

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Tuesday, February 04, 2020

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

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Rice, Vice Chairman Grow, Senators Hill, Vick, Anthon, Cheatham, Burgoyne, and Nye

**ABSENT/ EXCUSED:** Senator Lakey

**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 Rice** called the meeting of the Local Government and Taxation Committee (Committee) to order at 3:01 p.m.

**S 1265** **Senator Bair** presented **S 1265**, legislation relating to the local governing entities central registry. He explained to the Committee that local government entities of a certain size are required to undergo audits which are filed with the state. Until 2014 there was approximately a 35 percent compliance rate from those local entities. In 2014, H 560 created a registry database where certain information was required to be filed. Today, compliance has increased to approximately 88 to 90 percent. Through the process they learned they were collecting more information than needed to determine audit eligibility. The only information necessary is how much money has been spent. The minimum is \$150,000, which then requires a local audit be submitted with the expenditure report. **Senator Bair** reiterated that the bill simply removes unnecessary language.

**DISCUSSION:** **Senator Grow** questioned why the prior language of the bill specified an unaudited comparison of the budget to actual. **Senator Bair** introduced April Renfro, Division Manager of the Legislative Services Office. **Ms. Renfro** explained that they did not want it to be necessary for a business to submit audited documents, especially if they were not required to be audited. **Senator Grow** asked for clarification regarding revenues and expenditures from the most recent fiscal year. **Ms. Renfro** informed them there is a space on the registration portal for total revenue expenditures.

**MOTION:** **Senator Anthon** moved to send **S 1265** to the floor with a **do pass** recommendation. **Senator Cheatham** seconded the motion. The motion carried by **voice vote**.

**PASSED THE GAVEL:** Chairman Rice passed the gavel to Vice Chairman Grow.

**S 1277** **Chairman Rice** presented **S 1277**, legislation relating to property taxes; to provide requirements for the homestead exemption application form. He explained that the bill requires the Idaho State Tax Commission (Commission) to create a standard form across all counties for the homeowner's exemption. It requires the form be available on each county website and at the property closing. The completed form would then be provided to the assessor at the time the deed was presented for recording. It also specifies that extraneous information not required for the homeowner's exemption shall not be requested.

- TESTIMONY:** **Brad Wills**, Twin Falls County Assessor, representing the Idaho Association of County Assessors (IACA), stated they were not in favor of **S 1277**. He pointed out they were in favor of a statewide form, but that some counties do not post on websites. He related that on the form it states that the assessor's office will certify that the information is correct. The IACA believes it to be prudent that homeowners come into the office, as the information is not thorough when the title company does it. They have no issue with **S 1277** if the website requirement is removed, as well as the reference to the title company.
- DISCUSSION:** **Senator Vick** remarked that he read it as the application may be provided, but is not required. **Mr. Wills** specified that it was up to the local assessor to determine whether they want the title company to provide the form, and it must not be done without the owner. **Senator Hill** stated he was trying to understand the concerns and how valid they were. He questioned the current process and whether a real estate broker can get a copy of the application and provide it to the purchaser. **Mr. Wills** responded that in some counties they can, but in others they cannot. He reiterated that they are not opposed to realtors, title companies, and insurance companies all having the form and assisting the homeowner. They just want to be the final contact. **Senator Vick** related that a certified copy of the homeowner's exemption can easily be done by the title company, and if an application is incomplete, it is easy to communicate with them. He felt this was a positive step for homeowners.
- TESTIMONY:** **Brian Stender**, Canyon County Assessor, testified in opposition to **S 1277**. He stated that he was not against a statewide form, but he did feel there was a concern regarding limiting the extraneous information. As an example he related how there were several people with the same name in Canyon County, and additional information is required to determine identification. **Senator Hill** responded that should the bill pass, the Commission would be working with the assessors to create the statewide form and his concerns should be expressed to them.
- Joseph Johns**, Kootenai County Assessor, testified in opposition to the bill. He agreed there were positive things regarding **S 1277**, but he also had a problem limiting extraneous information. He feels the bill lacks context and needed more clearly defined parameters. He stated that assessors are service oriented and familiar with the many programs, and are not just there to establish value.
- DISCUSSION:** **Chairman Rice** responded to the testimony, stating that the bill requires the form be available on the website only if there is one. He clarified that currently, homeowner exemption forms are not required to be notarized, only certified under penalty of perjury, just as many documents and court filings. Also, owner occupied meant the home was a primary residence, not a rental, and did not require every item to be moved in. He expressed his concern that many citizens cannot take extra time off work and having a requirement that people come in to the office is an excessive burden. He also voiced his opinion that a mailed form could cause enough delay to disallow the exemption for the year.
- MOTION:** **Senator Hill** moved to send **S 1277** to the floor with a **do pass** recommendation. **Senator Vick** seconded the motion.
- SUBSTITUTE MOTION:** **Senator Nye** moved to send **S 1277** to the 14th Order of Business for possible amendment. The motion failed for lack of a second.
- ORIGINAL MOTION:** The motion to send **S 1277** to the floor with a **do pass** recommendation passed by **voice vote**.

**PRESENTATION:** **Rakesh Mohan**, Director, Office of Performance Evaluation, Idaho Legislature, explained to the Committee that every state agency is required to prepare a performance report. They also are to report this to their germane committee every year, or every other year as decided by the Chairman. **Mr. Rakesh** gave the Committee members a handout "Introduction to Performance Measurement" (see attachment 1). His second handout was the most recent performance measurement report for the State Tax Commission (see attachment 2).

**ADJOURNED:** There being no further business at this time, **Vice Chairman Grow** adjourned the meeting at 4:20 p.m.

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Senator Rice  
Chair

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Machele Hamilton  
Secretary