

Legislative limelights . . .

Legislature must untie local government knots

By BEN J. PLASTINO

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When the second regular half of the Idaho Legislature reconvenes under the marble dome of the State Capitol in early January, it must come to grips with the problems faced by cities, counties and school districts.

The 105 legislators, in all their wisdom, chose last session to ignore the plight of the local units of government, despite the pleas of Gov. John V. Evans, mayors, county commissioners and school administrators and trustees, who were the hardest hit by the restrictive 1 Percent Initiative.

If the unfeeling legislators thought the problem would go away, they are badly mistaken. The issue will face them, but in a much more monstrous form than ever before.

Perhaps they may have been justified in saying the financial picture was too muddled last winter and these local units of government could wait a year until the needs become more apparent.

The statement of Russell Westerberg, executive manager of the Associated of Idaho, that a recent state attorney general's opinion about the 1 percent limitation on property tax was a defeat for taxpayers helps to confirm what this writer and others have said all along — big business and corporations reaped the greatest benefit.

Westerberg noted the opinion said a county may increase one part of its budget so long as there is a corresponding decrease in another part.

Westerberg then added that the attorney general's interpretation that the budget certifications are available for other uses in fiscal 1979-80 removes a significant amount of expenditure constraint.

Despite the high-sounding title of the Associated Taxpayers of Idaho, it does not represent the average home taxpayers — it is actually a front for big business. This writer, and many others who are aware of it, point out Westerberg is crying out for the big business interests which don't need the tax relief, as do the average property owner, small business and the farmer.

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The Idaho legislators face a mixed bag in the financial picture.

On one hand, Deputy State Auditor Chester Graham reported an approximate \$10 million surplus for the year ending June 30, which was some \$8 million more than anticipated. This was due to some agencies not spending \$2.9 million budgeted, absence of \$1.6 million anticipated in impact on state revenues and \$2.9 million more than anticipated from sales tax and income tax revenue.

Here again, Westerberg jumps in with the observation this surplus would spur the Legislature to reduce state income and property taxes without harming operations of government.

He apparently cares little that cities, counties and school districts face a crippling financial squeeze, only that big business gets priority tax relief.

Bruce Balderson, fiscal analyst for the Legislative Fiscal Office, doesn't see as bright a financial picture. He contends the fiscal outlook for 1980 may be gloomier than in the last session.

Some of the more repressive factors, he said, include limitation of federal revenue sharing, which could lop off \$9.2 million from the Idaho Department of Health and Welfare; make up some \$6 million in Medicaid rising costs; \$6 million increase for state employee salaries; \$25 million more for embattled cities to make up for revenue they are losing from the 1 percent initiative; lagging sales tax revenue which at last report was \$100,000 behind projection; and fears of a nationwide recession and possible adverse effects in Idaho.

That's for a starter and the legislators can take it from here.



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