

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, March 17, 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: Ryan Armbruster, Elam Burke/Redevelopment Association; Max Vaughn, Minidoka County; Jonathan Parker, Holland & Hart; Caroline Merritt, Boise Metro Chamber of Commerce; Russell Westerberg, Capital City Development Corporation

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

RS 24757: **Rep. Palmer** presented **RS 24757** dealing with highway funding apportionment and the hybrid vehicle fee. Currently, 5% of the fuel tax is apportioned to a law enforcement account for the State Police. This proposed legislation will transition the apportionment of that 5% fuel tax from the law enforcement account into the highway distribution account over 5 years at the rate of 1% a year beginning in 2017.

It will also remove the \$75 hybrid vehicle fee which was enacted last year to replace fuel tax revenue lost by the usage of these vehicles. This hybrid vehicle fee affected many more vehicles that was intended including neighborhood electric vehicles and golf carts.

MOTION: **Rep. Trujillo** made a motion to introduce **RS 24757**. **Motion carried by voice vote.**

H 606: **Rep. Youngblood** presented **H 606** regarding urban renewal. He thanked the Interim Committee for all the hard work that went into this piece of legislation. It will allow governing boards of urban renewal agencies to be elected if the local government body adopts an ordinance to do so. It provides that when an urban renewal plan is modified, the base value for the year immediately following shall be reset to include the current year's equalized assessed value of the taxable property. It also requires an election when a project financed by economic development funds will not be subject to property taxation and it establishes a repository at the Idaho State Tax Commission for Urban Renewal Plans or modification to those plans as there is not currently a centralized repository.

Rep. Youngblood reported that this legislation represents the best efforts of the committee to create legislation that will provide transparency and accountability to the urban renewal process which is one of the best tools our communities have for economic and community development. In response to committee questions, Rep. Youngblood reiterated that everything in this bill takes effect on July 1, 2016 and it does not affect any plans currently in place until such time as they are modified.

Ryan Armbruster, representing the Redevelopment Association of Idaho and a number of individual urban renewal plans, spoke **in opposition** to this legislation due to concerns that it will affect currently approved urban renewal plans and have a negative effect on financing and growth opportunities.

Max Vaughn, Minidoka County Assessor, spoke **in support** of this legislation stating even though he has a few concerns, it is a good bill. **Caroline Merritt**, representing the Boise Metro Chamber of Commerce, spoke **in opposition** stating that the addition of a grandfather clause to protect urban renewal plans that have already been approved is needed. She also expressed concern about any modification to a plan that would trigger a base reset and affect a community's flexibility to attract new development.

MOTION: **Rep. Kauffman** made a motion to send **H 606** to the floor with a **DO PASS** recommendation and stating this legislation will provide clarity, accountability and transparency to the urban renewal process.

Rep. Anderst is **in support** of the motion and, as a member of the Interim Committee on Urban Renewal, said this legislation provides a good tool for community development and will minimize opportunities for misuse.

SUBSTITUTE MOTION: **Rep. Erpelding** made a substitute motion to **HOLD H 606** in committee. In speaking to the motion, he noted the opposition from local Chambers of Commerce and others. He would like to see this legislation held in committee so that a bi-partisan solution can be negotiated next session.

AMENDED SUBSTITUTE MOTION: **Rep. Trujillo** made an amended substitute motion to send **H 606** to **General Orders** to provide for a grandfather clause to clarify this will apply to newly adopted plans and modifications and not those currently in place.

Reps. Thompson and **Moyle** stated their **support** of the amended substitute motion. **Rep. Chaney** spoke **in support** of the original motion and **in opposition** to the amended substitute motion stating he did not see the need for a grandfather clause.

ROLL CALL VOTE ON AMENDED SUBSTITUTE MOTION: **Chairman Collins** requested a roll call vote on the amended substitute motion to send **H 606** to **General Orders**. **Motion carried by a vote of 9 AYE and 7 NAY**. **Voting in favor** of the motion: **Reps. Trujillo, Moyle, Raybould, Anderson, Dayley, Nate, Thompson, Nye and Rudolph**. **Voting in opposition** to the motion: **Reps. Anderst, Hartgen, Kauffman Chaney, Scott, Erpelding and Collins**. **Rep. Trujillo** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:00 A.M.

Representative Collins
Chair

Bev Bean
Secretary