

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, March 16, 2016

TIME: 8:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderson, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Scott, Thompson, Erpelding, Nye, Rudolph

**ABSENT/
EXCUSED:** None

GUESTS: Kelli Brassfield, Donna D. Peterson, Idaho Association of Counties

Chairman Collins called the meeting to order at 8:30 A.M.

S 1347aa: **Kelli Brassfield**, representing the Idaho Association of Counties, presented **S 1347aa** regarding tax deed sales. Under current law, a county will auction off real property if the landowner has been delinquent in paying property taxes for three years. The county will use the auction proceeds to pay off the delinquent taxes and notify all parties of interest of the amount of leftover funds. If no owners of record come forward the county puts the remaining funds in an interest-bearing trust for three years, After three years with no claimants, the funds go into the county indigent fund.

This process absorbs a great deal of county resources to determine the priority and legitimacy of each of these claims without the time or expertise to make accurate determinations which can be challenged with litigation as well. This legislation will allow counties to either process excess proceeds if the parties are clearly known, or transfer the excess proceeds to the Unclaimed Property division at the State Treasurer's office. There is no fiscal impact and this legislation has the support of the State Treasurer's Office Unclaimed Property Division and the Twin Falls County Treasurer.

MOTION: **Rep. Scott** made a motion to send **S 1347aa** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

RS 24726C2: **Rep. Troy** presented **RS 24726C2** related to tribal lands property taxes. This proposed legislation will correct unintended consequences to county budgets from exempting property taxation of lands belonging to federally recognized Indian tribes. When legislation was passed in 2013 to exempt tribal lands from property taxes, it impacted some of the smallest and most rural of Idaho counties. This will provide counties income stabilization and replace the revenue they lost when property taxes were exempted on tribal lands. She worked closely with the State Tax Commission on this proposal

MOTION: **Rep. Chaney** made a motion to introduce **RS 24726C2**.

**SUBSTITUTE
MOTION:** **Rep. Trujillo** made a motion to return **RS 24726C2** to the sponsor. Speaking to the motion, she explained that when tribal lands were granted an exemption from property taxes, the affect on counties was analyzed and taken into consideration. She does not feel this is good tax policy.

Rep. Chaney spoke in **opposition** to the substitute motion noting this legislation will help correct a loss of tax revenue that is not proportional and he will vote in favor of the original motion.

**VOTE ON
SUBSTITUTE
MOTION:**

Chairman Collins called for a vote on the substitute motion to **return RS 24726C2** to the sponsor. **Motion failed by voice vote.**

**VOTE ON
MOTION:**

Chairman Collins called for a vote on the motion to introduce **RS 24726C2**. **Motion carried by voice vote. Reps. Rudolph, Erpelding and Trujillo** requested to be recorded as voting **NAY**.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 8:55 A.M.

Representative Collins
Chair

Bev Bean
Secretary