

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Tuesday, February 20, 2024

TIME: 1:30 P.M.

PLACE: Room EW05

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

**ABSENT/
EXCUSED:** Rep. Skaug

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 1:31 PM.

Chairman Ehardt introduced **Elijah Phipps**, the new House Local Government Committee Secretary, and **Silas Frederick**, the new Committee page. Mr. Frederick is home schooled, and has had three older siblings serve as House pages.

MOTION: **Rep. Cheatum** made a motion to approve the minutes of the February 14, 2024, and February 16, 2024, meetings. **Motion carried by voice vote.**

H 492: **Rep. Nelsen** presented **H 492**, which would add recreational districts to the list of entities that a local community can add to their impact fee areas. This bill would not require every community to have an impact fee, but would provide another tool for local communities to help pay for the growth they are experiencing.

When answering questions, **Rep. Nelsen** clarified **H 492** would allow local jurisdictions to include recreational districts in Capitol Improvement Plans (CIPs), allowing them to receive funds gathered by impact fees. Although impact fees increase the price of a house, Idaho is growing rapidly, and this bill would provide local communities a tool to help address the strain recreational districts are experiencing without relying on creating new annual fees.

Tim O'Meara, representing the Greater Middleton Park and Recreation District, testified **in support** of **H 492**. This bill would allow recreational districts to negotiate with local governments to impose impact fees on new structures, which the counties would collect through building permits and pass the funds down to the recreation district. While there is an annual tax homeowners pay to support the recreational district, the impact fees residents would pay after buying a new house would be used to maintain the level of service and prevent recreational districts from being strained due to an increase in the number of people using their facilities.

Matthew Garner, the Executive Director of the Greater Middleton Parks and Recreation District, testified **in support** of **H 492**. Impact fees are a very important and useful tool. With how the city of Middleton has grown, the recreational district does not have enough space in their parks for the community. This bill would help the whole community, and allow recreational districts to provide a better environment for kids.

Ken Burgess, representing the Idaho Home Builders Association, testified in **opposition to H 492**. Development impact fees implemented to accommodate new growth, which are designed to pay for the proportionate share of the impact new development and homes will have on current services, and to maintain the current level of services. Because of the growth in Idaho and previous legislation, **H 389** in 2021, which capped cities from increasing their budgets more than 8% annually, cities and local entities have been looking for different ways to increase funds they have available. Home builders are not opposed to impact fees, but they are seeing increases in the amount and size of impact fees, and increases in how communities are using impact fees in areas they are not designed for. Recreational districts have other resources available to collect funds, such as property taxes, club membership fees, and bonds.

Rep. Nelsen concluded there many different ways to look at **H 492**. He does not disagree with the developers on how the bill would affect housing prices, but recreational districts near homes affect the properties' value and people's interest in purchasing a property. A number of residential properties do not pay property taxes due to homeowner exemptions, and this can affect the funds available for the local recreational district.

Rep. Cheatum spoke in **support of H 492**, stating recreational districts are tightly controlled and regulated by the same budgetary restraints as other districts.

ORIGINAL MOTION:

Rep. Berch made a motion to send **H 492** to the floor with a **DO PASS** recommendation.

Rep. Clow and **Rep. Wroten** spoke against the motion, they stated impact fees are a form of taxation that recreational districts were not originally intended to have, and although impact fees collected from a housing development can provide large amounts of funds, the services they are used to address are not always the same services strained by the housing development.

SUBSTITUTE MOTION:

Rep. Galaviz made a substitute motion to send **H 492** to the floor with no recommendation. She stated there were valid points made and it would be best to give the House an opportunity to discuss the bill.

Rep. Green and **Rep. Berch** spoke in favor of the substitute motion, saying this substitute motion would allow the House to continue the discussion on how to support local communities.

Rep. Clow and **Rep. Wroten** spoke against the substitute motion. If the Committee should send **H 492** to the floor, it should be with a solid recommendation.

AMENDED SUBSTITUTE MOTION:

Rep. Wroten made an amended substitute motion to **HOLD H 492** in committee at the call of the chair.

ROLL CALL VOTE ON AMENDED SUBSTITUTE MOTION:

Chairman Ehardt requested a roll call vote on the amended substitute motion to **HOLD H 492** in Committee. **Motion carried by a vote of 12 AYE and 4 NAY and 1 Absent/Excused. Voting in favor of the motion: Reps. Ehardt, Kingsley, Clow, Erickson, Weber, Alfieri, Cornilles, Dixon (24), Hawkins, Healey, Price, and Wroten. Voting in opposition of the motion: Reps. Cheatum, Berch, Green, and Galaviz. Rep. Skaug was Absent/Excused.**

ADJOURN:

There being no further business to come before the Committee, the meeting adjourned at 2:36 PM.

Representative Ehardt
Chair

Elijah Phipps
Secretary