

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Wednesday, January 29, 2014

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

**PLACE:** Room WW53

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

**ABSENT/  
EXCUSED:** Senator Hill

**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 3:03 p.m.

**GUBERNATORIAL APPOINTMENT** **Chairman Siddoway** welcomed Ken Roberts to the podium for the consideration of his appointment for commissioner of the Idaho State Tax Commission (Commission). He asked Mr. Roberts to introduce himself to the Committee.

**Mr. Roberts** said it is an honor to stand before the Committee for the confirmation of his appointment to the Commission. He shared that he spent 12 years serving in the Legislature and represented many districts and counties during that time, including time in leadership positions. He said he was originally appointed to the Commission on July 16, 2012 by Governor Otter and stood before this body for confirmation during the session last year. He was appointed at that time to fill the balance of a term. This year, he is before the Committee for confirmation of his reappointment by Governor Otter. **Mr. Roberts** said he would stand for questions.

**Senator Werk** asked "how the retraining of the Commission is going." **Mr. Roberts** replied, "It's fun and going well, and in seriousness, there are things I've learned since serving in the Commission that I wish I'd known when serving in the Legislature." **Mr. Roberts** said there is a lot of difference in promoting tax policy from the Legislature and being able to administer that policy and what it means to counties and taxpayers. He said it is complex and there are dynamics that need to be understood.

**Vice Chairman Rice** asked Mr. Roberts to comment on how there are some rules being considered this year that seem to read differently from what statute says. **Mr. Roberts** asked for clarification on what Vice Chairman Rice was referencing. **Vice Chairman Rice** gave an example of the personal property tax rule as it relates to power lines on publicly owned real estate. **Mr. Roberts** stated he believed the Vice Chairman was referring to some of the rules relating to H 315 that was passed last year, and noted that it has been a controversial subject. **Mr. Roberts** said he would like to address a couple of issues and then answer the Vice Chairman's question.

**Mr. Roberts** said that prior to the passage of H 315, it didn't matter where the line was drawn between real and personal property because there was no exemption enjoyed by the taxpayers. However, once the exemption was passed and centrally assessed property enjoyed the exemption, the line needed to be defined. He said H 315 left in place a couple of conflicts, in which certain properties would be defined as personal property, even if they were contrary to the three part test used to determine real and personal property.

**Mr. Roberts** stated there is a conflict within the law that needs to be decided upon by policy makers to define what is real and what is personal. He said the Commission was handed H 315 last year not knowing what direction to follow. He said the Commission attended a legislative council meeting where there was discussion about the struggles the Commission had been having implementing the law with the differences between real and personal property.

**Mr. Roberts** said the Commission was informally directed to come up with rules to create a definition. He said it is not something agencies like to do but someone needed to do it so that county assessors could implement the law. **Mr. Roberts** said that is the background about why there was a rule presented that relied on the three factor test. He said there is discussion on how to deal with issues such as cabins on state leased land and cell towers on state leased land and whether they would be treated as personal property or as real property. He said 309 says improvements on state leased land, such as cell towers, shall be treated as personal property. However, when looking at the code, the definition is reversed when considering the three factor test. He said there is work to be done on this issue during this session.

**Vice Chairman Rice** asked if it would be reasonable to say that both statutes should be followed and that the interpretation of the three factor test would apply except for state leased lands where there is a more specific statute. **Mr. Roberts** replied that is certainly an option that could be considered; however, it would create a conflict when it comes to homes. He said it may make sense when discussing cell towers on publicly leased land, but it would not make sense when there is a property on real land, a house that is privately held with clear title, and right next door there is the same exact house built on state leased land, and one is considered personal property, which would enjoy an exemption, and the other would not. There is not uniformity in that.

**Vice Chairman Rice** said he noticed that there are not rules submitted for the cloud computing bill that passed last year. He said he thought the Commission had worked with the sponsor of that bill last year and asked what kinds of problems and solutions have been discussed for that measure. **Mr. Roberts** replied that yes, the Vice Chairman is correct, a bill passed last year relating to cloud computing and the definition of what is tangible personal property when it is subject to sales and use tax in Idaho Code.

**Mr. Roberts** stated that he needed to be careful to not comment on current cases that are under appeal in the Commission. He said the Commission understood that piece of legislation to deal with some specific industries that raised concern about the type of remotely accessed software. He said after the Legislature adjourned sine die, the rules committee worked on the issue with industry present and there were many comments and concerns. He said as they delved into what is cloud software and what is remote access software, it suddenly became apparent that the definition was broadened way beyond the impact that was suggested with the fiscal note, which gives guidance to the agency on what was meant by the legislation.

**Mr. Roberts** said "I'm not apologizing for what I'll say," but he thinks the Commission would caution the legislative body that as technology changes in the country and the world, and as methods of financial transactions change over time – noting that people can transact on an iPad across the world in the twinkling of an eye – that the way tax laws were written in 1931 for income tax and in 1896 for property tax and in 1965 for sales tax, and financial transactions look differently today than they did then.

**Mr. Roberts** said traditional transactions still take place, but as the age of technology advances faster than the government can keep up with it, he cautions that if lawmakers create broad exemptions, it may have and will likely have significantly more impact on financial transactions in the future than what was intended.

**Mr. Roberts** said, having said all that, he thinks the legislation on cloud computing passed last year needed more clarity and the Commission needed clear direction about what types of transactions were actually going to be exempted, and whether that would be full wide exemption of all types, whether storage data, something bought from an online source, remote software used on another third-party server, or a combination of access codes on a computer that was downloaded to create access to that third-party location. He said they did not have clarity on these questions. **Mr. Roberts** said he believes there will be legislation this year that may provide more clarity, and he urged the Committee to think about the future when evaluating it.

**Vice Chairman Rice** asked Mr. Roberts if it is the position of the Commission that questions pertaining to the fiscal note on a bill be sufficient to delay doing what the Legislature said to do in the bill itself, or to send it back to the Legislature because the fiscal note may have been guessed wrong. **Mr. Roberts** answered that the fiscal note is one of the indicators they consider, but the primary reason for delay is the lack of clarity on the types of definitions, and he apologized if he let the fiscal note enter that discussion.

**Senator Werk** asked Mr. Roberts to comment on a recent report from a taxpayer advocacy group that indicated a discrepancy between the opinions of the Commission employees and the public on how the agency is performing. **Mr. Roberts** replied that there is a tendency in any organization to think it is doing the best job it possibly can. He said the report he thinks Senator Werk is referencing was a survey of 275 of the 426 staff members, and he said he thinks there is probably an ingrained impression that they're doing their job the best they can based on their perspective. He said the other group was several hundred certified public accountants (CPAs) who were interviewed about how they were treated and how their questions were answered, and their grade was not as high as the "self-grade." **Mr. Roberts** said, "We are dealing with taxes here," and that is the background that needs to be considered. **Mr. Roberts** said, "I personally don't like to pay more taxes than I have to."

**Mr. Roberts** said there are times when audit staff has to deal with CPAs and taxpayers and remind that something wasn't done correctly or something was missed and by the nature of that, the staff may not find it offensive, but the CPA will, and consequently may not feel they were treated well. **Mr. Roberts** said the Commission has been actively pursuing improvements over the past several years for employee morale, as well as training with staff on how to handle taxpayers. He said auditors know they will be evaluated by the taxpayer after the completion of their audit. **Mr. Roberts** said that taxpayers get frustrated with the complexity of tax code and don't understand all that taxes do, and that is why the Commission strives for a fair, uniform and simple tax code.

**Chairman Siddoway** asked Mr. Roberts to explain his understanding of how negotiated rulemaking works, and if negotiated rulemaking is different for different types of rules; as in, would personal property tax negotiated rulemaking be different than sales tax negotiated rulemaking. **Mr. Roberts** answered that negotiated rulemaking is probably not labeled correctly. He said it sounds like everyone comes together, has a difference of opinion, but all leave happy. He said rather, the way the statute reads is to allow for input from different interested parties, associations and groups, about the impact they feel they would experience on a particular rule.

**Mr. Roberts** said one of the struggles is when a statute that is passed isn't clear enough to write the rule to follow the intent of the law. He said there are times when they decide not to have negotiated rulemaking for simple rules, as is the case with adjusting income tax brackets because that is a simple calculation. He said other issues that are more controversial have the open process, and they are fortunate to have that open process. He said Alan Dornfest has been the Commission's property tax rule negotiator for many years, and he's very good about bringing in the counties, which involves the assessors, different industry groups and letting people speak about their concerns about legislation and rules that are promulgated around it. **Mr. Roberts** said the bottom line is the Commission tries to be as open with the process as possible and tries to follow the intent of the law. **Mr. Roberts** said he personally is not "the" expert in sales and use tax, rather, the staff are the experts on the issues, as that is what they live and drink and breathe every day. **Mr. Roberts** said the Commission relies on them and asks them about what a change in words in statute would mean, and they offer insight into what impact it would have in other areas of the code, and their input is quite significant at times.

**Chairman Siddoway** asked who ultimately gets to decide on a rule. He asked if it is the Commission or if the staff brings issues to the Commission on what the staff thinks should be a proposed rule. **Mr. Roberts** answered the Commission has subcommittees who make recommendations to the Commission, and it is the Commission that ultimately decides what rules will go forward and those items are voted on at open public meetings in the September/October/November time-frame.

**Chairman Siddoway** asked Mr. Roberts to explain the Commission's position and understanding of signs, whether temporary or permanent, and why they cannot all be called personal property. He also asked about road right of ways and the difference when the property is state or federally owned. **Mr. Roberts** noted the Chairman was referring to Rule 36 in sales and use tax, which deals with improvements to real property. He said that Idaho Code is clear that improvements to property are subject to taxation, as has been the practice since the sales tax statute was passed in 1965. He said signage is considered improvement to real property. **Mr. Roberts** said he would encourage good discussion on this issue, and if the Committee desires there to be a meeting on the issue, the Commission will attend.

**Chairman Siddoway** asked if sales and use tax is Mr. Roberts' assigned responsibility in the Commission. **Mr. Roberts** confirmed yes, he is the commissioner in that area. **Chairman Siddoway** related the story of an informal meeting they had with a local business last year. Some of the business's assets had been frozen and the entity realized it was in trouble and didn't have the ability to satisfy its tax obligation.

**Chairman Siddoway** said the business was told it needed "x-amount" and when they gathered the dollars to satisfy that obligation, they found out the amount had changed because of penalties and the time frame, and it was now "x-amount plus y-amount", and then they got together the "x-plus-y amount" only to be told it was now "x-plus-y-plus-a amount." **Chairman Siddoway** asked if there is a way to go into such negotiations to allow a time frame which fulfills the integrity of the Commission and the interests of the state of Idaho, and also gives the business a drop-dead date of when x would have been due or when x-plus-y would have been due.

**Mr. Roberts** said he had two answers to give. First, he said, sales and use taxes are charged to a customer and the business collects and holds that sales and use tax. At the time they collect it, it is considered a trust fund for the state of Idaho. This money is to be held and passed on to the State, as it wasn't the business's money to begin with. He said the business has an obligation to pass that on to the State, and those funds are highly protected because it is the State's property. Next, **Mr. Roberts** said, two things happen on cases that are appealed. He said where there is doubt of collectability, as when a business has gone out of business or the responsible parties are not in the State or are deceased, those types can be written off with Commissioner approval under certain thresholds. There are other procedures for higher amounts. He said another provision allows for economic hardship. He said if a family or someone is trying to survive and they have a large liability to the State in sales and use tax, or even income tax, there are provisions that can be made, which would include statutorily required interest, but the Commission can make some exceptions.

**Chairman Siddoway** asked about the time frame that a person has if the person determines they cannot satisfy the obligation immediately but maybe could in a few weeks. He asked how quickly a situation like this gets before the Commission.

**Mr. Roberts** answered that there is an appeal window in which it is escalated to tax policy review and the Commission has an informal hearing to make a decision on the case, which is where many of these situations wind up. He said outside of that, there is a 60 day window, and he'd have to get back to the Committee on the particulars of that. He said it can go quickly, but there has been a backlog of cases for years. **Mr. Roberts** said the backlog is something the Commission has been evaluating to expedite, noting he didn't want to give the Committee a false impression, that for example, if it was due last July, they'll deal with it now. He said the statute of limitation allows the Commission to go back three years, and if it's a non-filer case, there is no statute of limitation.

**Mr. Roberts** said one last note is the Commission has a process it has used for payment plans, wherein if someone had a liability and did not have the funds but planned to get a job in the summer, they could explain the situation to the Commission's collections division and say "this is what I owe and this is my plan," and the Commission would accommodate that. He said the Commission has recently started allowing six months, not quite interest free, but they would hold off on collections for a period of time.

**Senator Vick** said the Commission has made news for shutting down a raspberry seller and a pumpkin stand. He asked if Mr. Roberts thinks that is appropriate or if there needs to be legislation to prevent that from happening again. **Mr. Roberts** replied there are dynamics of those cases that cannot be discussed because it is private taxpayer information, but it would be important to discuss at what age does a taxpayer reach the age of accountability to start paying taxes, like 12, 16, 18, 26. **Mr. Roberts** said the raspberry seller's permit was issued in the father's name.

**Senator Vick** asked Mr. Robert for his personal opinion as to if it is appropriate for the Commission to shut down a 12 year old's pumpkin stand. **Mr. Roberts** replied, "I would tend to say there is a spirit of the law versus the letter of the law, and I would certainly hope that any auditor who made contact with a young individual selling something along roadside to take it as an opportunity to educate the young person about what it is they're doing, and that a normal business would have to make payment." He said. "It is a really tough question to answer, but at some point in time, when that young person is trying to make an extra buck at school, and we probably all did that when we were young, and did we do it knowingly? Probably not. I would take it as a teaching moment of how a fair and equitable system is supposed to work."

**Senator Bayer** said, going back to the negotiated rules process, he'd like to know Mr. Roberts' thoughts regarding submission of minutes or notes from the meetings to the lawmakers for use as part of their rules review. **Mr. Roberts** asked for clarification, saying is it appropriate for the Commission to submit the minutes of the rules process and meetings that happen during the summer so legislators can understand the background. **Senator Bayer** replied yes, it would be nice to have background to consider and for it to include all the insight, whether it be from local and county officials or industry or another affected sector. He said the Committee gets background in bills but not for dockets. **Mr. Roberts** said it is certainly open as public record, and if the Committee would like to see it, the Commission would have no problem providing that information. He said in fact, that might be a good process to follow, especially if there have been known disagreements to find out what the discussion is between sessions.

**Vice Chairman Rice** stated, going back to raspberry and koolaid stands, it makes him wonder if there are so many auditors that they have some available to track down kids selling items. **Mr. Roberts** answered there are sales and use tax auditors throughout the state of Idaho, including regional offices in Pocatello, Idaho Falls, Twin Falls, Lewiston and Coeur d'Alene. He said as to the question if the State has enough auditors, that is a call this legislative body has to make. He said the Commission processes 780,000 income tax returns each year, and audits roughly 22,000 of them per year. He said most of those cases are settled and a fraction go on appeal. He said in the one case, the stand was in the parking lot across the street from the Commission. He said it is a standard practice for sales and use tax auditors to work street and seasonal vendor events to make sure there are permits.

**Vice Chairman Rice** said the raspberry stand was across from the Commission, but the pumpkin stand was in the child's yard, and it raises in his mind that there is some guy who has time on his hands driving around looking for kids selling stuff. **Mr. Roberts** replied he was serving in the House of Representatives at the time so he doesn't know the background of that case.

**Chairman Siddoway** said there has been discussion about how to handle operating property within personal property tax exemptions. He said there are different ways to handle that operating property and he admits his bias is just to exempt it out of the exemption, but it seems the Commission has a different thought on how to handle that, by looking at different percentages of different types of operating property. **Chairman Siddoway** asked Mr. Roberts to comment on this issue.

**Mr. Roberts** replied that he wanted to be exceedingly clear that this is ultimately a decision that this legislative body makes, not a decision that the Commission makes. **Chairman Siddoway** said, right. **Mr. Roberts** said when it comes to operating properties, centrally assessed properties, and personal property tax exemption, it is clean if they don't qualify, they don't qualify. If indeed a percentage is used, or the taxpayer qualifies for part of it, it's much easier to use a percentage of the entire value of a company whose assets are considered personal property, depending on what the definition reads. If the definition reads a clean three factor test, it will mean one percentage. If it's the three factor test plus the fixtures exception, it means a different percentage. **Mr. Roberts** said the key is to come up with a definition that works.

**Mr. Roberts** said for centrally assessed property, the Commission would encourage it to be on a percentage basis instead of the Commission having to itemize every item, and he said he thinks industry would be in favor of that as well. He said if they just had a percentage, it would be easier to administer, but it is the Legislature's decision to make. He said there are 105 sharp minds that will come up with a solution that would be best for the people of Idaho.

**Chairman Siddoway** thanked Mr. Roberts for his time and let him know the Committee will vote on his confirmation next Wednesday, February 5. **Mr. Roberts** replied he doesn't mind the tough questions at all.

**S 1236**

**Chairman Siddoway** invited Seth Grigg, Policy Analyst with the Idaho Association of Counties, to the podium to introduce **S 1236** relating to property tax notices. **Mr. Grigg** said this proposal would allow the county treasurers to send out a tax notice electronically at the request of the taxpayer. The form would be prescribed by the county treasurer. **Mr. Grigg** stated Ada County Treasurer Vicky McIntyre is available to answer technical questions if necessary.

**MOTION:**

**Senator Werk** moved, seconded by **Senator McKenzie**, to send **S 1236** to the floor with a **do pass** recommendation. The motion carried by **voice vote**.

**S 1237**

**Chairman Siddoway** invited Mr. Grigg to present **S 1237**, relating to tax deeds. **Mr. Grigg** said this bill is a simple technical correction. He said in Title 31, the Board of County Commissioners has 14 months to sell a property that has been deeded, but Title 63 indicates there are only 12 months in which to redeem the property, so the county has two months to hold onto the property. This change would allow the taxpayer to have the full 14 months to redeem it.

**Vice Chairman Rice** asked for clarification that the county has to auction it "within" 14 months or "after" 14 months. **Mr. Grigg** replied that it is "within" 14 months. **Vice Chairman Rice** described what he saw as a potential timing conflict in which a taxpayer could redeem the property at the last hour, and if that would create extra work with the need to reverse the sale. **Mr. Grigg** deferred to Payette County Treasurer Donna Peterson. **Ms. Peterson** said the commissioners have up to 14 months to put the property up for auction. She said current legislation indicates it can be redeemed up until the time the commissioners sell it, and she hopes the county would sell it before then. **Vice Chairman Rice** commented that he sees the language of the right of redemption shall expire in 14 months potentially creating a problem in court.

**MOTIN:**

**Senator McKenzie** moved, seconded by **Vice Chairman Rice** to send **S 1237** to the floor with a **do pass** recommendation. The motion carried by **voice vote**.

**Chairman Siddoway** invited Mr. Grigg to present **S 1238**, relating to the annual statement of the financial condition of a county. **Mr. Grigg** provided a handout to help with the explanation of this bill (see attachment 1). He said the proposal seeks to repeal code which requires the county auditor to annually provide a statement of financial condition to the Board of County Commissioners. He said the handout outlines the code sections. He read from Section 31-2307 to demonstrate which language would be repealed. He pointed out that Section 31-809 indicates the statements are to be published in the paper of local circulation monthly, as well as an annual full financial report. **Mr. Grigg** said this is a duplication of statements in Sections 31-1611, 31-1701, and 31-2307. This proposal requests Section 31-2307 be repealed. He said the audit is needed to present the statement and often, the audit is not able to be completed by the second Monday in January. **Mr. Grigg** also provided some samples of financial reports and indicate Payette County Clerk Betty Dressen was here to represent the Idaho Association of County Recorders and Clerks and answer questions if necessary.

**Chairman Siddoway** commented that special and/or smaller districts might not get any reports in at all, because they are so small that volunteers sit on those districts and have a hard time completing the book requirements. He asked if there is a concern there, and if there is a way to influence the county commissioners to encourage those volunteers to get reports in. **Mr. Grigg** replied that roughly only a third of local taxing districts comply with this rule, as with cemetery districts, for example, where no one will even run for those positions. He said there is not an enforcement mechanism, so counties do not have anything in place, and neither does the State. He added, there is no penalty for violating reporting requirements, so short of an enforcement mechanism, there is no way to require it, unless teeth are put into it.

**Chairman Siddoway** asked if there are funds misappropriated by the commissioners of any districts, directors or boards, and if there are ramifications for misappropriations in smaller taxing districts. **Mr. Grigg** replied there are criminal enforcement proceedings and the prosecutors would need to bring those forth.

**Senator Bayer** asked if there is a dollar or budget threshold for the requirement of the reports. **Mr. Grigg** said off the top of his head, he would say \$25,000, but he is not certain. He said he believes all counties are required to comply because their budgets would be above that. He said there are in excess of 100 taxing districts that would fall below that threshold, like library or cemetery districts, but he didn't see a breakdown of compliance levels. **Mr. Grigg** said he thinks the larger the district, the greater the compliance.

**Vice Chairman Rice** asked if there is a date set by which the annual audit must be published, and does the report contain the same information that is already put forth on the form. **Mr. Grigg** deferred to Ms. Dressen. **Ms. Dressen** said yes, after an outside auditor has audited the books, a summary must be published within 30 days. **Vice Chairman Rice** asked if there was a date by which that must be done. **Ms. Dressen** said no, there is no specific date. **Vice Chairman Rice** asked if a better way to handle this concern would be to set a date by which the auditors must complete their audit. **Ms. Dressen** replied the clerks are operating under the rules of Section 31-819. **Vice Chairman Rice** said that section does not provide a date of when a full financial report would be done, and if the rule could be addressed by applying a date. **Ms. Dressen** said she believes the date to be 30 days after the annual audit is prepared.



**Chairman Siddoway** commented how that does not mean a date certain, as in the audit having to be completed by January 15 of every single year. **Ms. Dressen** replied there is not a specific date by which it has to be done, and that is a problem because the auditors are not getting it done. **Chairman Siddoway** asked if this legislation fixes that problem. **Ms. Dressen** answered yes. She said the rest of the clerks in the State are going along with the concept of within 30 days of their outside audit report. **Chairman Siddoway** asked what would happen if the Legislature or rules put a specific date on the audit due date, and if every county would have to have a different date by which their audit needed to be done. **Ms. Dressen** replied this code has been in place for a long time, and some clerks just are not making it by that date.

**Senator Lacey** commented that as he comes from the non-profit world, non-profits are required to publish a report. He said at the end of the year, they give the auditors the information, and it would take 30 to 90 days for them to complete the audit. He said it is difficult to put a date certain on it because the report is at the auditor's whim, and it could take longer.

**Mr. Grigg** said one of the challenges being faced in the State is the availability of auditors in smaller districts. He read Section 31-1701 aloud, noting there is a requirement to have a report made within the year, but there is not a date in code for when that audit is to be completed. He said in smaller districts, it is an availability issue.

**MOTION:** **Senator Johnson** moved, seconded by **Senator Lacey**, to send **S 1238** to the floor with a **do pass** recommendation.

In discussion, **Vice Chairman Rice** said he is uncomfortable making the date be next September for the audit for the year, so it could happen a year later. He said he'd be more comfortable extending the date rather than deleting the provision. He said he would be voting no.

**Senator Johnson** said he thinks in today's world, counties have access to software and other data communication that they can use to write reports in a timely basis. He said when they go back to when the code was written, that was probably the only communication they had. He said he will vote in favor of the bill.

The motion carried by **voice vote**. **Vice Chairman Rice** and **Senator Vick** asked to be recorded as voting no.

**S 1235** **Chairman Siddoway** invited **Senator Lakey** to the podium to present **S 1235**, relating to plats and vacation of plats by cities and counties. **Senator Lakey** said this bill amends two sections of Idaho Code. He said plats are recorded maps or drawings representing division of land. He said plats are approved by the local entity, city lands in the city and county lands in the county. He said if someone is vacating a plat in the city, it should be heard in the city. If vacating land in the county, it should be heard in the county. **Senator Lakey** said, however, that is not the case in these statutes.

**Senator Lakey** said current sections of code are leftover prior to the impact area concept. He said code states that if a plat is within one mile of the city, the vacation must be heard in the city. He said this causes confusion in both cities and counties as to why the city would be holding a hearing on a county plat. **Senator Lakey** said both cities and counties are in approval of this bill, and he asks for the Committee to send it to the floor with a do pass recommendation.

**Senator Werk** said he assumed Senator Lakey checked with the associations of cities and counties, and while they're not here, they support the bill. **Senator Lakey** replied that yes, he has worked with them, and they are on board.

**MOTION:** **Senator Werk** moved, seconded by **Senator Vick**, to send **S 1235** to the floor with a **do pass** recommendation.

In discussion, **Vice Chairman Rice** asked about the fiscal impact to cities and counties. **Senator Lakey** replied that plats are not vacated very often, so the impact is negligible. He said there is a fee to cover the costs.

The motion carried by **voice vote**.

**RS 22647** **Chairman Siddoway** welcomed **Senator Heider** to the podium to present **RS 22647**, relating to airport zoning. **Senator Heider** said this proposal replaces RS 22484, because the Department of Aeronautics had a change. He said they thought it would be more appropriate to approach the airport manager if a variance is requested, and that change is noted in the proposal. **Senator McKenzie** said he liked the previous version and likes this version even better.

**MOTION:** **Senator McKenzie** moved, seconded by **Senator Werk**, to send **RS 22647** to print. The motion carried by **voice vote**.

**ADJOURNED:** There being no further business, **Chairman Siddoway** adjourned the meeting at 4:33 p.m.

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Senator Siddoway  
Chair

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Christy Stansell  
Secretary