

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Thursday, February 25, 2021

TIME: 9:00 A.M.

PLACE: Room EW42

MEMBERS: Chairman Harris, Vice Chairman Addis, Representatives Moyle, Chaney, Gestrin, Dixon, Nichols (Brooks), Kauffman, Adams, Cannon, Hartgen, Manwaring, Okuniewicz, von Ehlinger, Weber, Necochea, Ruchti

**ABSENT/
EXCUSED:** None

GUESTS: Carson Tester, Westerberg and Associates; Lincoln Smyser; and Jake Cluff, BB&A.

Chairman Harris called the meeting to order at 9:00 a.m.

MOTION: **Rep. Weber** made a motion to approve the minutes of the February 17, 2021 and the February 18, 2021 meetings. **Motion carried by voice vote.**

RS 28623: **Rep. Aaron von Ehlinger** presented **RS 28623** saying there has been limited reports of assessors taxing property in a classification where it should not be taxed. He provided an example of a farmer's field that is a big square with a circle in it that is cultivated ground. In each corner of the big square there is empty non-used space which some assessors have classified as either commercial or residential property for taxing purposes. **RS 28623** prevents that practice.

In response to committee questions, **Rep. von Ehlinger** said property that holds agricultural equipment, such as a barn or silo cannot be classified as commercial or residential. He further replied that property being farmed with irrigation sprinklers on four corners is not at issue for being reclassified. He indicated assessors do not go out to proclaim that land as commercial or residential because it will always be agricultural.

MOTION: **Rep. Adams** made a motion to introduce **RS 28623**.

In response to committee questions regarding whether the use of solar panels on pivot corners of agricultural property would be considered commercial or agricultural, **Rep. von Ehlinger** indicated he would provide the committee with information responsive to the question.

**VOTE ON
MOTION:** **Motion carried by voice vote.**

RS 28665: **Rep. von Ehlinger** said the purpose of **RS 28665** is to adopt higher standards to fund art projects with taxpayer dollars and allow the public more input in the decision process. For art project expenditures using tax payer dollars under \$10,000, the proposed legislation would require a two-thirds majority of an elected body. If the cost of the art project is over \$10,000, the expenditure would require a two-thirds majority of qualified electors and to be put on the ballot for an election to be held in May or November. He stated holding an election gives people more of a voice in taxpayer-funded public displays.

Rep. von Ehlinger informed the committee, in response to their questions, that the election dates of May and November are set forth in Idaho Code § 34-106(1)a & b.

MOTION: **Rep. Dixon** made a motion to introduce **RS 28665**.

Rep. Weber and **Rep. Hartgen** spoke in opposition to **RS 28665** saying big projects are usually inclusive of public comment, include private donations by the community, should remain local without involvement by the heavy hand of the state, and the costs of an election could exceed the cost of the art project.

Rep. Adams spoke in support of **RS 28665** saying that every taxpayer dollar is important, especially where economic hardship is a reality and property taxes are up over 10%.

Rep. von Ehlinger closed by saying the proposed legislation is not being heavy handed because the only involvement by the state would be in enacting **RS 28665**, which allows Idahoans to vote on what goes on in their towns. He shared with the committee that he checked with the Nez Perce County Clerk and was advised the cost of adding public art funding to the ballot would be negligible.

Motion carried by voice vote.

VOTE ON MOTION:

RS 28674:

Rep. Dustin Manwaring stated **RS 28674** changes the language in **H 213**, previously passed in this committee, to make it clear that all one-time federal relief monies provided to Idaho businesses in 2020, whether from Rebound Idaho Small Business Grants, forgiven Paycheck Protection Program loans or Economic Injury Disaster Loan advance funds, are non-taxable. The only exception is emergency rental assistance program funds.

MOTION:

Rep. Addis made a motion to introduce **RS 28674**.

SUBSTITUTE MOTION:

Rep. Hartgen made a motion to introduce **RS 28674** and recommend it be sent directly to the Second Reading Calendar.

Rep. Moyle spoke in support of **RS 28674** saying the committee already heard testimony on this matter, and it makes sense to go to second reading calendar.

VOTE ON SUBSTITUTE MOTION:

Motion carried by voice vote. Rep. Manwaring will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 9:18 a.m.

Representative Harris
Chair

Lorrie Byerly
Secretary