

MINUTES
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Tuesday, March 26, 2013

TIME: 1:30 pm or Upon Adjournment

PLACE: Room EW40

MEMBERS: Chairman Palmer, Vice Chairman Shepherd, Representatives Wood(35), Wills, Bateman, Henderson, Denney, Gestrin, Gibbs, Hixon, Kauffman, Packer, Patterson, Youngblood, Ringo, King, Gannon

**ABSENT/
EXCUSED:** None

GUESTS: Dennis Tanikuni, Idaho Farm Bureau, Elizabeth Criner, MWFPA/FWAA/Simplot, Scott, Stokes, ITD, Dave Butzier, URS.

Chairman Palmer called the meeting to order at 3:10 p.m.

MOTION: **Rep. Hixon** made a motion to approve the minutes of the March 22, 2013 meeting.
Motion carried by voice vote.

RS 22180: **Rep. Kauffman** presented **RS 22180**. He said this proposed legislation addresses the transportation funding shortfall identified by the eleven member "Governor's Task Force on Modernizing Transportation Funding in Idaho". He said in a 15 month period of time the task force received testimony and presentations on transportation funding needs from national experts, transportation-related organizations, state and local governments and members of the public. The task force confirmed Idaho's significant and growing transportation funding shortfall. He said this legislation would increase Idaho sales tax by 1% and create approximately \$162 million annually to be deposited into the highway distribution account. The public's primary expectation of the system is that it is safe, efficient, and open for business. He said this legislation has a five year sunset clause.

RS 22340: **Senator Brackett** presented **RS 22340**. He said this proposed legislation provides additional revenue, above what is currently provided, to address Idaho's critical shortfall in its need to maintain, repair and upgrade the State, City, County and Highway District highways and bridges. He said this legislation provides additional revenue through the highway distribution account to the Idaho Transportation Department, Idaho State Police and local units of government. The principal Provisions of the legislation provide for enhanced revenue by: 1. The transfer of sales tax revenue from the sale of tires and other motor vehicle equipment to the highway distribution account (23.4M), 2. Impose a tax equal to the state sales tax on passenger vehicle leases and rentals for 30 days or less (2.0M). He said the general fund impact is -\$23.4M. This transfer is delayed until the second year of implementation. The estimated gross collections by year in millions for this legislation would be: Year One: \$1.7; Year Two: \$25.4; Year Three: \$25.4; Year Four: \$25.4; Year Five: \$25.4; Year Six: \$25.4

RS 22341: **Senator Brackett** presented **RS 22341**. He said the principle provisions of this legislation are as follows: 1. Increase state motor fuel and diesel fuel taxes in a phased-in approach. 2. Increase the transfer fee by 4 cents on the delivery and storage of gasoline and diesel. 3. Increase registration fees on most cars and pickup trucks, including registration fees on other vehicles such as motorcycles, school buses, non-commercial, commercial and farm trucks less than 60,000 lbs. 4. Increase registration fees relating to large trucks, commercial, non-commercial, and farm vehicles greater than 60,000 lbs. 5. Impose a new fee on electric and hybrid vehicles. 6. Increase various permit fees for overweight and oversized loads. 7. Transfer the sales tax revenue from the sale of tires and other motor vehicle equipment to the highway distribution account. 8. Impose a tax equal to the state sales tax on passenger vehicle leases and rentals of 30 days or less. Senator Brackett said this legislation provides for a three-year pilot program to increase enforcement of the provisions of the dyed fuel program by the Idaho State Police. He said the general fund impact would be -\$23.4M and is a transfer from the sales tax collections to the Highway Distribution Account. The estimated gross collections by year in millions is as follows: Year One: \$82.9; Year Two: \$171.7; Year Three: \$192.2; Year Four: 212.7; Year Five: \$233.1; Year Six: \$236.5.

RS 22342: **Senator Brackett** presented **RS 22342**. He said the principle provisions of this proposed legislation are as follows: 1. Increase registration fees on most cars and pickup trucks, including registration fees on other vehicles such as motorcycles, school buses, non-commercial, commercial and farm trucks less than 60,000 lbs. and utility trailers. 2. Increase the registration fees relating to large trucks, commercial, non-commercial, and farm vehicles greater than 60,000 lbs. 3. Impose a new fee on electric and hybrid vehicles. 4. Increase various permit fees for overweight and oversized loads. The estimated gross collection by year in millions is as follows: Year One: \$25.6; Year Two: \$61.4; Year Three: 61.4; Year Four: \$61.4; Year Five: \$61.4; Year Six: \$61.4.

RS 22343: **Senator Brackett** presented **RS 22343**. He said the principle provisions of this proposed legislation are as follows: 1. Increase state motor fuel and diesel fuel taxes in a phased-in approach. 2. Increase the transfer fee by 4 cents on the delivery and storage of gasoline and diesel. 3. This legislation provides for a three-year pilot program to increase enforcement of the provisions of the dyed fuel program by the Idaho State Police. The estimate gross collections by year in millions is as follows: Year One: \$55.6; Year Two: \$84.8; Year Three: \$105.3; Year Four: \$125.8; Year Five: \$146.3; Year Six: \$149.7.

MOTION: **Rep. Wills** made a motion to introduce **RS 22180, RS 22340, RS 22341, RS 22342, and RS 22343. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee the meeting was adjourned at 3:35 p.m.

Representative Palmer
Chair

Leah Kent
Secretary