

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE**

**DATE:** Tuesday, February 28, 2023

**TIME:** 1:30 P.M.

**PLACE:** Room EW05

**MEMBERS:** Chairman Ehardt, Vice Chairman Kingsley (Crawford), Representatives Clow, Erickson, Skaug, Weber, Alfieri, Cheatum, Cornilles, Dixon(24), Hawkins, Healey, Price, Wroten, Berch, Green, Galaviz

**ABSENT/  
EXCUSED:** Rep. Erickson

**GUESTS:** The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

**Chairman Ehardt** called the meeting to order at 1:33 PM.

**MOTION:** **Rep. Berch** made a motion to approve the minutes of the February 16, 2023 meeting. **Motion carried by voice vote.**

**MOTION:** **Rep. Cheatum** made a motion to approve the minutes of the February 22, 2023 meeting. **Motion carried by voice vote.**

**H 136:** **Rep. Nelsen** presented **H 136**, which would add recreation districts to the list of districts in Section 67-8203 (14) in Idaho Code that can collect impact fees and can enter into joint agreements with the Idaho Department of Transportation. The purpose of this legislation is to clean up a part of Idaho Code, and to address the issues communities are experiencing with rapid growth.

When answering questions, **Rep. Nelsen** stated he was not sure why recreational water districts were in this section of Idaho Code. He clarified **H 136** would not be circumventing the people by allowing recreational districts to use impact fees, and this would provide impact fees as an option for recreational districts to better provide services to their community. The affects of this legislation will vary between communities.

**Rep. Berch** stated to the Committee there is a formal definition of recreational water and sewer districts in Idaho Code 42-3202A. These districts, which are currently able to use impact fees, are required to be located away from large urban areas. **Rep. Nelsen** stated, on the services provided by recreational districts verses those provided by municipal recreational departments, they can vary or be similar depending on the city and community, and can have much or no overlap.

**Chairman Ehardt** put the Committee at ease at 1:56 PM to review the sections of Idaho Code referencing recreational districts and recreational water and sewer districts and how they related to **H 136**.

**Chairman Ehardt** returned the Committee to order at 2:00 PM.

**Tim O'Meara**, representing the Greater Middleton Park and Recreation District, testified in support of **H 136**. He clarified the difference between recreational water and sewer districts. He stated the rapid growth of the local communities has increased the cost of services and maintenance of the sites in his recreational district. It is difficult for smaller communities to fund a recreational district, and, while recreational districts cannot use impact fees, a city can use impact fees for their park and recreation departments.

**Ron Nate**, representing the Idaho Freedom Foundation, testified **in opposition** to **H 136**. He stated the rationale behind impact fees is to have new developments help fund community services. New developments increase the value of land and property taxes, which, in time, should provide the funding for the services provided by recreational districts. He argued allowing recreational districts to impose impact fees would increase the cost of construction and impose a double tax on home buyers: once when purchasing the house, and a second in property taxes. Allowing recreational districts to impose impact fees will put greater costs to tax payers and businesses.

**Julie Hart**, representing the Association of Idaho Cities, testified **in support** of **H 136**. She stated by allowing recreational districts to impose impact fees, this will provide them an additional tool to better fund and provide their services to their local communities. She clarified impact fees help municipal governments better fund the increase in services as their communities grow, and they are a one-time fee, which is only paid when purchasing a house or property.

**Ken Burgess**, representing the **Idaho Home Builders Association**, testified **in opposition** to **H 136**. He clarified impact fees are a fee that is charged for a new home or new construction in general. Impact fees are meant to maintain, and not improve, the current level of services as a community grows, and they can only be used for capital improvements and not operations. IHBA is not opposed to reasonable impact fees, but they are opposed to allowing recreational districts to be able to collect impact fees. He stated, with the amount of growth, taxing districts have been creating and increasing impact fees. To deal with the new growth, there has been a reaction by communities to impose new fees that didn't exist before, and this has greatly affected developers financially. Nearly 25% of the sale price of a new family home is due to government regulations.

**Emily Barros** testified **in support** of **H 136**. She stated the legislation will allow districts to better address emergency situations and to better share the costs of maintaining public structures and services, as well as bring peace of mind to community members.

**Lyle Johnstone** testified **in opposition** to **H 136**. He stated the legislation would increase government and increase house prices.

**Rep. Wroten** stated impact fees are meant for providing the funds necessary to provide current services for new growth. They are not meant for repairing buildings or improving services.

**Rep. Nelsen** stated the services recreational districts provide are wanted, and this legislation would allow a local entity like a recreational district to be able to provide such services more easily.

**ORIGINAL  
MOTION:**

**Rep. Wroten** made a motion to **HOLD H 136** in Committee.

**Rep. Clow** spoke in favor of the motion, stating there is a lot of confusion on impact fees. From his experience, impact fees are a great undertaking, and they cannot be used to make new or improve current services. They are only meant for local communities to better provide current level of service to new growth, and they cannot be used on services a community is currently behind on. Recreational districts already have the means, such as bonds, to fund services they are lacking.

**Rep. Cheatum** spoke against the motion, stating **H 136** provided another tool for local communities to use to better address their needs.

**SUBSTITUTE  
MOTION:**

**Rep. Green** made a substitute motion to send **H 136** to the floor with a **DO PASS** recommendation.

Speaking to the substitute motion, **Rep. Green** stated this legislation provides tools for local communities to better handle growth. Recreational districts are not able to provide better services due to the unexpected growth. **H 136** will provide them a tool to better provide the services they need to accommodate growth, and it does not require them to use impact fees if they do not want to.

**Rep. Skaug** spoke in favor of the substitute motion, stating impact fees allow those moving to communities to pay for the access to services rather than having the community as a whole take on the burden.

**Rep. Weber** spoke in favor of the original motion, stating it is concerning to allow another tax to people when there is a need to address property taxes. Impact fees are overused and seem to become a new means to gain revenue without seeking approve from the tax payers first.

**Chairman Ehardt** stated this subject has been confusing due to the amount of information connected with impact fees, and will plan to have informative meetings in the future to help committee members to be more informed on subjects they may make decisions on.

**Rep. Berch** spoke in favor of the substitute motion, **H 136** is consistent with new growth paying for itself and letting local governments decide the best means for them to fund services.

**Rep. Alfieri** spoke in support of the original motion, stating impact fees hide the true cost of growth to a community. They are often used for quick fixes, but the ongoing cost of growth is never fully addressed in terms of increased services and maintenance.

**ROLL CALL  
VOTE ON  
SUBSTITUTE  
MOTION:**

**Chairman Ehardt** requested a roll call vote on the substitute motion to send **H 136** to the floor with a **DO PASS** recommendation. **Motion failed by a vote of 7 AYE and 9 NAY and 1 Absent/Excused. Voting in favor of the motion: Reps. Skaug, Cheatum, Cornilles, Dixon (24), Berch, Green, and Galaviz. Voting in opposition to the motion: Reps. Ehardt, Crawford, Clow, Weber, Alfieri, Hawkins, Healey, Price, and Wroten. Rep. Erickson was absent/excused.**

**ROLL CALL  
VOTE ON  
ORIGINAL  
MOTION:**

**Chairman Ehardt** requested a roll call vote on the original motion to **HOLD H 136** in Committee. **Motion carried by a vote of 9 AYE and 7 NAY and 1 Absent/Excused. Voting in favor of the motion: Reps. Ehardt, Crawford, Clow, Weber, Alfieri, Hawkins, Healey, Price, and Wroten. Voting in opposition of the motion: Reps. Skaug, Cheatum, Cornilles, Dixon (24), Berch, Green, and Galaviz. Rep. Erickson was absent/excused.**

**ADJOURN:**

There being no further business before the Committee, the meeting adjourned at 2:51 PM.

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Representative Ehardt  
Chair

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Elijah Phipps  
Secretary