

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Tuesday, March 09, 2021

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

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Rice, Vice Chairman Grow, Senators Vick, Lakey, Souza, Bayer, Ricks, Nye, and Rabe

**ABSENT/ EXCUSED:** None

**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.

**MINUTES APPROVAL:** **Senator Vick** moved to approve the Minutes of February 25, 2021. **Senator Nye** seconded the motion. The motion carried by **voice vote**.

**H 251** **Relating to Income Tax; To Establish Provisions Regarding Certain Federal Relief Moneys in Computing Taxable Income. Representative Dustin Manwaring** presented **H 251**, which provides that all one-time federal relief moneys received in 2020 are nontaxable. This includes the Idaho Rebounds grants, the Paycheck Protection Program loans, and the COVID-19 Economic Injury Disaster loans. **Representative Manwaring** explained that **H 251** excludes emergency rent assistance, which is already nontaxable to the renter.

**DISCUSSION:** **Senator Rabe** requested clarification regarding taxing the emergency rental assistance funds. **Representative Manwaring** related that **H 251** refers to replacement income to a landlord that would otherwise be taxable. There is no intent to tax a tenant if they receive the emergency rental assistance directly, he said.

**MOTION:** **Senator Vick** moved to send **H 251** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

**S 1106** **Relating to Local Land Use Planning; To Provide that Plans and Ordinances Shall Not Apply to State and Local Transportation Systems. Jason Kreizenbeck**, Lobby Idaho, representing Ada County Highway District (ACHD), presented **S 1106**. **Mr. Kreizenbeck** requested the Committee send **S 1106** to the 14th Order for possible amendment (see Attachment 1) to further define the essential facilities that receive the exemption defined in the legislation. **S 1106** directs local highway jurisdictions to consult and collaborate on transportation essential facilities, he said.

**Mr. Kreizenbeck** emphasized that **S 1106** does not remove the requirement that the Idaho Transportation Board, or local counterparts, consult with land-use agencies. **S 1106** does not allow the Idaho Transportation Department (ITD), or local highway jurisdictions, to exceed the statutory authority they already have. **S 1106** excludes from the exemption facilities owned or operated by ITD or local highway jurisdictions that are not essential. It also excludes other facilities not owned by ITD or local highway jurisdictions, or facilities that are on new property. **S 1106** does not have any effect on compliance with floodplain regulations, and it does not remove public participation in the process. **Mr. Kreizenbeck** stated that even though **S 1106** may appear to be a local issue, as the State grows, there will be situations where jurisdictions across Idaho that have invested time, dollars, and much effort creating essential facilities, come into conflict with local jurisdictions. The desire by local jurisdictions to change how certain areas are zoned and utilized will inevitably occur. **S 1106** is designed to address the issue.

**DISCUSSION:** **Mr. Kreizenbeck** introduced Steve Price, General Counsel, ACHD. **Chairman Rice** asked if IDT had received a copy of the proposed amendments, and if the issue had been discussed with them. **Mr. Price** assured him they had received the amendments and he had spoken personally with the ITD Chairman. ITD remains neutral on **S 1106**, Mr. Price said.

**TESTIMONY:** **Charles Wadams**, City Attorney, Garden City, testified in opposition to **S 1106**. **Mr. Wadams** provided the Committee a nine page handout detailing the city's opposition (see Attachment 2).

The following individuals also testified in opposition to **S 1106**: **John Evans**, Mayor, Garden City; **Kathy Griesmyer**, Government Affairs Director, City of Boise; **Seth Grigg**, Idaho Association of Counties; **Richard Beck**, Director, Ada County Development Services; **William Vaughn**, Zoning Administrator, City of Eagle; **Russell Westerberg**, representing Ada County; **Jason Boal**, Deputy Director of Development Services, Ada County; and **Rod Beck**, Ada County Commissioner. **Bill Nary**, City Attorney, City of Eagle, testified virtually in opposition to the bill.

**DISCUSSION:** After listening to testimony and much discussion, the consensus of the Committee members was that **S 1106** addressed a local issue and was not appropriate legislation. The genesis of the local dispute was permitting for a salt shed under the jurisdiction of the ACHD, but within the land use boundary of Garden City.

**MOTION:** **Senator Nye** moved to hold **S 1106** in Committee. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

**S 1107** **Relating to Highway Districts; To Provide for Agreements Regarding Certain Financial Responsibility for Urban Renewal Projects.** **Mr. Kreizenbeck** presented **S 1107**, explaining to the Committee it was intended to clarify prior legislation stipulating that if a highway district was participating in an urban renewal district and had a tax increment collected, they must get an agreement with that urban renewal district to make sure the funds were being used for transportation. **S 1107** means to make the current county wide statute consistent with that change and allow the highway districts to enter into such agreements with the urban renewal districts. **Mr. Kreizenbeck** informed the Committee members an amendment was advised by ACHD (see Attachment 3) and requested they send **S 1107** to the 14th Order of Business.

**DISCUSSION:** **Senator Lakey** clarified that if it was transportation-related, the highway district would not be financially responsible unless there was an agreement. Once in place however, it becomes part of the highway district system and the highway district is responsible for it. **Senator Lakey** noted that **S 1107** should include road reconstruction in addition to road maintenance.

**TESTIMONY:** **Mr. Westerberg** and **Mr. Boal** testified in support of **S 1107**.

**Lisa Holland**, Economic Development Director, City of Kuna, testified in opposition to **S 1107**. **Ms. Holland** had questions regarding some of the language in the amendment. She requested the Committee hold the legislation in order that the city's legal counsel would have more time to evaluate it.

**DISCUSSION:** **Senator Souza** agreed with Ms. Holland's remarks regarding the word "city" in the amendment being a potential problem. The agreement is not with the city but between urban renewal and the highway district. **Mr. Price** specified that the language could include "unless otherwise agreed by the highway district, city and/or urban renewal agency." **Senator Lakey** added that even though it was a rare situation, there were urban renewal agencies formed by counties and it would be wise to include that detail as well.

**MOTION:** **Senator Souza** moved to send **S 1107** to the 14th Order of Business for possible amendment. **Senator Bayer** seconded the motion. The motion carried by **voice vote**.

**ADJOURNED:** There being no further business at this time, **Chairman Rice** adjourned the meeting at 5:24 p.m.

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Senator Rice  
Chair

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Machele Hamilton  
Secretary