

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Monday, March 08, 2021

**TIME:** 9:00 A.M.

**PLACE:** Room EW42

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

**ABSENT/  
EXCUSED:** Chairman Harris, Vice Chairman Addis, Manwaring

**GUESTS:** Lincoln Smyser.

**Rep. Moyle** called the meeting to order at 9:00 a.m.

**RS 28726C1:** **Senator C. Scott Grow** said **RS 28726C1** is a property tax effort to help Idaho seniors and persons with disabilities by amending provisions of the property tax deferral. **RS 28726C1** increases household income limits, adjusts the interest rate, includes properties that are part of a trust and increases the total amount of funding available from the State of Idaho. The interest rate is changed from a fixed 6% rate to an annual rate of 2% as adjusted by the Idaho State Tax Commission (ISTC) yearly pursuant to Idaho Code § 63-3045. The total amount available from the State of Idaho to pay property taxes is raised from \$500,000 to \$5 million. The proposed legislation recognizes the existence of an emergency and is retroactive. The property tax deferral allows residents to tap into their property's increased valuation as long as they have sufficient equity and qualify to have their property taxes paid by Idaho, but it does not put a lien on their property. There is no cost to Idaho because the \$5 million a year is recoverable upon the death of the applicant.

In response to committee questions, **Senator Grow** replied the interest now is 2%, and every year it will match the amount set by the ISTC for unpaid income taxes. The household income threshold of \$50,000 seems reasonable. **RS 28726C1** does not replace the circuit breaker but is an additional opportunity to help people with high property taxes. Idaho cannot force repayment until the death of the claimant or upon sale of the residence.

**MOTION:** **Rep. Kauffman** made a motion to introduce **RS 28726C1**. **Motion carried by voice vote.**

**RS 28764:** **Rep. Aaron von Ehlinger** presented **RS 28764** saying it updates and reforms the circuit breaker to allow for medical costs to be deducted from claimants' income, increases the maximum amount from \$1,320 to \$1,500 annually and puts in an asset test similar to the Supplemental Nutrition Assistance Program (SNAP). **RS 28764** will allow up to \$20,000 more in assets than SNAP. The reason for the changes are due to multiple homeowners with millions of dollars in assets taking advantage of the circuit breaker. Idaho residents who qualify for the circuit breaker and for the tax deferral in **RS 28726C1** can take advantage of both to lower their property taxes.

Answering committee questions, **Rep. von Ehlinger** said the asset test only kicks in if a claimant's house is over the median household value for each county. This works in a market with increasing values because when the values go up so does the median home value.

**MOTION:** **Rep. Okuniewicz** made a motion to introduce **RS 28764**.

**Rep. von Ehlinger** stated he would provide information about the asset test's treatment of pension retirement accounts held by small business owners.

**VOTE ON MOTION:**

**Motion carried by voice vote.**

**RS 28765:**

**Rep. von Ehlinger** stated **RS 28765** updates proposed legislation he presented earlier regarding taxpayer funding of public art displays. He said the previous threshold of \$10,000 is increased to \$25,000. Any proposed public art displays below the \$25,000 threshold require city council approval and any projects above the threshold require the approval of 60% of the public in a May or November election.

**MOTION:**

**Rep. Nichols** made a motion to introduce **RS 28765**.

**Rep. Hartgen** and **Rep. Weber** spoke in opposition to the motion to introduce **RS 28765** saying it is heavy-handed treatment of local municipalities. Local officials should not be restricted from raising funds for projects, and they are held responsible for how they spend funds through the voting process.

**SUBSTITUTE MOTION:**

**Rep. Weber** made a substitute motion to return **RS 28765** to the sponsor.

**Rep. von Ehlinger** closed by agreeing that it is a local issue, but there should be no problem in engaging with the public in direct democracy. He said art is the most non-vital and frivolous service cities and counties provide, especially when some local jurisdictions say they don't have funds for property tax relief

**Rep. Necochea** spoke in support of the substitute motion saying a 60% threshold is a lot, and art projects create beauty and economic vibrancy in their communities.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:**

Roll call vote was requested on the substitute motion. **Substitute motion failed by a vote of 6 AYE and 8 NAY and 3 Absent/Excused. Voting in favor** of the substitute motion: **Reps. Chaney, Kauffman, Hartgen, Weber, Necochea** and **Ruchti. Voting in opposition** to the motion: **Reps. Moyle, Gestrin, Dixon, Nichols, LaNier, Cannon, Okuniewicz** and **von Ehlinger. Chairman Harris, Vice Chairman Addis** and **Rep. Manwaring** were absent/excused.

**ROLL CALL VOTE ON ORIGINAL MOTION:**

Roll call vote was requested on the original motion. **Original motion carried by a vote of 9 AYE and 5 NAY and 3 Absent/Excused. Voting in favor** of the original motion: **Reps. Moyle, Gestrin, Dixon, Nichols, Kauffman, LaNier, Cannon, Okuniewicz** and **von Ehlinger. Voting in opposition** to the original motion: **Reps. Chaney, Hartgen, Weber, Necochea** and **Ruchti. Chairman Harris, Vice Chairman Addis** and **Rep. Manwaring** were absent/excused.

**ADJOURN:**

There being no further business to come before the committee, the meeting adjourned at 9:28 a.m.

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Representative Mike Moyle  
Chair

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Lorrie Byerly  
Secretary