

IDAHO STATE TAX COMMISSION

COMMISSIONERS' OPEN MEETING MINUTES OF MEETING MARCH 1, 2017

In attendance: Commissioners Ken A. Roberts, Richard W. Jackson, Tom Katsilometes, and Elliot S. Werk, Mark Poppler, Doreen Warren, Steve Fiscus, Randy Tilley, John Bernasconi, Robin O'Neill, Kathy Osborn, Renee Eymann, Rod Brevig, Glenda Smith, Alan Dornfest, Chuck Pond, Phil Skinner, George Brown, Erick Shaner, David Young, Nathan Nielson, Becky Ihli, and Kelly Martinez.

Guests: Kay Christensen and Katrine Franks

Public Session

Commissioner Richard Jackson convened the open meeting and welcomed all those in attendance.

Presentation of Certificates of Service

Kathy Osborn, Senior Human Resources Specialist, acknowledged the employees receiving a Certificate of Service. Ms. Osborn stated how much their combined total of 130 years of state service is appreciated. The Certificate of Service recipients in attendance were: Courtney Baldwin, Project Coordinator, Coordination & Development – 5 years; Sandra (Sandi) Meikle, Tax Compliance Technician, Bankruptcy – 5 years; David Bettencourt, Tax Auditor 2, Income Tax Audit – 10 years; Mary Santi, Tax Compliance Technician, Field Collection Bureau – 10 years; Chris Barry, Tax Central Processing Bureau Chief, Central Processing Bureau – 25 years, along with a thank you letter from the Governor; and Kenneth (Ken) Repp, IT – Data Base Administrator Senior, IT – 35 years, along with a thank you letter from the Governor.

The Certificate of Service recipients not in attendance were: Susan Grimsman, Tax Compliance Technician, Twin Falls Field Office – 5 years; Sabrina McGarr, Tax Compliance Technician, Pocatello Field Office – 5 years; Kathleen (Kathy) Sereduk, Office Specialist 2, Sales Tax Support – 5 years; Frank (Mike) Teller, IT Information Services Manager, IT – 5 years; Harold (Mel) Napier, Financial Technician, Sales Tax Audit – 10 years; and Mariteresa (Tracy) Seganos, Technical Records Specialist 1, Boise Field Office – 10 years. They will receive their certificates at a later time.

The Commissioners expressed their congratulations to all the recipients and fellow employees who came out to support them, and how much they appreciate all of their hard work.

Business Requiring Vote of the Commission

Minutes: Open Meeting – February 8, 2017

Commissioner Roberts moved that the minutes of the open meeting held on February 8, 2017 be approved. Commissioner Katsilometes seconded the motion. There were no comments or amendments. All voted in the affirmative and the minutes of the open meeting held on February 8, 2017 were approved.

Forestland Values for Assessment Year 2017 – Rod Brevig

Rod Brevig, Forestland Tax Administrator, presented the 2017 Forestland Values for the State of Idaho to the Commission and recommended the Commission adopt the Forestland Values for 2017 to be used for assessment purposes. Mr. Brevig also reviewed a brief explanation of the recent history of Idaho's forestland values and acknowledged the four forestland value zones in Idaho. Commissioner Katsilometes moved to approve the 2017 Forestland Values for assessment purposes. Commissioner Roberts seconded the motion and it passed unanimously.

Administrative Policies – Kathy Osborn

Kathy Osborn, Senior Human Resources Specialist, presented the Administrative Policy Memorandums for approval as follows:

Administrative Policy Memorandum No. 17-01 – Work Hours, Overtime, Attendance and Leave;

Administrative Policy Memorandum No. 17-02- Alternate Work Schedules;

Administrative Policy Memorandum No. 17-03 – Tax Compliance by Idaho State Tax Commission Employees;

Administrative Policy Memorandum No. 17-04 – Alcohol and Drug-Free Workplace;

Administrative Policy Memorandum No. 17-05 – Equal Employment Opportunity and Discrimination-Free Workplace;

Administrative Policy Memorandum No. 17-06 – Electronic Data;

Administrative Policy Memorandum No. 17-07 – Respectful and Harassment-Free Workplace;

Administrative Policy Memorandum No. 17-08 – Family and Medical Leave Act (FMLA);

Administrative Policy Memorandum No. 17-09 – Dress Code

Ms. Osborn said there were no significant changes to the policies, only minor updates as needed. All employees will be required to complete electronic policy statements for the new policies once they are adopted. Commissioner Werk moved to approve Administrative Policy Memorandums 17-01, 17-02, 17-03, 17-04, 17-05, 17-06, 17-07, 17-08, and 17-09. Commissioner Katsilometes seconded the motion. All voted in the affirmative and the Administrative Policy Memorandums 17-01 through 17-09 were approved.

Administrative Reports

Audit Division, Randy Tilley

Randy Tilley had no report at this time.

Management Services, Mark Poppler

Mark Poppler, Financial Officer, reported that JFAC has approved the Attorney General's budget, the Tax Commission budget will be considered tomorrow. We will be heading to the Subcommittee of the Board of Examiners in two weeks to request borrowing authority to the refund

fund. The February numbers are preliminary, but the amount of refunds paid in February supports the information we gave the Board of Examiners a couple of weeks ago. February Individual Income Tax refunds were about \$81 million versus \$64 million in February of last year. There are \$15 million in refunds that will post tonight, so March is getting off to a very fast start.

Mr. Poppler reported that the copier replacements are about half-way done and should finalize tomorrow. The field office copiers will be replaced in the next two weeks.

There were no questions.

Revenue Operations, John Bernasconi

John Bernasconi had no report at this time.

Tax Division Administrator, County Support, Steve Fiscus

Steve Fiscus had no report at this time.

Public Information Director, Taxpayer Resources, Doreen Warren

Doreen Warren had no report at this time.

There were no more administrative reports.

Reports on Rules Committees

Property Tax Rules – Committee Chair, Alan Dornfest

Alan Dornfest, Property Tax Rules Committee Chair, reported that the Rule Committee met yesterday and they are reviewing legislation that may affect property tax and therefore affect property tax rules. We know of two things that are not passed yet, but are highly likely to pass in his opinion, that will require temporary rules. There is a bill about repudiating some of the foregone amount taxing districts have accrued or will accrue into the future and we would need a temporary rule on that one. Secondly, there is a bill that is a new version that was heard today regarding special exemptions for economic development that could be granted by County Commissioners, that would also have substantial changes that would make our current rule no longer reflect the state of the law. Those two rules are under contemplation pending the outcome of these two pieces of legislation. The next rules meeting will be held on March 20. There were no further questions.

There were no more rules committee reports.

Other Business

There were no items of other business.

Public Comments

Commissioner Jackson asked if the guests in attendance had any comments. Commissioner Jackson noted that Gene Kuehn, Canyon County Assessor is retiring after 40 years. Mr. Dornfest said Assessor Kuehn was so helpful in so many ways and they are going to miss him. Randy Tilley said the Department of Labor presented a bill with regards to requiring FBI fingerprints that was rejected by the House Committee, this is a concern from his perspective because it is a requirement from the IRS. We plan to put legislation forward next year, so if there is this prevailing attitude of the committee that may stop that from going forward it could hamper our ability to get information that is critical to our success from the IRS. Doreen Warren said she visited with Georgia Smith yesterday who did not have a copy of the new RS, but they are presenting a new RS today. Ms. Warren said she is going to go over today to listen to the testimony and get a copy of the new RS. Commissioner Werk said first it was rejected on the House floor, the bill was pretty far ranging and gave the opportunity for people to have a lot of discomfort. He said in speaking with Director

Edmonds, he is hoping the scaled down version will get a better reception to give us a path forward for next year. Chuck Pond said it is required by the IRS for us to keep FTI, but on the other side of things it is really good because right now if you are arrested in Idaho or surrounding states we use, you are held to a higher standard than if you came from somewhere else. The other part of that with identity theft, we don't want to hire someone who might do that sort of thing, and we won't know without the FBI background check. It is the smart thing to do to protect the data for all of our taxpayers. Commissioner Jackson said it is far reaching, way beyond what this bill will do. If you look at any agencies (including the Tax Commission) that receive federal funds, the background checks are currently occurring.

There were no other public comments.

Executive Session

Commissioner Katsilometes moved to go into Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party. Commissioner Werk seconded the motion. A roll call vote was taken by Kelly Martinez, Administrative Assistant and Commissioners Roberts, Katsilometes, Jackson, and Werk all voted in favor and the motion passed.

The Commission met in Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party. No matters requiring a vote of the Commission resulted from the Executive Session.

Public Session

Commissioner Jackson declared the Executive Session ended and returned to the public session. There being no further business, Commissioner Roberts moved to adjourn the meeting. All voted in the affirmative and the meeting was adjourned.

Kelly Martinez

Richard W. Jackson