

MINUTES  
**SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE**

**DATE:** Tuesday, February 21, 2023

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

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Ricks, Vice Chairman Schroeder, Senators Grow, Cook, Adams, Bernt, Trakel, Rabe, and Just

**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 Ricks** called the meeting of the Senate Local Government and Taxation Committee (Committee) to order at 3:05 p.m.

**MINUTES APPROVAL:** **Senator Adams** moved to approve the minutes of February 14, 2023. **Vice Chairman Schroeder** seconded the motion. The motion to approve the minutes of February 14, 2023 passed by **voice vote**.

**GUBERNATORIAL APPOINTMENT:** **Appointment of Doug Wallis to the Board of Tax Appeals. Mr. Wallis** introduced himself and shared his background and experience. He expressed gratitude to the governor for the appointment to the Board of Tax Appeals (BTA). His most recent experience was as Franklin County Tax Assessor. He appreciated spending time with individuals who appealed their tax assessment values. **Mr. Wallis** shared that he had also been a certified residential appraiser. He had appreciated his time on the BTA and realized that not every county assessor operated in the same manner regarding assessments. He appreciated having served as administrative judge in that it provided a simple and inexpensive process to appeal tax assessments.

**DISCUSSION:** **Chairman Ricks** asked approximately how many tax appeals the BTA heard in a given time. **Mr. Wallis** deferred to Cindy Pollock, Director of the BTA, to answer that question. She responded that while the numbers varied, the average number of appeals per year was approximately 500 per year.

**DISCUSSION:** **Senator Cook** asked what had been his biggest challenge as a member of the BTA. **Mr. Wallis** replied that there had been a learning curve as a hearing officer. **Senator Cook** then asked how many people said after the hearing that it wasn't fair. **Mr. Wallis** explained that during the hearing they gathered information and rendered a decision in writing later.

**DISCUSSION:** **Senator Adams** asked when he graduated. **Mr. Wallis** stated that he had graduated from BYU Provo in 1986. **Senator Adams** then asked what Mr. Wallis had done between 1986 and 2008. **Mr. Wallis** explained that he spent some years working with his brothers who were contractors. He had also spent time in telecommunications as a corporate trainer.

**DISCUSSION:** **Chairman Ricks** explained that the Committee would vote on his appointment at a future meeting and thanked Mr. Wallis for being there.

**PRESENTATION:** **Annexation of Property.** Chris Meyer gave a presentation on current annexation law and three pieces of proposed legislation relating to annexation of property: **S 1040, S 1062, and S 1073.**

**Mr. Meyer** first discussed **S 1062**. That bill replaced Idaho Code § 50-222 which set up a complex system of three categories of annexation as illustrated on page 82 of the Land Use Handbook (Attachment 1). **S 1062** seemed to be aimed at eliminating involuntary annexation. Involuntary annexation was constitutional, but was rarely used. Under **S 1062** there would only be involuntary annexation upon written consent of landowners representing two thirds of the parcels and at least 50 percent of the area to be annexed. There was an exception for residential enclaves of 30 or fewer residential parcels that could be annexed involuntarily. Under current Idaho Code § 50-222, an enclave of fewer than 100 residential parcels could be involuntarily annexed by the city. **Mr. Meyer** described "enclave" as where perhaps there was a parcel in the middle of annexed property. He cited a concern that under **S 1062** you could not do a simple involuntary annexation of an enclave of non-residential property, only residential. Studies and so forth would be required. Under existing law the city couldn't do a category A annexation of non-residential property, but could do a category B or C annexation.

**DISCUSSION:** **Vice Chairman Schroeder** asked whether implied consent was retained in **S 1062**. **Mr. Meyer** replied that implied consent had not been retained. Written consent was required. He explained that existing legislation defined consent in 2 ways. Under category A annexation, voluntary annexation, consent meant written consent of the landowner. If the landowner recorded the written consent, it was binding on future owners. Under categories B and C in existing law there was implied consent, for example, if the landowner requested city water or sewer.

**PRESENTATION:** **Mr. Meyer** stated that **S 1062** did not address or change existing law regarding overlapping Areas of Impact (AOI) or answer the question of whether one city could annex not just into its own AOI, but into another city's AOI under a voluntary annexation. **S 1073** sought to find a compromise to that question. **S 1062** did not address that question. That bill eliminated categories A, B, and C and stated that it was permissible for a city to voluntarily annex beyond its area of impact.

**S 1073** required cities to analyze their AOIs and bring them to within two miles of their geographical boundaries by July 1, 2024. Within five years a city was required to trim its AOI to within one mile beyond its geographical borders. Thereafter, a city was required to reevaluate its AOI at least once every five years. If a city failed to evaluate its AOI within five years, another city could take that AOI. A city's AOI may not overlap with another's. Under **S 1073** the county was responsible for the process and resolved any conflict between cities. It eliminated judicial review except where the county's decision was arbitrary and capricious and did not follow the notice and hearing requirements. In that case the court could remand the case to the county to comply with all requirements or the court could determine the AOI itself.

**DISCUSSION:** **Vice Chairman Schroeder** asked whether a city without competing infrastructure or growth on its periphery was still required to evaluate its AOI every five years. **Mr. Meyer** responded that they would be.

**PRESENTATION:** **Mr. Meyer** next discussed **S 1040**. That bill added to existing language in Idaho Code § 50-222. "Where all landowners have consented, may extend beyond the city AOI" additional language, "into and." **Mr. Meyer** stated that what he felt the sponsor had intended to say was that a city could extend into another city's AOI, however, he did not feel that was what it stated.

**DISCUSSION:** **Vice Chairman Schroeder** asked **Mr. Meyer** to discuss **S 1062** and Idaho Code § 50-222(6) and whether, if a landowner requested a voluntary annexation and had met the requirements specified under subsections (3), (5)(a) or (5)(b), the city was required to annex that property. **Mr. Meyer** explained that because of the language, "and the city agrees," the city retained its discretion.

**Chairman Ricks** asked whether, if the Committee passed **S 1073** or **S 1040** and **S 1062**, that would create a conflict. **Mr. Meyer** responded that one approach was to pass **S 1073** and proceed slowly with **S 1062** which did address important concepts such as implied consent. He expressed concern, however, regarding eliminating Idaho Code § 50-222.

**Vice Chairman Schroeder** inquired about whether the county or city controlled zoning and so forth. **Mr. Meyer** replied that under existing law there was negotiation between the city and county. Under **S 1073** the county had control.

**PRESENTATION:** **Introduction of Senate Page Hannah Price.** **Chairman Ricks** welcomed Ms. Price and asked her to introduce herself and tell the Committee about herself. **Ms. Price** stated that she was from Boise and attended Capital High School. After graduation she planned to go on an LDS mission and then pursue a degree in pre-law, philosophy, and religion at Idaho State University.

**Senator Cook** asked what made her interested in being a Senate Page. **Ms. Price** explained that she had four older brothers who were a Page and her parents encouraged her to do it.

**Chairman Ricks** asked whether she had any expectations based on her brothers' experiences as a Page. **Ms. Price** replied that she wanted to learn as much as possible about how government worked.

**Chairman Ricks** thanked Ms. Price for her willingness to serve.

**ADJOURNED:** There being no further business, **Chairman Ricks** adjourned the meeting at 4:29 p.m.

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Senator Ricks  
Chair

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Meg Lawless  
Secretary