

MINUTES
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Tuesday, March 28, 2017

TIME: Upon Recess

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:** None

GUESTS: Nick Veldhoose and Jonathan Parker, IAHD

Chairman Palmer called the meeting to order at 3:26pm.

S 1206: **Senator Winder**, District 20, stated this bill would approve bonding authority to issue highway transportation (GARVEE) bonds in the amount of \$300 million to finance highway transportation projects listed within the bill. These bonds are expected to be paid from future federal highway allocations and a small state match. He stated other components of this bill include a two-year extension of the 2015 **H 312** "surplus eliminator" which otherwise would expire this year. Currently, any unanticipated state surplus, at the end of the year, is split between the state's rainy-day fund and road work, through the Idaho Transportation Department's (ITD) strategic initiatives program. This bill would provide for a 60/40 split, with 60% for the state and 40% for local units of government. The 40% local split would be put into a newly created fund called the Local Strategic Initiatives Fund. Senator Winder stated this bill would also create the Transportation Expansion and Congestion Mitigation Fund within ITD. Money would flow into that account from the unallocated portion of the cigarette tax and 1% from the state sales tax, calculated after revenue sharing for local governments is taken out, so they remain whole. The 1% from the state sales tax would amount to approximately \$15 million in 2018. The amount available from the surplus eliminator varies from year to year, but in previous years it has ranged from \$21.9 million to \$108.3 million.

In response to a question regarding water GARVEE funding, **Senator Winder** stated by removing the sunset, funding will continue for the aquifer recharge program.

In response to a question regarding mitigation funding, **Senator Winder** explained it provides a mechanism to allow for a board to work up recommendations so that people can actually apply for their projects. Another part of the mitigation at the state level would allow, for example, expansion in communities where there is congestion. He stated this bill would free up money for new projects, which has been restricted to maintenance projects, such as expansion, widening, or capacity additions.

In a response to a question regarding taking the 1% sales tax after revenue sharing to the local governments rather than before, **Senator Winder** stated this was decided in order to not hurt the local governments by taking money before they received their distributions.

MOTION: **Rep. McDonald** made a motion to send **S 1206** to the floor with a **DO PASS** recommendation.

**ROLL CALL
VOTE:**

Chairman Palmer called for a roll call vote on the motion for **S 1206**. **Motion carried by a vote of 11 AYE and 6 NAY. Voting in favor** of the motion: **Reps. Palmer, Shepherd, Hixon, Kauffman, Packer, Youngblood, McDonald, Holtzclaw, Monks, DeMordaunt, and Syme. Voting in opposition** to the motion: **Reps. Gestrin, Dixon, Harris, King, Wintrow, and Gannon. Chairman Palmer** will sponsor the bill on the floor.

Chairman Palmer put the committee at ease at 3:47pm.

Chairman Palmer resumed the meeting at 4:12pm.

RS 25605:

Rep. Trujillo, District 33, stated this proposed legislation adds a category relating to children pedestrian safety on the state and local system regarding proposed projects funded through the Strategic Initiatives Program.

In response to questions, **Rep. Trujillo** and **Chairman Palmer** stated this language isn't being introduced at the last minute, but rather was part of many discussions leading back to **H 312** two years ago. **Chairman Palmer** stated this was the right opportunity to finally add this language into statute.

MOTION:

Rep. Holtzclaw made a motion to introduce **RS 25605** and recommend it be sent directly to the Second Reading Calendar. **Motion carried by voice vote. Rep. Trujillo** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 4:25pm.

Representative Palmer
Chair

Tracey McDonnell
Secretary