

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Tuesday, February 07, 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. Troy

GUESTS: Elaine Clegg, City of Boise; Brian Blad, City of Pocatello, Laura Lantz, IAHD; Jonathan Parker, Holland and Hart; Larry Maneely, Ada County; Russell Westerberg, CCDC; Miguel Legarreta, ATI; Nick Veldhouse, IAHD; John Watts, Library Association; Wayne Hoffman, Idaho Freedom Foundation

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

MOTION: **Rep. Dayley** made a motion to approve the minutes of January 26, 2017. **Motion carried by voice vote**

MOTION: **Rep. Trujillo** made a motion to approve the minutes of January 31, 2017. **Motion carried by voice vote.**

RS 25130: **Rep. Trujillo** presented **RS 25130** concerning urban renewal construction. The proposed legislation will revise the definition of subsequent role related to urban renewal and clarify exemptions in relation to the construction roll.

MOTION: **Rep. Gestrin** made a motion to introduce **RS 25130**. **Motion carried by voice vote.**

RS 25157 **Rep. Trujillo** presented **RS 25157** concerning property tax exemptions. The proposed legislation expands the personal property tax exemption from \$100,000 to \$250,000 and adds language concerning county reimbursements.

MOTION: **Rep. Anderst** made a motion to introduce **RS 25157**. **Motion carried by voice vote.**

H 103: **Rep. Moyle** presented **H 103** concerning budgets of taxing districts. The legislation will give local commissioners more autonomy by allowing them to make proportional decisions on allocating yearly forgone balances.

John Watts, Idaho Library Association, spoke **in opposition** of **H 103** citing concerns the public would not have access to hearings in relation to forgone balance decisions and the legislation may tie the hands of future legislators.

Wayne Hoffman, President of the Idaho Freedom Foundation, spoke **in support** of **H 103** because the legislation would benefit tax payers by lowering the chance of them experiencing a high debt burden. He believes the bill is effective and conservative legislation.

Brian Blad, Mayor of Pocatello, spoke **in opposition** of **H 103** with concerns the legislation would tie the hands of local governments and remove local control. He believes the legislation would force localities to take the full 3% forgone balance every year. He believes it is not the right time for this type of legislation. In response to extensive questions inquiring how the legislation could tie the hands of counties when it would be adding additional options for those counties, Mayor Blad reiterated the legislation may push commissioners to make extreme choices.

Elaine Clay, City Council President of Boise and Executive Counciller for the Association of Idaho Cities, spoke **in opposition** of **H 103** for multiple reasons. First, she believes the current system in place works well without modification which can be seen by local officials taxing at a low rate. She also believes the legislation would incentivize local officials to raise local tax rates. She is also concerned the legislation would tie the hands of future legislators based on the decisions of those holding office before them.

Rep. Moyle reiterated the legislation simply gives local officials more control by adding a third option for making decisions on forgone balances which actually increases local accountability. He also reiterated the bill is specifically referring to the yearly 3% rate and not the entire forgone balance under the control of local officials. Consequently, he argued the concern regarding future legislators being subject to the decisions of prior legislators represents a misunderstanding of what the bill actually does.

MOTION: **Rep. Anderst** made a motion to send **H 103** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Erpelding and Gannon** requested they be recorded as voting **NAY**. **Rep. Moyle** will sponsor the bill on the floor.

The committee discussed changes to Joint Rule 18.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:38 A.M.

Representative Collins
Chair

Fred Swanstrum
Secretary