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FOR YOUR INFORMATION
The Spokesman-Review
Spokane, Washington
Wednesday March 29, 2017
by Betsy Z. Russell
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Senate, House OK \$320M investment in Idaho roads

BOISE — Complex and controversial transportation legislation barely squeaked through the Idaho Senate on Monday and then cleared the Idaho House Monday evening, calling for a \$320 million-plus investment in Idaho's road system.

In the Senate, the bill passed on a 19-16 vote, and lost support from some of the Senate's top advocates of road upgrades for how it would be done. It passed the House, 51-19, not long before 7 p.m., sending it to Gov. Butch Otter's desk.

The bill authorizes \$300 million more in GARVEE bonds, a special type of financing method in which the state borrows against its future federal highway allocations to fund big projects up-front. It's the same method Idaho has used since 2005 to fund major road upgrades including widening and rebuilding several stretches of U.S. Highway 95 in North Idaho. It also would extend Idaho's "surplus eliminator," through which any unanticipated state surplus at the end of the year would be split between roads and the state's rainy-day savings account, for two more years.

But the measure also calls for diverting 1 percent of Idaho's sales tax proceeds — \$15 million next year — into roadwork. Idaho has refrained from tapping its state general fund, which comes from sales and income taxes, for roads. Instead, it has relied on gas taxes, vehicle registration fees and federal funds to pay for roads, reserving the general fund for education, prisons, health and welfare, and the like.

Among those who've been most outspoken against using general funds for roads: Otter.

Sen. Shawn Keough, R-Sandpoint, said a 2-cent gas tax increase would raise more each year than the \$15 million shift from the sales tax. And she said coming on top of the bill to remove Idaho's 6 percent sales tax from groceries — which lawmakers including Keough supported, and is now on Otter's desk — the state's general fund would take a big hit.

"It will be very difficult to budget," said Keough, who chairs the Legislature's joint budget committee.

"Process matters," Keough told the Senate. "This sausage was not made in a process that was transparent, using our germane committees, or allowing the public, the general public an opportunity to weigh in on it."

"I have championed roads, but this just isn't the sausage I could take," Keough said after the Senate approved the bill after more than two hours of debate.

The Senate vote sent the bill to the House, which quickly convened a committee hearing, at which no one testified other than Senate Assistant Majority Leader Chuck Winder, R-Boise, who presented the bill. The measure, SB 1206, cleared the committee on an 11-6 vote.

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Then, after a closed-door GOP caucus, the House approved the bill with just four far-right members debating against it. Rep. Priscilla Giddings, R-White Bird, spoke against debt in general. “Debt overall is bad for Idaho,” the freshman representative said.

House Transportation Chairman Joe Palmer, R-Meridian, said with GARVEE bonds, “We are not borrowing \$300 million. We are giving the (transportation) department the authority to allow people to invest in the state of Idaho. To me that is a good investment. This is the proper role of government — we take care of the roads.”

How they voted

- Voting yes: Sens. Carl Crabtree, R-Grangeville; and Reps. Paul Amador, R-Coeur d’Alene; Paulette Jordan, D-Plummer; Luke Malek, R-Coeur d’Alene; Eric Redman, R-Athol; Paul Shepherd, R-Riggins; and Caroline Nilsson Troy, R-Genesee.
- Voting no: Sens. Dan Foreman, R-Moscow; Shawn Keough, R-Sandpoint; Bob Nonini, R-Coeur d’Alene; Mary Souza, R-Coeur d’Alene; and Steve Vick, R-Dalton Gardens. Reps. Vito Barbieri, R-Dalton Gardens; Don Cheatham, R-Post Falls; Sage Dixon, R-Ponderay; Priscilla Giddings, R-White Bird; Ron Mendive, R-Coeur d’Alene; and Heather Scott, R-Blanchard.

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