

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Monday, April 12, 2021

TIME: 2:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Den Hartog, Vice Chairman Woodward, Senators Winder, Lodge, Rice, Vick, Crabtree, Nelson, and Wintrow

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.

CONVENE: **Chair Den Hartog** convened the meeting of the Senate Transportation Committee (Committee) at 2:04 p.m.

PAGE RECOGNITION: **Chair Den Hartog** asked Ms. Ella Luekenga to take the podium and share how serving as a page had impacted her. **Ms. Luekenga** said the experience offered her far more than she had expected. In response to a question from Senator Winder, **Ms. Luekenga** said her future plans were to go on a mission for her church and then attend the University of Nevada, Las Vegas where she would study journalism.

MINUTES APPROVAL: **Senator Lodge** moved to approve the Minutes of March 4, 2021. **Senator Crabtree** seconded the motion. The motion carried by **voice vote**.

Senator Rice moved to approve the Minutes of March 9, 2021. **Senator Nelson** seconded the motion. The motion carried by **voice vote**.

Senator Vick moved to approve the Minutes of March 11, 2021. **Senator Wintrow** seconded the motion, The motion carried by **voice vote**.

H 362 **Relating to Transportation Funding.**
Chair Den Hartog invited Representative Palmer (District 20), Chair of the House Transportation and Defense Committee, to present **H 362**.

Representative Palmer stated he and Chair Den Hartog had cosponsored this legislation. This bill will help all components of transportation — transportation local jurisdictions and the Idaho Transportation Department (ITD) — everywhere in the State, not just specific areas. After working through four transportation funding bills this Session, **H 362** has parts that make the House, the Senate, and the Governor happy, and the bill works well for all participants. The basics of the bill are that it takes 4.5 percent of sales tax at a certain point. There will be \$80 million flowing continuously to ITD through deposits into their TECM (Transportation Expansion and Congestion Mitigation) program fund which they will be able to use as needed. The remainder of funds above \$80 million will go to local jurisdictions. The funds accumulate slowly at about \$4 million in the first year, but it will grow very fast over time and it is new money to transportation local jurisdictions. Transportation funding has been identified as the number one need across the State and he cited a Boise State University study indicating that need.

TESTIMONY: The following individual voiced opposition to **H 362**:
Lorna Mitson, representing herself, stated she was against spending tomorrow's money today through bonding.

The following individuals voiced support of **H 362**:

Bobbi-Jo Meulman, Deputy Chief of Staff to the Governor; **Wayne Hammon**, CEO of the Idaho Associated General Contractors; **Seth Grigg**, Executive Director of the Idaho Association of Counties; **Kelly Packard**, Executive Director of the Association of Idaho Cities; **Elizabeth Criner** representing Food Northwest, J.R. Simplot Company, and the Food Producers of Idaho (she noted there was a letter from the Food Producers in their packets); and **Jeremy Chou** representing both the American Council of Engineering Companies of Idaho (ACEC) and the counties.

Senator Jeff Agenbroad (District 13) testified in support of **H 362**. He also offered a solution that would improve the bill, provide protection against an inadvertent misstep while allowing flexibility, and would build certainty into the bill's funding plan. He continued that when fully funded the bonds will require pledging \$80 million annually to service the bond debt. Because it will take four to six years to issue the bonds, there is an opportunity to only pledge sales tax revenue in an amount necessary to service the bonds as the funding increases over time. As an example, the State could pledge \$20 million in the first year from sales tax revenue and appropriates \$60 million thereby maintaining the annual funding of \$80 million; the second year the State commits \$40 million from sales tax revenue and appropriates \$40 million; the third year the State commits \$60 million from sales tax and appropriates \$20 million; and in the fourth year and thereafter the entire \$80 million would be committed from State sales tax revenue. This structure allows the Legislature the flexibility to appropriate the \$120 million over the first four years. **Senator Agenbroad** concluded by requesting the bill be sent to the 14th Order of Business for amendment.

DISCUSSION:

Senator Crabtree said many think it is too late in the Legislative Session to make changes to this bill, but the change that Senator Agenbroad suggested is an easy improvement to a good bill.

Senator Rice said the section of the Idaho Constitution (Article XIII, Section 1) referenced by Mr. Chou in his testimony, authorizes legislation like **H 362**.

**CLOSING
REMARKS:**

Representative Palmer concluded by stating that laws are moving targets that change every year. Legislators are responsible for spending Idaho citizens' money wisely. This legislation deals with a critical issue affecting all Idahoans, and this bill is a responsible solution. He urged the Committee to send **H 362** to the floor with a do pass recommendation.

MOTION:

Senator Rice moved to send **H 362** to the floor with a **do pass** recommendation. **Senator Vick** seconded the motion.

DISCUSSION:

Senator Winder commented that in the 13 Legislative Sessions he has served in the Legislature, transportation bills always are heard near the end of the Session. He believes it's because of the tremendous collaborative effort it takes to find remedies to satisfy transportation funding needs each year. He had invited Senator Agenbroad to present his proposal because the cash flow aspect needs to be considered and it has merit. **Senator Winder** believes it should be looked at during the next Legislative Session.

Senator Crabtree agreed that Senator Agenbroad's proposal is an important conversation to undertake. He did not think an amendment had been considered until recently. He knows timing is a problem, but believes Senator Agenbroad's ideas are good and would allow local jurisdictions to receive funding earlier. **Senator Crabtree** said his Legislative District has many local highway districts.

**SUBSTITUTE
MOTION:**

Senator Crabtree moved to send **H 362** to the **14th Order of Business** for possible amendment. **Vice Chair Woodward** seconded the motion.

DISCUSSION: **Chair Den Hartog** said the financing aspect had been part of the original discussion with the House and the Governor in February. It was flatly rejected at the time, but she agrees with Senator Winder and it should be revisited next Legislative Session. As **H 362** is written, funds can be used as they transfer into the account.

ROLL CALL VOTE ON SUBSTITUTE MOTION: **Vice Chair Woodward** and **Senators Crabtree, Nelson, and Wintrow** voted aye; **Chair Den Hartog** and **Senators Winder, Lodge, Rice, and Vick** voted nay. The motion failed.

ROLL CALL VOTE ON ORIGINAL MOTION: **Chair Den Hartog, Vice Chair Woodward, and Senators Winder, Lodge, Rice, Vick, Crabtree, Nelson, and Wintrow** all voted aye. The motion carried unanimously.

ADJOURN: There being no further business at this time, **Chair Den Hartog** adjourned the meeting at 2:43 p.m.

Senator Den Hartog
Chair

Gaye Bennett
Secretary