

MINUTES
SENATE LOCAL GOVERNMENT & TAXATION COMMITTEE

- DATE:** Wednesday, January 31, 2024
- 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 3:07 p.m.
- RS 30882** **Senator Van Orden** presented **RS 30882**. She explained that this legislation was a revision of S 1062 (2023). It repealed Idaho Code § 50-222 and replaced it with a new Idaho Code § 50-222 entitled "Annexation by Cities." It used common definitions and set forth a process for annexation by cities.
- Representative Young** explained that this RS provided for a two-part consent threshold. The current statute had three categories of annexation, including forced annexation which was rarely used and was only allowed in a few states. Currently, the annexation provisions were scattered throughout the statutes and were very confusing.
- MOTION:** **Vice Chairman Schroeder** moved to send **RS 30882** to print. **Senator Adams** seconded the motion.
- DISCUSSION:** **Senator Rabe** asked whether there would be other annexation legislation coming forward and whether that legislation might compete with or conflict with this legislation. **Chairman Ricks** replied that there likely would be other annexation legislation coming forward, but that he felt that legislation would not compete or conflict with this proposal.
- Senator Grow** asked if Kelley Packer, Executive Director, Association of Idaho Cities, would state their position on **RS 30882**.
- TESTIMONY:** **Kelley Packer** stated that if she had seen the final draft of this legislation they were not in support of it. However, if there had been revisions to the draft she saw, she would need to review that before expressing an opinion.
- DISCUSSION:** **Chairman Ricks** commented that he felt that **RS 30882** was entitled to a full hearing.
- VOICE VOTE:** The motion passed by **voice vote**.
- RS 31040** **Vice Chairman Schroeder** presented **RS 31040**. Pursuant to Senate Rule 39(H), he declared a conflict of interest. He explained that this legislation was drafted by the Crouch City Treasurer and he was the Crouch City Attorney.

Vice Chairman Schroeder explained that this legislation increased the threshold for annual expenditures by a local governmental entity requiring an annual audit from \$250,000 to \$300,000. In addition, it increased the threshold for annual expenditures which would allow the local governmental entity to elect to have a biennial audit from between \$150,000 and \$250,000 to between \$250,000 to \$300,000. He further explained that this would help local governmental entities that received funds putting them in the higher bracket requiring an annual audit which cost more than the additional funds received.

- MOTION:** **Senator Bernt** moved to send **RS 31040** to print. **Senator Trakel** seconded the motion.
- DISCUSSION:** **Senator Grow** asked whether he had taken into account the rate of inflation from 2019 to the present. **Vice Chairman Schroeder** responded that he had not.
- VOICE VOTE:** The motion passed by **voice vote**.
- MINUTES APPROVAL:** **Senator Bernt** moved to approve the Minutes of January 16, 2024. **Senator Rabe** seconded the motion. The motion carried by **voice vote**.
- Senator Just** moved to approve the Minutes of January 17, 2024. **Senator Trakel** seconded the motion. The motion carried by **voice vote**.
- Senator Just** moved to approve the Minutes of January 23, 2024. **Senator Trakel** seconded the motion. The motion carried by **voice vote**.
- ADJOURNED:** There being no further business at this time, **Chairman Ricks** adjourned the meeting at 3:25 p.m.

Senator Ricks
Chair

Meg Lawless
Secretary