

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Tuesday, February 23, 2016

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

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Siddoway, Vice Chairman Guthrie, Senators McKenzie, Johnson, Rice, Vick, Bayer, Stennett and Burgoyne

**ABSENT/ EXCUSED:** None

**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 meeting of the Local Government and Taxation Committee (Committee) to order at 3:04 p.m. and asked the secretary to take a silent roll.

**MINUTES APPROVAL:** **Senator Stennett** moved to approve the Minutes of February 4, 2016. **Vice Chairman Guthrie** seconded the motion. The motion carried by **voice vote**.

**Senator McKenzie** moved to approve the Minutes of February 9, 2016. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

**S 1325** **Senator Lakey** presented **S 1325**, which clarifies that the right of a property owner to request a regulatory takings analysis is voluntary. **Senator Lakey** explained that if a property owner believes their property has been unjustly seized, they can request a regulatory takings analysis. This has always been voluntary and **Senator Lakey** pointed out that it is a rare occurrence. He also indicated that past litigation has suggested that a regulatory takings analysis may be required pursuant to legal action; however, the purpose of this legislation is to clarify that if a property owner does not request a regulatory takings analysis, it will not limit their ability to pursue other legal remedies. This legislation also replaces the term "real property" with "private property" to clarify that private property includes both real and personal property. **Senator Lakey** indicated that if regulatory takings analyses became a requirement, cities and counties would see an increase in these requests from property owners.

**Chairman Siddoway** asked if this legislation applies to agencies that are able to seize private property, such as the Idaho Department of Fish and Game which allows enforcement personnel to seize many types of property; and if so, are property owners able to apply for a regulatory takings analysis. **Senator Lakey** replied that a property owner would be able to apply for a regulatory takings analysis but indicated that if a criminal violation were to occur, civil action may be required to recover property.

**MOTION:** **Senator Johnson** moved to approve **S 1325** with a **do pass** recommendation. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

**H 474**

**Representative Moyle** presented **H 474**, which will require non-school taxing districts that elect to take a foregone property tax increase to hold a hearing in conjunction with their annual budget hearing. **Representative Moyle** explained that when preparing budgets, taxing districts are allowed to increase their budgets by three percent per year; if they choose not to collect that money, it is set aside and the district is able draw from that foregone balance at a later date. He commented that citizens see this in the form of increased property tax and do not always understand why. The legislation requires taxing districts that draw upon foregone balances to do the following: 1.) provide notice of intent; 2.) hold a public hearing; and 3.) certify by resolution the amount of money being taken and for what purpose. **Representative Moyle** emphasized that the legislation puts into place a mechanism of transparency that Idaho counties and cities support.

**Senator Vick** asked why schools are not included, to which **Representative Moyle** explained that school districts do not have foregone balances; however, community colleges do have foregone balances and will have to comply with requirements outlined in this legislation.

**Senator Bayer** asked if any consideration was given to incorporating this as a line item on state tax returns. **Representative Moyle** replied that due to costs and obstacles associated with such action, it was not included on tax notices.

**TESTIMONY:**

**Seth Grigg**, Executive Director, Association of Idaho Cities (AIC), spoke in support of **H 474**. **Mr. Grigg** noted that the process for local jurisdictions to provide public notice is relatively simple and the AIC supports the resulting increased transparency.

**Chairman Siddoway** asked how the public notice of intent would be advertised. **Mr. Grigg** explained that the language allows for the public hearing to occur in conjunction with a budget meeting; accordingly, the notice of resolution on foregone balances can be added to annual budget meeting notices with no extra burden to local jurisdictions.

**MOTION:**

**Senator Burgoyne** moved to approve **H 474** with a **do pass** recommendation. **Senator Bayer** seconded the motion. The motion carried by **voice vote**.

**ADJOURNED:**

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

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Senator Siddoway  
Chair

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Jennifer Carr  
Secretary