

MINUTES
SENATE TRANSPORTATION COMMITTEE

- DATE:** Thursday, March 01, 2012
- TIME:** 1:30 P.M.
- PLACE:** Room WW53
- MEMBERS PRESENT:** Chairman Hammond, Vice Chairman Brackett, Senators Keough, Corder, Winder, Bair, Werk, and Bilyeu
- ABSENT/ EXCUSED:** all present (with one vacancy on the Committee)
- 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.
- CONVENE:** **Chairman Hammond** called the meeting to order at 1:31 p.m. and asked the secretary to take a silent roll. With a quorum present, the Chairman asked Mollie McCarty, Government Affairs Program Manager for the Idaho Transportation Department (ITD), to introduce gubernatorial appointee to the Idaho Transportation Board, Jim Kempton of Albion, Idaho.
- GUBERNATORIAL APPOINTMENT:** **Chairman Hammond** welcomed Mr. Kempton to the Committee. Mr. Kempton said he has been appointed by Governor Otter to fill the District 4 position on the Idaho Transportation Board. He thanked Ms. McCarty for her introduction of him to the Committee. From his many past experiences, he has a broad view of State government and its processes; and the connecting links between State government and ITD and the Board. The ITD Board is a policy organization and has no business meddling in the day-to-day operation of the Department. He expressed his concern about the financial and transportation situation in Idaho. The last gas tax increase was in 1996 and it was difficult to pass. He discussed the vote at that time and the political ramifications legislators feared would occur if they voted incorrectly. It has now been 15 years without an increase. He understands the concerns and hope that compromise can be reached. He appreciates this appointment and believes he can fulfill the responsibility. Mr. Kempton stood for questions.
- QUESTIONS:** **Chairman Hammond** thanked Mr. Kempton for his remarks and expressed his appreciation for his comments. He said he agreed that a more aggressive strategy is called for.
- Senator Corder** said Mr. Kempton was imminently qualified. He asked Mr. Kempton how he would move forward with the fairness of a gas tax with other funding being discussed. Mr. Kempton said it will come about by: (1) using some of the information already laid out and passed; (2) studies that have been done; (3) review and formulation of committees; and (4) having some kind of hearing to get needed information from district engineers and the public. The GARVEE analysis was over a short period of time and focused primarily where GARVEE has been used. He also spoke about the Ton Mile Tax. **Senator Corder** asked about a plan, he believes has been attributed to Mr. Kempton, that if we don't fund transportation more, we need to figure out how we're going to get the roads back to gravel. Mr. Kempton said that if we can't fund the highway system, then you have to have a plan to reorganize the structure. Some options are: registration fees, sales tax, utilities taxes, and an energy tax (not a fuel tax, but an energy tax). All should be open for discussion. **Senator Corder** asked how

he sees the relationship between ITD and the local highway districts; whether it would be changing and expanding or just becoming different. Mr. Kempton said it was difficult to discuss because of how funds flow from the State and ITD to the local districts. Whether the money is being fairly spent by the highway district is not easy to find out, and local option taxes are not specific.

Senator Winder thanked Mr. Kempton and remembered past discussions about these same funding issues with him. He looks forward to working with Mr. Kempton.

Chairman Hammond thanked Mr. Kempton and reminded the Committee that his nomination would be voted on at the next meeting.

H472: **Chairman Hammond** welcomed **Senator Johnson** to the Committee and asked him to present H472. **Senator Johnson** said H472 is a license plate bill recognizing the 150th anniversary of the establishment of the Idaho Territory. On March 4, 1863, President Abraham Lincoln signed the act that created the Idaho Territory. The next 22 months will demonstrate the mission of how much we value our past. This bill creates a sesquicentennial license plate. The funds raised will go to preserve and safeguard the local legacies that shape our Counties. The distribution of funds will go to the Counties from where the plates were purchased. **Senator Johnson** stood for questions.

QUESTIONS: **Chairman Hammond** asked who the sponsor was and who would be providing the funds to create the plate. **Senator Johnson** said it was the Lewiston Historical Society. It is a \$4,000 commitment.

Senator Bilyeu said she really likes the sesquicentennial plate and thinks it should be granted. She asked if the funds would go to other museums or historical societies. **Senator Johnson** said that each County that has an historical committee will receive funds. There were no further questions.

MOTION: **Senator Bilyeu** moved to send H472 to the floor with a do-pass recommendation. **Senator Keough** seconded the motion. The motion passed by a voice vote with three dissenting votes cast by **Senator Bair**, **Senator Corder**, and **Senator Werk**. **Senator Johnson** will carry the bill on the Senate floor.

RS21355: **Chairman Hammond** asked **Senator Winder** to discuss his request for unanimous consent to send his RS to the State Affairs Committee for printing. **Senator Winder** said this RS was brought to him by the industry representing some local jurisdictions that are having difficulty under current Idaho Code that allows for someone during a bidding process to make a public disclosure request to try to get information during the bidding process as to what competitive bids have been submitted to a data base. He asked for a unanimous consent to send it to the State Affairs Committee for a print hearing.

QUESTIONS: **Senator Corder** asked what industry brought this to him. **Senator Winder** said it was brought on behalf of the Ada County Highway District (ACHD) through their representative Jerry Deckard. They have a significant problem with the bidding process that they would like to get corrected. **Senator Corder** pointed out that ACHD is not the industry but a local unit of government. **Senator Winder** agreed with that description as being more appropriate.

Senator Keough asked why this was coming before the Committee at such a late time in the session. **Senator Winder** deferred that question to Jerry Deckard. Mr. Deckard offered a hypothetical example to help the Committee understand what this bill does. He said that when a local jurisdiction accepts bids and the closing bid time was 5 p.m. yesterday, the governing body has the bids reviewed and awards them at noon tomorrow. In the intervening time there are requests for public information for all of the competitive bids which, when provided, makes the competitive bidders take issue with each other. This bill says that until the bid is awarded no public information request would be fulfilled. Upon award, the public information would be provided.

Senator Werk asked if once the contract is awarded bidders can examine other competitor's bids. Mr. Deckard said they are available only after the contract has been awarded. **Senator Werk** asked if Mr. Deckard was representing ACHD at this time. Mr. Deckard said he does represent ACHD in this instance, and pointed out that the director of all highways districts also supports this legislation.

Vice Chairman Brackett asked for unanimous consent that RS21355 be sent to the State Affairs Committee for printing and returned to the Transportation Committee for a full hearing. With no objections, it was so ordered.

WELCOME:

Chairman Hammond welcomed his wife, Cyndie, and his son, Sean, daughter-in-law, Virginia, and two grandsons, Ebrett and Nathan, to the Committee.

S1356:

Chairman Hammond asked Stuart Davis, Executive Director of the Idaho Association of Highway Districts, to come to the podium and present S1356. Mr. Davis said this bill is designed to streamline the procedures for disposing of real and personal property to the district. A difficulty policy makers face is how to take care of small jurisdictions while also taking care of the larger ones with a single piece of legislation. What happens over time is that legislation is added to and taken-away from to make it work. This bill is the final piece of that process. On the one hand you have ACHD that has 85 parcels of land they want to dispose of and the process is long and tedious; on the other hand you have highway districts trying to dispose of two battery chargers. This does not take away from the public's right to review those processes. It combines the two actions of declaring a surplus and conducting a hearing to determine if the property should be sold. It also allows a streamlined process so that all are on the same page for disposing of property of value over \$5,000. Mr. Davis stood for questions.

QUESTIONS:

Senator Werk thought that it is a big change when you change language for adding or disposing of property. He asked what the current procedure is for disposing of small pieces of real property and why should it be changed. Mr. Davis said they are trying to minimize the amount of administrative actions to get rid of such a small item. Real property is put in here because it was never considered surplus. The process for disposing of 85 parcels would require multiple hearings that currently require a lot of administrative actions. He does not believe that huge pieces of property would fall under this. **Senator Werk** referred to line 40 on page 1 and asked if there was something that could use current appraisals rather than older appraisals. Mr. Davis deferred the question to Steve Price, General Counsel for ACHD, Mr. Price said this statute is what all highway districts use to dispose of real or personal property. It is intended for there to be a process to dispose of the public's assets. There is a process where the public can offer their input. This statute offers a series of safeguards to ensure the public's best interests are taken into consideration, as well as the fiduciary responsibility of the highway district. What has happened over the

years is there are a number of parcels that have no accounting value (they are not on the tax rolls), sometimes their lines aren't perfect on projects, but they could benefit the adjacent property. The district generally has an idea of what the value is, and sometimes having a new appraisal can hinder selling it. **Senator Werk** said his concern is that there may be 'sweetheart' deals that are not in the best interest of the public. Mr. Price apologized for the poor language structure and said that it should read 'current appraisal.' **Senator Werk** suggested that a qualifier indicating it would be the most current appraisal would be good.

Senator Corder asked if it is even possible that these types of parcels would be appraised. Mr. Price said that once a project is done the appraisal is fresh, but ACHD has 85 parcels that are not from current projects. **Senator Corder** asked if the value is based on the entire parcel. Mr. Price said their appraisal is based on a value per square foot. That's what they use to value the pieces of the parcels.

Senator Bilyeu said she agreed that the appraised value needs to be current and that the language should be changed. Mr. Davis said he would be willing to have this bill sent to the amending order.

Senator Bair commented that in Blackfoot they are looking for ITD's used and closed gravel pits because they are used to put water back into the aquifer.

MOTION:

Senator Werk moved to send S1356 to the 14th order for amendment. **Senator Bilyeu** seconded the motion. With no discussion, the motion passed by a unanimous voice vote. **Senator Corder** will carry the bill on the Senate floor.

ADJOURNAMENT: With no further business before the Committee, **Chairman Hammond** adjourned the meeting at 1:27 p.m.

Senator Hammond
Chairman

Gaye Bennett
Secretary