

MINUTES
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Friday, February 10, 2017

TIME: 1:30 P.M.

PLACE: Room EW40

MEMBERS: Chairman Palmer, Vice Chairman Shepherd, Representatives Gestrin, Hixon, Kauffman, Packer, Youngblood, McDonald, Dixon, Harris, Holtzclaw, Monks, DeMordaunt, Syme, King, Wintrow, Gannon

**ABSENT/
EXCUSED:** Vice Chairman Shepherd

GUESTS:

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

Chairman Palmer withdrew **RS 25025C3** from the agenda.

Chairman Palmer clarified that **RS 25101** had recently been amended, and is now **RS 25101C1**.

RS 25233: **Jack Lyman**, Idaho Housing Alliance, presented **RS 25233**. The purpose of the proposed legislation is to define "park model recreational vehicle" in a way that eliminates the difference between those that are 8 1/2 feet wide and those that are wider with regards to titling, licensing, registration and taxation. It provides for the titling, licensing and registration of PMRVs regardless of width and provides that the registration fees paid by PMRVs greater than 8 1/2 feet wide will be returned to the counties where they are located. PMRVs that are attached to foundations, have attached additions or have been substantially modified could be titled but not licensed or registered. The Idaho Transportation Department estimates it will cost \$20,000 to implement this legislation **RS 25233** is an updated version of **RS 25102**.

In response to committee questions, **Mr. Lyman** explained the definition of park model recreational vehicles as being consistent with industry standards and federal regulation as being under 400 sq ft. Currently, units that are 8 1/2 feet wide can be titled, licensed, and registered by the DMV while those over 8 1/2 feet wide cannot. The proposed legislation aims to make all PMRVs able to be titled, licensed, and registered, unless there have been substantial modifications such as an added room or it is attached to the ground. In this case, it can be titled as personal property, but not licensed and registered.

In response to committee questions, **Mr. Lyman** stated PMRVs greater than 8 1/2 feet wide are not usually very mobile, as they require a special transport permit to get on the highway. They are often used as homes.

MOTION: **Rep. Packer** made a motion to introduce **RS 25233**. **Motion carried by voice vote.**

RS 25101C1: **Rep. Kauffman** presented **RS 25101C1**. The purpose of the proposed legislation is to revise section §63-2402 Idaho Code to increase the tax on motor fuel by \$0.05 to provide additional funding for the maintenance and construction of Idaho's road and bridge infrastructure. Distribution of will follow IC §63-2412, Section (2). Sixty percent (60%) will go to the state highway account and forty percent (40%) to local governments, pursuant to the provisions of Section §40-709 Idaho Code. The fuel tax increase aims to raise approximately \$49 million for road projects.

MOTION: **Rep. Packer** made a motion to introduce **RS 25101C1**.

Rep. Gannon spoke to the motion, stating the current state of the damaged roads after the harsh winter required emergency measures, and felt that the sunset included in the legislation was fair.

In response to committee questions, **Rep. Kauffman** stated the money is split 60/40 with the locals.

Rep. Youngblood invoked Rule 38 and spoke to the motion, stating that after the year we have had, the proposed legislation is desperately needed.

Rep. Harris spoke in opposition to the motion, stating there is not a need to raise taxes because the money is already there to make the repairs from surplus, there is only a need to prioritize how it is used.

SUBSTITUTE MOTION:

Rep. Harris made a substitute motion to return **RS 25101C1** to the sponsor.

Rep. Monks spoke to the substitute motion, stating the new tax would be a 48% increase from the tax two years ago. There is a need to look at other options for funding the road repairs besides raising taxes. There is money available, and for that reason he can't support it.

Rep. Hixon spoke to the substitute motion, stating taxes should not be raised in a surplus year.

Rep. Packer spoke to the original motion, stating the extenuating circumstances following the harsh winter impact on the roads causing a crumbling infrastructure, bridge failure, and road collapse call for this legislation. Repairs do not equal improvements. Raising taxes isn't ideal, but the money needs to be found if improvements are going to be made. A three-year sunset will stay within the needs, which are identifiable.

Rep. Wintrow spoke to the original motion, stating the raise in taxes is minimal and the proposed legislation has a sunset.

Rep. Gannon spoke to the original motion, stating the funds may not always be there, especially if other circumstances arise within the federal government. The tax cuts going through may leave the state with nothing or the state will be forced to spend what is left. There might not be as many funds available.

Rep. Kauffman spoke to the original motion, stating when the bill was drafted it never appeared to be easy. But in light of the road damage, it is prudent to make change now. When big changes haven't occurred since 1996, the lift can be a big lift, and the \$0.07 wasn't even the \$0.50 that was needed. This is what is needed for the current conditions.

Rep. Youngblood spoke to the original motion, stating that the proposed legislation is reasonable, and that growth must go toward growth. This is why there is a sunset, and the increase is low. There may be trouble if the roads and bridges don't get fixed.

Rep. Monks spoke to the substitute motion, stating there is a need to address the problem, but raising the gas tax is not the best way to accomplish this.

Rep. Kauffman spoke to the original motion, stating that although fuel tax isn't the best way to fund repairs long-term, this is what the state has to work with at this moment. The roads are falling apart now. There is a need now, and it's only for three years.

**ROLL CALL
VOTE:**

Chairman Palmer requested a roll call vote. **The substitute motion carried by a vote of 9 AYE, 7 NAY, 1 Absent/Excused. Voting in favor** of the motion: **Chairman Palmer, Rep. Gestrin, Hixon, McDonald, Dixon, Harris, Holtzclaw, Monks, and DeMordaunt. Voting in opposition** to the motion: **Rep. Kauffman, Packer, Youngblood, Syme, King, Wintrow, and Gannon. Vice Chairman Shepherd** was absent/excused.

RS 25252:

Chairman Palmer presented **RS 25252**. The purpose of the proposed legislation is to transition Idaho State Police's funding component that they receive from gas tax to the General Fund. Currently the portion of funds that the Idaho State Police receives from the gas tax can only be used for specific purposes and requires significant effort from the Idaho State Police to ensure that those funds are spent appropriately. By transitioning these funds from a dedicated source to the General Fund, the Idaho State Police will be unencumbered in how they choose to allocate all of their funds.

MOTION:

Rep. Gestrin made a motion to introduce **RS 25252. Motion carried by a show of hands.**

RS 25144:

Rep. Kauffman presented **RS 25144**. The purpose of this legislation is to extend the sunset of IC §40-719, the Strategic Initiatives Program, to sunset in 2019 (2 years). This legislation also directs that the monies in the Strategic Initiatives Program shall be split sixty percent (60%) to the Idaho Transportation Department for the purposes of operating a Strategic Initiatives Program and forty percent (40%) to be distributed to local jurisdictions according to §40-719 (C)(i) of this section.

In response to committee questions, **Rep. Kauffman** stated there was not enough information available to quantify economic opportunity in rural areas.

In response to committee questions, **Rep. Kauffman** stated LTAC grades a lot of different applications in making their choices, and the best projects will race to the top to be funded. Locals should be in the surplus eliminator because the dollar amount of awards is enough to do a big project, such as a bridge. Locals should have a piece of this, it's General Fund money.

Rep. Youngblood, invoked Rule 38 in which he stated that he is the Chairman of a local highway district, and spoke **in support** of **RS 25144**, stating this will benefit the whole state.

In response to committee questions, **Rep. Kauffman** said the differences between the emergency clauses in **RS 25144** and **RS 25259** are negligible.

MOTION:

Rep. Youngblood made a motion to introduce **RS 25144. Motion carried by voice vote. Reps. Dixon and Gestrin** wished to be recorded as voting **NAY**.

RS 25259:

Rep. Gestrin presented **RS 25259**. The purpose of the proposed legislation is to extend the sunset date two years on the section of law authorizing the transfer from the General Fund to the Strategic Initiatives Program Fund. Known as the surplus eliminator of the General Fund as defined by the State Controller at the end of FY 2017 and FY 2018.

In response to committee questions, **Rep. Gestrin** stated he had not looked at the work that had been done with the Strategic Initiatives Fund and how it will spread around the state.

MOTION:

Rep. Hixon made a motion to introduce **RS 25259**.

In response to committee questions, **Chairman Palmer** stated that **RS 25144** and **RS 25259** are two different codes because of the way they are approached. They are similar but work in two different Sections of the Code because **RS 25144** deals with LTAC and **RS 25259** deals with the Strategic Initiatives.

SUBSTITUTE MOTION:

Rep. Kauffman made a substitute motion to return **RS 25259** to the sponsor.

Rep. Monks spoke to the original motion, stating there is a need to weigh both pieces of proposed legislation, and questioned why one would be preferable to the other.

Rep. Gannon spoke to the original motion, stating there is a need to assess the road damage and how much of that damage will be paid for by the highway districts versus ITD so that a decision can be reached on how to move forward.

ROLL CALL VOTE:

Chairman Palmer requested a roll call vote. **The substitute motion failed by a tie vote of 8 AYE, 8 NAY, 1 Absent/Excused. Voting in favor** of the substitute motion: **Rep. Kauffman, Packer, Youngblood, McDonald, Syme, King, Wintrow,** and **Gannon. Voting in opposition** to the motion: **Chairman Palmer, Rep. Gestrin, Hixon, Dixon, Harris, Holtzclaw, Monks,** and **DeMordaunt. Vice Chairman Shepherd** was absent/excused.

VOTE ON ORIGINAL MOTION:

Motion to introduce **RS 25259** carried by voice vote.

DOCKET NO. 11-1301-1603:

Chairman Palmer presented the letter written to the committee by **Captain Tim Horn**, Idaho State Police, addressing some financial misinformation provided to the committee during the February 8, 2017 meeting. See Attachment 1.

MOTION:

Rep. Dixon made a motion to reject **Docket No. 11-1301-1603.**

SUBSTITUTE MOTION:

Rep. Wintrow made a substitute motion to approve **Docket No. 11-1301-1603.**

Rep. Packer spoke to the original motion, stating two more sessions will pass before any funding is in jeopardy. This issue can be taken up again next year. A federal mandate should not be adopted before having discussions with affected employers.

VOTE ON SUBSTITUTE MOTION:

Substitute motion failed by voice vote.

VOTE ON ORIGINAL MOTION:

Original motion carried by voice vote.

ADJOURN:

There being no further business to come before the Committees, the meeting was adjourned at 2:27 PM.

Representative Palmer
Chair

Jasmine Platt
Secretary