Cities, counties want revenue sharing

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Cities and counties each want one-fourth of 1 percent of the sales tax to bolster their sagging revenues, State Sen. Dane Watkins, R-Idaho Falls, reported Monday following a meeting of the state intergovernmental relations subcommittee.

County representatives spoke strongly for the state to assume more of the financial burden of indigent medical care and jails.

Charles Holden, Boise, Idaho Association of Counties executive secretary, said at the committee meeting at Boise Friday that counties would like some sort of "revenue-sharing" from the state.

Jim Weatherby, Boise, Association of Idaho Cities director, urged the panel to consider adding one-quarter cent to the sales tax, that would in turn be given to cities.

At a state budget hearing in Idaho Falls last Wednesday, mayors had asked one-half or one-quarter percent of the sales tax be allocated to cities.

Holden said he couldn't recommend a specific approach but the counties supported an unsuccessful bill in the last Legislature to allow the state to share its tax revenue directly with cities and counties

Holden said Idaho counties already have been responsible for providing help for indigent persons but modern medical advances have sent the bills soaring.

"In Bonneville County," said Watkins, committee chairman, "a budget of $1.2 million has been earmarked for indigent medical care."

Holden said counties need help not only with medical bills and indigent costs but also with jails.

He said it's hard for most counties to finance acceptable jails so it might be necessary for several to set up regional facilities.

Weatherby said cities will step up efforts to win "state revenue-sharing from the Legislature."

Cities also face uncertainties over federal funds which make up 15 to 20 percent of most city budgets, Weatherby said.

Federal revenue-sharing money has been built into the operating budgets of most cities, and if that source ends, cities will be in trouble, he said.

Charles Moss, Pocatello city manager, and Caldwell Mayor A. McCluskey, aid their communities are strapped for money to provide services people want.

If the Legislature approves more sales tax for cities, Weatherby suggested distributing money based on 50 percent each on population and property valuations.

Watkins said the subcommittee to the parent Legislative Council's Property Tax Structure Committee, is concerned in upgrading the state school revenue formula, sales tax and liquor profit distribution formulas, and highway distribution.

Myran Schlechte, Legislative Council director, said the committee also is concentrating on revenue-sharing proposals.

Fredrick Stocker, faculty member of Ohio State University, said his survey shows the Idaho property tax load is about average or even below average in the nation.

He urged the role of property tax not be drastically diminished.

"The tax structure in Idaho," he said, "is not out of whack but incremental moves do demand a need for restructuring."

Diminished property taxes in Idaho may hurt school funding, he said.

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Jim Weatherby, AIC director

Stocker, who was introduced by Bob Day, Idaho Education Association assistant executive, has made a thorough study of tax studies in the nation, not only for Idaho but for several other states.

"There is a strong anti-property tax feeling in the state," said Stocker, "but it is not justified when you look at the taxes in other states."

The committee said it will study further recommendations for changes in the state highway distribution formula.

Rep. Lydia Edwards, R-Donnelly, has proposed about $7 million in state highway funds going to the Department of Law Enforcement be replaced by general fund money.

Watkins said committee members took a dim view of this in view of the state's tight financial status but will wait until counties, local highway districts and the Department of Transportation make a further study before considering recommendations.

Ray Oliver, Coeur d' Alene, president of the Idaho highway districts, said this is one of several proposals for highway revenue distribution being considered.

Watkins said the committee also will consider streamlining the liquor formula distribution, which is divided into a dozen accounts, based generally on 40 percent for counties and 60 percent for cities.

Watkins announced the next committee meeting likely will be held in November but the income tax subcommittee will meet Oct. 17.

There are five subcommittees functioning under the parent committee to come up with recommedations for the 1984 Legislature.