



**COMPASS BOARD OF
DIRECTORS**

LEGISLATIVE UPDATE

Ken Burgess, Veritas Advisors, LLP

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PALMER TRANSPORTATION FUNDING PROPOSAL

- “Complete Overhaul” of funding mechanism
- Target: \$200 million/year
- Key Elements:
 - Fuel Tax Increase - **\$68 million**
 - Gasoline – Add 8 cents/gallon
 - Diesel – Add 12 cents/gallon
 - Additional 1 cent/year until halted by Gov or Legislature
 - Transfer fees - **\$16 million**
 - Add 3 cents/gallon (on top of current 1 cent/gallon)
 - Annual Alternative Fuel Vehicle Fee - **\$250,000**
 - Electric vehicles: \$140 annual fee
 - Hybrid Vehicles: \$75 annual fee



PALMER TRANSPORTATION FUNDING PROPOSAL

- Key Elements (continued)
 - Registration Fees - **\$16 million**
 - Commercial Vehicles: 25% increase
 - Passenger Cars and trucks: 50% increase
 - Overlegal and other permit fees: 50% increase
 - Road Const Material Sales Tax Exempt - **\$18 million**
- Total Additional Amount raised:
 - \$155 million first year
 - \$209 million second year
 - \$219 million third year
 - Additional \$9 million each year thereafter



TRANSPORTATION FUNDING – SALES TAX CONCEPT

- Concept and current discussions:
 - Increase State Sales Tax by 1% (from 6% to 7%)
 - Generates approx \$160 million additional
 - Eliminate Sales Tax on Groceries
 - Estimated \$40 – 70 million “cost”
 - Flatten Income Tax rate at 6.6 percent
 - Estimated \$2 million “cost”
 - Estimated **\$120 million additional** for Highway Distribution Account/year



LOCAL OPTION SALES TAX AUTHORITY

○ Key elements

- Purpose: economic development and infrastructure
- “Oklahoma City” pay-as-you-go model
 - No debt or bonding
- Cities and Counties eligible:
 - Cities and Counties determine projects and levy amount
 - Multi-jurisdictional partnerships: voting thresholds must be met in each jurisdiction
- 1% sales tax increase cap/county
 - Each County may implement up to 0.50 percent
 - Each City may implement up to 0.50 percent
 - Either opt out by resolution, remaining can take up to 1%



LOCAL OPTION SALES TAX AUTHORITY

- Key Elements (continued)
 - Two-tiered Voter approval threshold:
 - .00 - .50 = 55% voter approval
 - .51 – 1.0 = 60% voter approval
 - Election must be held on November general election
 - Ten year project revenue raising time frame
 - Can be extended up to 10 additional years by voter approval
 - Projects may include capital construction, infrastructure, buildings, roads, etc., or any other purpose deemed necessary to promote the safety, security, and general well-being of the public.



LOCAL OPTION SALES TAX AUTHORITY

- Ada/Canyon Members of the House Revenue and Taxation Committee:
 - Rep. Gary Collins, Chairman (Nampa)
 - Rep. Mike Moyle (Star)
 - Rep. Robert Anderst (Nampa)
 - Rep. Tom Dayley (Meridian/Boise)
 - Rep. Greg Chaney (Caldwell)
 - Rep. Mat Erpelding (Boise)

