

MINUTES
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Wednesday, March 18, 2015

TIME: 1:30 pm or Upon Adjournment

PLACE: Room EW40

MEMBERS: Chairman Palmer, Vice Chairman Shepherd, Representatives Wills, Bateman, Gestrin, Hixon, Kauffman, Packer, Youngblood, McDonald, Dixon, Harris, Holtzclaw, Monks, King, Rudolph, Wintrow

**ABSENT/
EXCUSED:** Representative(s) McDonald

GUESTS: The sign-in sheet will be retained in the committee secretary's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

Chairman Palmer called the meeting to order at 1:30 p.m.

S 1061aa: **Senator Brackett** presented **S 1061aa** regarding highway commissioner terms. This legislation would provide a three year term of office and a transition period in the election cycle of local highway district commissioners. Candidates for one of the three local highway district commissioner seats will appear on an election ballot annually after they have come through the transition period.

MOTION: **Rep. Kauffman** made a motion to send **S 1061aa** to General Orders. **Motion carried by voice vote. Chairman Palmer** will sponsor the bill on the floor.

Rep. Kauffman and **Rep. Youngblood** invoked Rule 38 stating a possible conflict of interest. They are both highway commissioners.

H 260: **Rep. Chaney** presented **H 260** regarding transportation funding. He told the committee that the transportation funding issue is a safety and economic development issue. Rep. Chaney made it very clear to the committee that registration fees would not be included in this bill. The reason for that was to streamline this bill so a step forward could be made, and registration could become its own legislation.

Rep. Monks also presented **H 260**. A summary of the transportation finance bill was presented. This legislation would increase gas tax 5 cents. If the receipts to the general revenue fund exceed 4% of revenue, then .4% of the general revenue fund would go to the Highway Distribution Account. The increase is cumulative, meaning every time \$20 million is reached in the aggregate, the gas tax is reduced by 1 cent until 25 cents of tax is reached. The present amount is based on 5 cents gas and no excess of growth over 4%, the minimum amount received. This legislation also defines electric and hybrid vehicles. It creates an additional registration fee for electric and hybrid vehicles to \$120 and \$65. This is to commensurate the gas tax increase. It will also eliminate the suspension of the transfer fee. It will increase the transfer fee by 2 cents. Seventy percent will go to the Highway Distribution Account, 7% to State Highway Account, and 3% to Parks and Recreation until 150% of fiscal distribution is reached. Twenty percent will go to the Idaho Petroleum Clean Water transfer fund until \$35 million is reached, then the remainder would go into the Highway Distribution Account. In 2014, revenue exceeded budget by 5.5% which means that .4% of the General Fund would have generated approximately 12.5 million above the minimum amount.

David Lincoln, Idaho Association of Highway Districts spoke **in support** of **H 260**. He stated some of the districts have turned asphalt roads into gravel roads. The public has spoken and it is clear they want and need transportation to do something now.

Robin Nettinga, Idaho Education Association, spoke **in opposition** to **H 260**. She stated this bill would remove money from the General Fund and this is the only fund that the state draws upon to fund public schools. **Rep. Packer** pointed out to the committee that if the roads are not safe then neither is the school buses that transfer the kids. Ms. Nettinga said until we explore other options they would prefer money not be siphoned from the General Fund.

Phil Hardy, Strategies 360, spoke **in opposition** to **H 260**.

Dave Carlson, AAA Idaho, spoke **in opposition** to **H 260**. He stated this legislation does not go far enough, targets passenger vehicles, and gives the trucking industry a free pass.

Jim Riley, Idaho Transportation Coalition, gave testimony on **H 260**. He reviewed letters from long term Idaho companies showing support for transportation funding.

Russ Hendricks, Farm Bureau, spoke **in opposition** to **H 260**. He stated the opposition they have is centered on one feature of the bill, and that is the transfer fee. He does not believe this is an appropriate way to raise tax.

Dave Butzier, A ECON, spoke **in support** of **H 260**. He believed this bill would be a good start in funding our transportation needs, but we still need more.

Brent Olmstead, Milk Producers of Idaho, spoke **in opposition** to **H 260**. He stated if the transfer fee was not in the bill, they would probably support it.

Jeremy Chew, from Givens Pursley, spoke **in support** of **H 260**. He stated that the realtors are also in support of this bill. He stated the transfer fee is not a hidden tax because people are already paying a 1 cent transfer fee.

ORIGINAL MOTION:

Rep. Hixon made a motion to send **H 260** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION:

Rep. King made a substitute motion to **HOLD H 260** in committee.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Rep. King requested a roll call vote on the substitute motion to **HOLD H 260** in committee. **Substitute motion failed by a vote of, 2 AYE, 14 NAY, 1 Absent/Excused. Voting in favor** of the substitute motion: **Reps. King and Wintrow. Voting in opposition** to the substitute motion: **Reps. Shepherd, Wills, Bateman, Gestrin, Hixon, Kauffman, Packer, Youngblood, Dixon, Harris, Holtzclaw, Monks, Rudolph, and Chairman Palmer. Rep. McDonald was absent/excused.**

ROLL CALL VOTE ON ORIGINAL MOTION:

Rep. King requested a roll call vote on the original motion to send **H 260** to the floor with a **DO PASS** recommendation. **Motion carried by a vote of 12 AYE, 4 NAY, 1 Absent/Excused. Voting in favor** of the original motion: **Reps. Wills, Gestrin, Hixon, Kauffman, Packer, Youngblood, Dixon, Harris, Holtzclaw, Monks, Rudolph, and Chairman Palmer. Voting in opposition** to the original motion: **Reps. Shepherd, Bateman, King, and Wintrow. Rep. McDonald was absent/excused. Rep. Monks will sponsor the bill on the floor.**

RS 23885:

Rep. Vander Woude stated the RS packets were not available for the committee in time for the meeting.

UNANIMOUS CONSENT REQUEST:

Rep. Holtzclaw asked unanimous consent to **HOLD RS 23885** in committee until the next meeting. There being no objection, the request was granted.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:08 p.m.

Representative Palmer
Chair

Amber Duke
Secretary