

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, February 02, 2017

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Trujillo, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Kauffman, Chaney, Nate, Thompson, Gestrin, Stevenson, Troy, Erpelding, Gannon

**ABSENT/
EXCUSED:** Rep. Chaney

GUESTS: Ray Stark, Boise Metro Chamber; Steve Wallace, Lee Heinrich, BTA; Tanner Beymer, Josh Campbell, Idaho Free and Charitable Clinic Association; Teresa Baker, Idaho Association of Counties; Karen Sorivor, Vineyard Medical Clinic; Steve Davis, Genesis Community HHL; Tom Bowman, Canyon Clinic; Dieuwke Spencer, Mary Sheridan, DHW Public Health; Arne Walker, Wellness Tree Clinics; Covey Suter, AHW Public Health; Russ Hendricks, Idaho Farm Bureau; Miguel Lagarreta, Associated Taxpayers of Idaho

Chairman Collins called the meeting to order at 9:00 A.M.

H 82: **Rep. Kauffman** presented **H 82** concerning tax exemptions for free medical clinics. The legislation will create a sales tax exemption for free medical clinics that are registered with the Department of Health and Welfare.

Tanner Beymer, Idaho Free and Charitable Clinic Association, spoke **in support** of the legislation because the clinics provide vital services to the citizens of Idaho and the tax exemptions will give the state of Idaho a strong return on investment due to the care they provide.

Josh Campbell, Programs Director of Genesis Medical Clinic, spoke **in support** of the legislation because it will greatly benefit clinics that bring both quantitative and qualitative support for Idaho citizens.

Russ Hendricks, Idaho Farm Bureau, spoke **in support** of the legislation because the Idaho Farm Bureau is committed to legislation that helps local communities and medical clinics.

MOTION: **Rep. Hartgen** made a motion to send **H 82** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.

H 83: **Rep. Trujillo** presented **H 83** concerning taxation on new construction. The legislation is intended to ensure fairness to taxpayers by removing property tax exemptions from the budget capacity. If a property becomes exempt within five years, the value will be removed from the budget capacity as well. In response to various concerns regarding maintenance fees in relation to the budget capacity, Rep. Trujillo reiterated that the bill will create fairness on behalf of the taxpayers.

Teresa Baker, Legislative Affairs Director of Idaho Association of Counties, spoke **in opposition** of the legislation because she believes that time needs to be spent on assessing the fiscal impact of the legislation on localities in which exemptions will be removed from the budget capacity.

**ORIGINAL
MOTION:** **Rep. Anderst** made a motion to send **H 83** to the floor with a **DO PASS** recommendation including the fiscal note revision.

SUBSTITUTE MOTION: Rep. Gannon made a motion to **HOLD H 83** at the call of the chair until the fiscal impact on localities could be assessed.

ROLL CALL VOTE ON SUBSTITUTE MOTION: Chairman Collins called for a roll call vote on the substitute motion to **HOLD H 83** at the call of the chair. **Motion failed** by a vote of **5 AYE, 10 NAY, 1 Absent/Excused**. **Voting in favor** of the motion: Rep. Hartgen, Rep. Kauffman, Rep. Thompson, Rep. Gannon, Rep. Erpelding. **Voting in opposition** to the motion: Rep. Trujillo, Rep. Moyle, Rep. Raybould, Rep. Anderst, Rep. Dayley, Rep. Nate, Rep. Gestrin, Rep. Stevenson, Rep. Troy, Chairman Collins. Rep. Chaney was absent/excused.

VOTE ON ORIGINAL MOTION: Chairman Collins called for a vote on the motion to send **H 83** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote**. Reps. Gannon and Erpelding requested they be recorded as voting **NAY**. Rep. Trujillo will sponsor the bill on the floor.

RS 25019: Rep. Moyle presented **RS 25019** concerning forgone balances. The proposed legislation will give local control to determine what happens to forgone balances by requiring a resolution to be passed prior to balance allocation.

MOTION: Rep. Anderst made a motion to introduce **RS 25019**. **Motion carried by voice vote**.

RS 25062: Rep. Nate presented **RS 25062** concerning property tax value assessment notices. Rep. Nate explained the proposed legislation is in need of changes to align with recommendations from various state agencies before it is introduced.

MOTION: Rep. Raybould made a motion to return **RS 25062** to the sponsor. **Motion carried by voice vote**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 9:55 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary