation area is not maximizing, all other constituents pay into that area due to increased budgets for counties. If a new business was opened inside an urban renewal district and the business did not accept any urban renewal money for the project, there would still be a positive impact on the area due to the new business's presence. Many businesses open in urban renewal districts without urban renewal dollars. If, for example, a building was worth \$20,000 at purchase and was renovated to become worth \$1,000,000, the taxes on the difference in value would be dedicated to urban renewal; taxes go up all around but no tax money is dedicated to services such as Emergency Medical Services, police, or fire. Surrounding property values may rise, resulting in owners paying increased taxes which also go to urban renewal agencies rather than services. This bill does not address the problem identified by the questions. It would allow individuals in areas to state that yes, the area in question is blighted, or no, it is not. To build a fire station or library, a vote and bond are required, however, to build virtually anything in revenue allocation areas, no vote is required. Blight and public safety are reasons for urban renewal, however, economic development is also part of urban renewal and should have a say of the people. Other states have begun to restrict urban renewal law due to money being drained from necessary services.

Ryan Armbruster, Elam and Burke, stated that he represents several urban renewal agencies. He speaks today on behalf of the City of Jerome and the City of Idaho Falls. He stated that the bill requires a citywide vote and not just a vote of citizens in revenue allocation areas. City councils have the authority to approve or deny urban renewal plans. Board members serve five-year terms but do not have term limits and may be reappointed by the mayor and city council. The base value of a proposed project area cannot exceed 10% of the overall value of the city, but as those project areas are renewed and grow, their value may exceed 10%. Bondholders or noteholders who have already extended loans based on current Statute would be negatively impacted by this proposed legislation.

In response to questions, **Mr. Armbruster** stated that if an area is undeveloped or underdeveloped and is targeted for urban renewal, owners of undeveloped or underdeveloped property are welcome to participate in the urban renewal projects. Most urban renewal plans have specific items in their proposals that outline what should or should not be developed over the lifespan of a project. In the current process, plans are in place and are formally transmitted to the city for consideration, and are also transmitted to taxing entities. Plans are described "in generic category if nothing else." Urban renewal dollars pay for roads, water, sewer, sidewalks, streetscapes and other improvements. Notices of public hearings are given as required by statute. Cities are entities that lose most of the tax dollars taken by urban renewal. Urban renewal agencies undertake budget meetings like any other entity and taxpayers are welcome to attend and give input.

Ken McClure, Givens Pursley, on behalf of Chobani, stated that currently Chobani is the most recent high-profile beneficiary of the urban renewal process. When Chobani was looking at locations for its plant, it was drawn to Twin Falls because of the infrastructure already in place. Tax increment financing was an important aspect of bringing this new company to Idaho. Requiring interested companies to wait for an election, and if the election went well, to then wait for the creation of a new revenue allocation area, could dissuade companies from seriously looking at Idaho due to the time and uncertainty involved. Cities could fund upgrades from their general revenue dollars, however, that could be prohibitive. He says that there may be problems with urban renewal but this is not the solution.

In response to questions, **Mr. McClure** stated that other states are more nimble and can offer assurances in advance. Chobani was only able to have sewer service in Twin Falls through urban renewal tax increment financing.

Melinda Anderson, City of Twin Falls and the Redevelopment Association of Idaho, stated that requiring an election would be an unnecessary impediment to urban development. Currently all plans and amendments are subject to public hearings through city councils. She said that this bill does not clarify when elections would occur, or if elections would be required for plan amendments.

In response to questions, **Ms. Anderson** stated that in the City of Twin Falls, board members can serve a total of six years before they must step down.

John Watts, Idaho Chamber Alliance, stated that per Idaho Code, elections would only be held every other year. He stated that the bill language directs changes to take effect on July 1, 2013, however, it also requests an emergency clause.

Rep. Moyle stated that the House of Representatives heard a bill requiring a vote during a previous legislative session. Current statute allowing expansion by 10% would have covered the Chobani project. When an urban renewal district is created and that increment is taken away, people are affected by changes and deserve to have a say in how they are affected.

In response to questions, **Rep. Moyle** stated that if a vote had been required in Twin Falls for Chobani to build their plant, he is certain the citizens would have voted to welcome them. He believes that even without a vote, they could have had their needs met due to the allowance of a 10% expansion.

Rep. Sims stated that revenue allocation areas, once established, are not plan-specific any longer. Funds can easily exceed the requirements for original project plans and the area boards can then spend that money any way they choose.

MOTION:

Rep. Barbieri made a motion to send **H 135** to the floor with a **DO PASS** recommendation. He spoke to his motion, saying that taxpayers deserve to have a voice in how their money is spent.

Rep. Clow stated that he believes this is bad law. He said that we think of ourselves as a democracy but we are a representative government, and while there are many things on which we would like to have votes, our local people on city councils and other entities are entrusted with making decisions. He stated that Chobani's project involved a huge number of acres and is a stand-alone entity on their revenue allocation area. He believes the project exceeds the 10% limitation. He stated that this law is too restrictive and complicates one of the few tools that remain for economic growth.

Rep. Hancey stated that the mayor and city council can remove board members if there is a problem with spending. The mayor and city council answer to citizens, which allows citizens a voice.

Rep. Kloc stated that the Idaho Legislature is a perfect example of a representative government in which citizens entrust their voices to their representatives.

Chairman Barrett stated that America was founded as a republic based on a constitution. We have a form of representative government because we elect representatives to conduct our business. This bill would allow people an election, a vote. Chairman Barrett stated that America is all about giving the people a right that they should not have to ask for. She **supports H 135**.

Rep. Luker said that he recognizes some impairment of obligation that is a serious problem, and the frequency of elections is a matter he would like to study.

Rep. Barbieri spoke to his motion. He said he understands that urban renewal districts have become primarily used to avoid votes that are required for bonding. Tax bases have increased for outlying areas and that is a concern.

ROLL CALL VOTE:

Chairman Barrett requested a roll call vote on the motion to send H 135 to the floor with a DO PASS recommendation. Motion failed on a vote of 4 AYE, 9 NAY, 1 ABSENT/EXCUSED. Voting in favor of the motion: Reps. Barrett, Sims, Harris and Barbieri. Voting in opposition to the motion: Reps. Luker, Perry, Clow, Hancey, Holtzclaw, Horman, Malek, Kloc and Meline. Rep. Chew was Absent/Excused.

UNANIMOUS CONSENT REQUEST:

Rep. Barbieri made a unanimous consent request to **HOLD H 136** in committee. There being no objection, the request was granted.

H 137:

Rep. Malek presented **H 137**. He stated that urban renewal agencies currently have the power to enter any building or property in any urban renewal area, including private residences. **H 137** would remove that power.

Erik Makrush, Idaho Freedom Foundation, stated that he supports H 137.

MOTION:

Rep. Sims made a motion to send **H 137** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote**. **Rep. Malek** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 3:38 p.m.

	<u> </u>
Representative Barrett	Mary Tipps
Chair	Secretary

AMENDED AGENDA #1

HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 pm or Upon Adjournment of the House Room EW05

Wednesday, March 06, 2013

SUBJEC	T DESCRIPTION	PRESENTER
<u>H 136</u>	Local Land Use Planning	Rep. Barbieri
<u>H 138</u>	Process Change for Filing Plat	Rep. Malek
<u>H 246</u>	Development Impact Fees	Larry Spencer, DH Consulting

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

Rep Harris

COMMITTEE MEMBERS

Chairman Barrett

Vice Chairman Sims

Rep Holtzclaw
Rep Barbieri

Rep Horman
Rep Luker

Rep Malek
Rep Perry

Rep Clow

Rep Kloc

Rep Hancey

Rep Meline

COMMITTEE SECRETARY

Mary Tipps
Room: EW06
Phone: 332-1147

email: hloc@house.idaho.gov

HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Wednesday, March 06, 2013

TIME: 1:30 p.m. or Upon Adjournment of the House

PLACE: Room EW05

MEMBERS: Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry,

Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

ABSENT/ EXCUSED: Representative Horman

GUESTS: Roger Seiber and Steve Price, Ada County Highway District (ACHD); Gary Allen,

Givens Pursley; Miguel Legarreta and John Eaton, Realtors; Erik Brubaker, City of Ponderay; Alex LeBeau, Idaho Association of Commerce and Industry (IACI); Ray Stark, Boise Metro Chamber of Commerce; Bill Nichols, City of Nampa; Jerry Mason and Leon Duce, Association of Idaho Cities (AIC); Elizabeth Criner, J.R. Simplot Company; Brad Wills, Idaho Builders and Contractors Association (IBCA)

Chairman Barrett called the meeting to order at 2:49 p.m.

MOTION: Rep. Kloc made a motion to approve the minutes of February 14, 2013. **Motion**

carried by voice vote.

H 136: Rep. Barbieri presented H 136, which was previously before the Committee on

February 14, 2013, and was held at the request of the sponsor. He requested

that the committee reconsider the bill.

MOTION: Rep. Sims made a motion to reconsider H 136. Chairman Barrett stated she was

in doubt regarding the voice vote and asked for a show of hands. By a show

of hands, the motion failed.

H 138: Rep. Malek presented H 138, saying that Idaho Statute requires a copy of every

plat filing to be filed along with the original. Idaho Code Section 50-1310 requires that silver image emulsion be used to create the copies, however, silver image emulsion is expensive, rare, and currently unavailable. Suitable alternatives do

exist, and H 138 would allow substitutions.

MOTION: Rep. Hancey made a motion to send H 138 to the floor with a DO PASS

recommendation. Motion carried by voice vote. Rep. Malek will sponsor the bill

on the floor.

H 246: Larry Spencer, DH Consulting, presented **H 246**. He said this legislation would

amend Idaho Code Section 67-8212, to clarify the appeals process related to the Development Impact Fee Act. It would require governmental entities to prove by a preponderance of the evidence that ordinances or amounts of impact fees meet the requirements of this chapter. He explained this would bar abuse of impact fees, which has been a problem in other states including Florida; this bill is modeled after legislation that was recently enacted in Florida. Impact fees are only allowed to be

used for public facilities that are made necessary by new growth.

Responding to questions, **Mr. Spencer** stated he anticipates there could be nuanced issues. This proposed change is designed to prevent problems and to maintain conservative fees. Recently in Post Falls, the owner of a mini storage facility added a new building to his existing business and had to pay an impact fee of \$14,000, in an area where existing residents were using the business. A number of impact fee studies have been done around the State. One study found that a \$45 per square foot impact fee had been considered justified in a commercial area. That fee could have totaled six figures. Plans and ordinances should, by law, already address any potential issues. If someone did bring a lawsuit related to impact fees, attorney fees would be paid for by those being represented.

Bill Nichols, City of Nampa, spoke **in opposition** to **H 246**. He said he was involved with the development of Nampa's development impact fees, which are designed to assist communities during times of growth and to provide relief from the need to increase property tax rates. Nampa has a citizen impact fee advisory committee that includes developers, residential and commercial contractors and taxpaying community members. Plans can be and have been revised to lower fees if growth does not occur at a predicted rate. He said in his experience, cities, counties and highway districts undertake a rigorous process to ensure that the fees being charged are correct.

In response to questions, **Mr. Nichols** said a number of fees are collected and used in development, and each is different depending on changes that are made due to that development. **H 246** would allow new developers to file lawsuits requiring governmental entities to prove that the fees they charged were correct. Currently, a developer can ask for an individualized assessment and reconsideration if (s)he believes an impact fee is inappropriate. Appeals procedures and mediation currently exist. There is currently a presumption of validity of impact fees. His impression is that evidence not previously submitted to original deciding bodies could be submitted later during an appeal. Idaho does not have a time limit related to impact fees. He said that impact fees could certainly be abused, but he does not think that Idaho communities are abusing the fees. **H 246** addresses the burden of proof.

Roger Seiber, Ada County Highway District (ACHD), spoke **in opposition** to **H 246**, saying that impact fees are important and are carefully used. He asked the committee to reject changing the burden of proof.

Mr. Spencer agreed that impact fees are important for Idaho communities. He said, however, more meaningful review through the courts is also important. In the Post Falls case, the business owner was denied a review and was advised by his attorney that the courts would not be able to assist him due to the way current law is written. He cited the case of impact fees being charged on fire trucks, because they were considered by their community to be "rolling buildings". He said that the cities and counties in Florida did not want any additional scrutiny, and this change was initially rejected by the Florida legislature. Two years later, it was unanimously passed through their legislature.

ORIGINAL MOTION:

Rep. Barbieri made a motion to **HOLD H 246**. He spoke to his motion, saying that he sees some problems with the draft legislation.

SUBSTITUTE MOTION:

Rep. Luker made a substitute motion to **HOLD H 246** at the discretion of the Chairman. He spoke to his motion, indicating that he did see some problems with the draft legislation, however, he would like the sponsor to have an opportunity to work on the bill and return to the committee.

ROLL CALL A roll call vote was requested on the substitute motion to HOLD H 246 at VOTE ON the discretion of the Chairman. Motion failed by a vote of 6 AYE, 7 NAY, 1 SUBSTITUTE Absent/Excused. Voting in favor of the motion: Reps. Sims, Barbieri, Luker, MOTION: Harris, Malek, and Chairman Barrett. Voting in opposition to the motion: Reps. Perry, Clow, Hancey, Holtzclaw, Chew, Kloc, and Meline. Rep. Horman was absent/excused. ROLL CALL A roll call vote was requested on the original motion to **HOLD H 246** in committee. VOTE ON Motion carried by a vote of 12 AYE, 1 NAY, 1 Absent/Excused. Voting in favor of the motion: Reps. Sims, Barbieri, Luker, Perry, Clow, Hancey, Harris, ORIGINAL MOTION: Holtzclaw, Malek, Chew, Kloc, and Meline. Voting in opposition to the motion: Chairman Barrett. Rep. Horman was absent/excused. ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:54 p.m. Mary Tipps Secretary Representative Barrett Chair

AGENDA

HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 p.m. or Upon Adjournment of the House Room EW05

Tuesday,	March	12,	2013
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SUBJECT	DESCRIPTION PRESENTER	
<u>H 246</u>	Development Impact Fees	Larry Spencer, DH Consulting

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY Mary Tipps Rep Harris Chairman Barrett Rep Holtzclaw Room: EW06 Vice Chairman Sims Rep Barbieri Rep Horman Phone: 332-1147 Rep Luker Rep Malek email: hloc@house.idaho.gov Rep Perry Rep Chew Rep Clow Rep Kloc Rep Hancey Rep Meline

MINUTES HOUSE LOCAL GOVERNMENT COMMITTEE DATE: Tuesday, March 12, 2013 TIME: 1:30 pm or Upon Adjournment of the House PLACE: Room EW05 **MEMBERS:** Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline ABSENT/ None **EXCUSED: GUESTS:** None Chairman Barrett called the meeting to order at 2:21 p.m. MOTION: Rep. Horman made a motion to approve the minutes of March 6, 2013. Motion carried by voice vote. MOTION: Rep. Barbieri made a motion to reconsider H 246, which was previously held in committee on March 6, 2013. **ROLL CALL** A roll call vote was requested. Motion failed by a vote of 5 AYE, 9 NAY. Voting in VOTE: favor of the motion: Reps. Sims, Barbieri, Luker, Harris and Chairman Barrett. Voting in opposition to the motion: Reps. Perry, Clow, Hancey, Holtzclaw, Horman, Malek, Chew, Kloc and Meline. **ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:25 p.m.

> Mary Tipps Secretary

Representative Barrett

Chair

AGENDA

HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 pm or Upon Adjournment of the House Room EW05

Thursday, March 14, 2013

SUBJECT	DESCRIPTION	PRESENTER
H 80	Emergency Communications Grant Fees	Garret Nancolas, Idaho Emergency Communications Commission

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY

Chairman Barrett
Vice Chairman Sims
Rep Holtzclaw
Rep Barbieri
Rep Luker
Rep Perry
Rep Clow
Rep Clow
Rep Hancey
Rep Malek
Rep Malek
Rep Chew
Rep Kloc
Rep Meline

Mary Tipps

Room: EW06 Phone: 332-1147

email: hloc@house.idaho.gov

	HOUSE LOCAL GOVERNMENT COMMITTEE	
DATE:	Thursday, March 14, 2013	
TIME:	1:30 p.m. or Upon Adjournment of the House	
PLACE:	Room EW05	
MEMBERS:	Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline	
ABSENT/ EXCUSED:	Rep. Chew	
GUESTS:	Garret Nancolas and R. David Moore, Emergency Communications Commission (ECC)	
	Chairman Barrett called the meeting to order at 2:58 p.m.	
MOTION:	Rep. Harris made a motion to approve the minutes of March 12, 2013. Motion carried by voice vote.	
H 80:	Rep. Wills , representing the Emergency Communications Commission (ECC), presented H 80 , which would remove the sunset clause in Section 31-4819, Idaho Code, to revise the provisions relating to enhanced emergency communication grant fees to cities and counties. He said the ECC is part of the Department of the Military, based at Gowan Field. It began with the intent and purpose of taking twenty-five cent fees from telephone lines, to facilitate radio communication across the State of Idaho. Monies that come in are sent back to cities and counties via grants. Approximately \$6.6 million have been given out through this program.	
	Responding to questions, Rep. Wills explained that, originally, the goal was to ensure all counties had basic 911 service. Currently all counties are served, and some have moved to enhanced service. Some counties have high enough populations that they do not require financial aid, but others are not self-sustaining and do require the assistance that is provided through the grant program.	
	Garret Nancolas , Emergency Communications Commission (ECC) and City of Caldwell, testified in support of H 80 . He said responders must know where they are needed and what is needed in a timely manner. The ECC's original program allowed basic dispatch service. Phase II addresses wireless calls including text messages. It is important to be able to pinpoint the location of a cell phone based 911 call if the caller is unable to speak. As technology changes, the cities and counties must adjust their service.	
MOTION:	Rep. Kloc made a motion to send H 80 to the floor with a DO PASS recommendation. Motion carried by voice vote. Rep. Harris requested to be recorded as voting NAY. Rep. Wills will sponsor the bill on the floor.	
ADJOURN:	There being no further business to come before the committee, the meeting was adjourned at 3:14 p.m.	
Representative Chair	Barrett Mary Tipps Secretary	

AGENDA

HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 p.m. or Upon Adjournment of the House Room EW05 Monday, March 18, 2013

SUBJECT	DESCRIPTION	PRESENTER
<u>H 150</u>	Judicial Review of Board Decisions	Michael Kane, Idaho Association of Counties

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS COMMITTEE SECRETARY

Chairman Barrett
Vice Chairman Sims
Rep Holtzclaw
Rep Barbieri
Rep Horman
Rep Luker
Rep Perry
Rep Clow
Rep Clow
Rep Hancey
Rep Malek
Rep Malek
Rep Chew
Rep Kloc
Rep Meline

Mary Tipps Room: EW06 Phone: 332-1147

email: hloc@house.idaho.gov

HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Monday, March 18, 2013

TIME: 1:30 p.m. or Upon Adjournment of the House

PLACE: Room EW05

MEMBERS: Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry,

Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

ABSENT/ EXCUSED: Representatives Perry and Chew

GUESTS: Tony Poinelli, Idaho Association of Counties (IAC)

Chairman Barrett called the meeting to order at 1:33 p.m.

MOTION: Rep. Kloc made a motion to approve the minutes of March 14, 2013. Motion

carried by voice vote.

H 150: Tony Poinelli, Idaho Association of Counties, presented H 150, which would

clarify that the Idaho Administrative Procedures Act must be complied with before any party brings an appeal regarding the decisions of county commissioners. Commissioners may perform certain administrative functions including purchasing of equipment, supervising employees, and budgeting. Boards of commissioners may also perform executive functions, as quasi-judicial bodies under certain circumstances. There have been instances of confusion and problems interpreting current Code and lawsuits have been brought against commissioners based on

decisions that were never intended to go through the court system.

Mr. Poinelli responded to questions, saying Michael Kane has recently taken this issue to the Supreme Court. Terms of contracts must be clearly spelled out. The Prompt Pay Law allows 60 days for payments of expenditures. There is a clearly defined budgeting process. The appeals process was not intended to allow parties to appeal budget decisions in order to attempt to receive additional funding. A "final action" is a judicial function. Mr. Poinelli provided an example of the problem this bill is attempting to solve, for clarification: In a particular county, a board of commissioners released an individual. That individual appealed the firing decision based on existing statute. In 1993, there was some clarifying recodification. During that same year, a department head sued his board of county commissioners for more dollars in his budget, and an increase in his personal pay. Idaho Association of Counties would like to rectify the problem of these lawsuits by making clarifications in Statute.

Rep. Luker said that when there is a Supreme Court decision still pending, he is not comfortable making a change. He would like to allow the Court to make their decision and respond to that decision.

Michael Kane, Idaho Association of Counties, said oral arguments have been made in the Supreme Court case and that the Court requested that he "come to the Legislature and fix it". Statutes are driven by legislative intent. Mr. Kane said this bill would make a necessary adjustment for the future. Four district court judges have certified cases to the Supreme Court because they do not know how to apply this Statute. The courts will look at each case individually and rely on legislative intent when making decisions. This section of Code is currently being interpreted by some people to mean that any decision, such as which insurance company to use, can be appealed in court. Currently Statute reads "any act", which can be interpreted to mean that literally any decision that is made can be appealed through a lawsuit. **H 150** would clearly define that individuals need to go through the rules of

the Idaho Administrative Procedures Act before bringing a lawsuit. The addition of the word "final" does provide additional, needed clarification. "Final" is in the Idaho Administrative Procedures Act. Any final act can be appealed.

Mr. Kane cited the case of a prosecuting attorney who believed he was not making enough money. He decided to appeal budget decisions that had been made, in order to attempt to secure a larger salary. If budget decisions are subject to judicial action, the Court becomes a super-commissioner. There are at least some courts, and a lot of litigants, who believe the Idaho Administrative Procedures Act only applies to the appellate process, and order must be brought to the first half of the process. Mr. Kane is a hearing officer with the Idaho Administrative Procedures Act and believes the proposed language is sufficient to clarify the original legislative intent.

MOTION: Rep. Malek made a motion to send H 150 to the floor with a DO PASS

recommendation.

ROLL CALL VOTE:

Chairman Barrett requested a roll call vote. Motion carried by a vote of 11 AYE, 1 NAY, 2 Absent/Excused. Voting in favor of the motion: Reps. Sims, Barbieri, Luker, Clow, Harcey, Harris, Holtzclaw, Horman, Malek, Kloc and Meline. Voting in opposition to the motion: Chairman Barrett. Reps. Perry and Chew were absent/excused. Rep. Malek will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was

adjourned at 2:20 p.m.

Representative Barrett	Mary Tipps
Chair	Secretary

AGENDA

HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 pm or Upon Adjournment of the House Room EW05

Wednesday, March 20, 2013

SUBJECT	DESCRIPTION	PRESENTER
<u>H 133</u>	County Recorder Fees	Kerry Ellen Elliott, Idaho Association of Counties

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS		COMMITTEE SECRETARY
Chairman Barrett	Rep Harris	Mary Tipps
Vice Chairman Sims	Rep Holtzclaw	Room: EW06
Rep Barbieri	Rep Horman	Phone: 332-1147
Rep Luker	Rep Malek	email: hloc@house.idaho.gov
Rep Perry	Rep Chew	
Rep Clow	Rep Kloc	
Rep Hancey	Rep Meline	

HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Wednesday, March 20, 2013

TIME: 1:30 pm or Upon Adjournment of the House

PLACE: Room EW05

MEMBERS: Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry,

Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline

ABSENT/ None

EXCUSED: GUESTS:

Kerry Ellen Elliot, Idaho Association of Counties (IAC); Shelly Tilton, Gem County;

Betty Dressen, Payette County

Chairman Barrett called the meeting to order at 2:53 p.m.

MOTION: Rep. Horman made a motion to approve the minutes of March 18, 2013. **Motion**

carried by voice vote.

H 133: Kerry Ellen Elliot, Idaho Association of Counties (IAC), presented H 133, which

would increase the recording fees for the first page of mining claims to \$10. In 2010, statutory changes were made to raise recording fees, which had not previously been raised since the 1980s. The fee increase allowed county recorders to meet new technological requirements. During the change in 2010, mining claims were missed. Approximately \$40,000 to \$50,000 in annual new revenue is expected to come to counties through an increase in mining fees. Ms. Elliott said she had not

heard of any opposition from the mining community.

Responding to a question, **Ms. Elliott** said her association worked cooperatively with title companies to develop the new fee structure in 2010.

with title companies to develop the new fee structure in 2010.

Rep. Sims declared Rule 38, saying she sits on the Board of Directors of a Shoshone County mining company.

Chairman Barrett declared Rule 38, saying she files assessment work.

Larry Benton, Idaho Land Title Association, responded to questions. He said in 2010, the primary issue was inconsistency in the fees that were being charged for take outs (transfers of documents). The 2010 legislation attempted to bring consistency to those fees. Recorders have all documents that have been recorded for real estate transactions. Title companies that need these documents during new transactions must go to their counties and request copies. Currently copies are in a scanned, electronic format. "Take out" is a term used to describe a document transfer. Raising recording fees was incidental.

Shelly Tilton, Gem County, testified **in support** of **H 133**. She said she believes the 2010 legislation came from county clerks, in conjunction with title companies. Members of the public who request copies generally receive them on paper, which carries a cost to the counties, and fees are charged to offset those costs. Electronic copies are not a burden. **H 133** is designed to make mining claim fees consistent with other, related fees. Currently, because mining claim fees are different from other fees, counties need to record them differently than other fees. They are requesting an adjustment in the fee schedule to create consistency in the filling process. Microfilm is still used for older documents. Members of the public can go to their county offices to view documents.

Ms. Elliot responded to additional questions, saying her understanding is that smaller operators and recreational prospectors would be affected by this change. The increase only affects the first page of any document. She contacted the Idaho Gold Prospectors' Association, and they do not have any concerns about this change. Additionally, she spoke with Jack Lyman, who indicated none of the larger operators are in disagreement.
Rep. Kloc made a motion to send H 133 to the floor with a DO PASS recommendation. Motion carried by voice vote. Chairman Barrett and Rep. Sims requested to be recorded as voting NAY. Rep. Kloc will sponsor the bill on the floor.
There being no further business to come before the committee, the meeting was adjourned at 3:21 p.m.

Representative Barrett Mary Tipps
Chair Secretary

MOTION:

ADJOURN:

AGENDA

HOUSE LOCAL GOVERNMENT COMMITTEE

1:30 p.m. or Upon Adjournment of the House Room EW05 Tuesday, March 26, 2013

SUBJECT	DESCRIPTION	PRESENTER

Approval of Minutes

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Barrett

Rep Barbieri

Vice Chairman Sims

Rep Harris Rep Holtzclaw Rep Horman

Rep Luker Rep Malek
Rep Perry Rep Chew
Rep Clow Rep Kloc
Rep Hancey Rep Meline

COMMITTEE SECRETARY

Mary Tipps
Room: EW06
Phone: 332-1147

email: hloc@house.idaho.gov

HOUSE LOCAL GOVERNMENT COMMITTEE

Tuesday, March 26, 2013 DATE: TIME: 1:30 p.m. or Upon Adjournment of the House PLACE: Room EW05 Chairman Barrett, Vice Chairman Sims, Representatives Barbieri, Luker, Perry, **MEMBERS:** Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline ABSENT/ Representative Perry **EXCUSED: GUESTS:** None Chairman Barrett called the meeting to order at 3:17 p.m. MOTION: Rep. Horman made a motion to approve the minutes of March 20, 2013. A roll call vote was requested. Motion carried by a vote of 13 AYE, 0 NAY, 1 Absent/Excused. Voting in favor of the motion: Reps. Sims, Barbieri, Luker, Clow, Hancey, Harris, Holtzclaw, Horman, Malek, Chew, Kloc, Meline and Chairman Barrett. Rep. Perry was absent/excused. ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:26 p.m.

Representative Barrett

Chair

Mary Tipps Secretary