

JFAC discusses state financing

Wed. Jan 6, 1982

By BEN J. PLASTINO

Post-Register political editor

Members of the Legislative Joint Finance Appropriations Committee began Tuesday discussing finances for the state government the 1983 fiscal year, John C. Andreason, director of the Legislative Fiscal Office, said Tuesday.

Several of the members were not on hand because of drifting highways but most are expected by Wednesday or Thursday.

Five east Idaho legislators are members of the committee, Sens. Dane Watkins, R-Idaho Falls; Vearl Crystal, R-Rigby; Israel Merrill, D-Blackfoot; and Rep. Ray E. Infanger, R-Salmon, who all left Tuesday or Wednesday for the sessions.

Other east Idaho legislators plan to leave over the weekend for the regular session to open Monday morning.

Andreason said the 20-member committee—10 each from the Senate and House—will listen to general briefing and procedures at the start.

Early speakers include executives of the Department of Administration on their request to increase rental fees for space charges and utilities at state-owned buildings; and Larry Seale, director of the budget office, who will give briefings on the agency requests and the governor's budget recommendations of \$477.5 million.

Andreason said state agencies have requested \$541 million, indicating deep slashes must be made to get them within the revenue projection of about \$460 million.

Andreason said the JFAC will meet continually until Jan. 29 on the state agency requests. The meetings will be held all day this week but will be limited to the early morning hours during the legislative sessions.

The most important are those for the Department of Education to be considered Jan. 26-29 and the Department of Health and Welfare Jan. 20-22. These two agencies account for 87 percent of the general fund budget, he noted.

Andreason explained the DHW and education are reserved for the last because it is expected to be known by Jan. 14-15 the revenue projection determined by the Revenue Projection Committee. This will enable the JFAC to know more accurately what is left for the two major agencies.

Education takes about 70 percent and DHW 17 percent of the state budget.

Watkins said he also will be attending the six-member Revenue Projection Committee meetings. He is vice chairman of the committee. Watkins said he will alternate between attending the JFAC and revenue projection committee meetings for the next two weeks.

Business executives are scheduled to speak to the revenue projection committee this week to help the committee estimate the projected revenue.

The Post-Register The political pulse

daho Falls, Idaho, Wednesday, January 6, 1982

The 1982 Idaho Legislature . . .

Solons favor cities getting more powers

(EDITOR'S NOTE: This is the 14th in a series of 16 articles giving the views of east Idaho legislators and the leadership on the salient issues shaping up for the coming session. This one deals on giving cities more powers.)

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Nearly all east Idaho Legislators favor giving cities more powers, especially in the matter of floating revenue bonds. This should indicate a bright municipal legislative year.

However, this optimistic view was expressed a year ago in response to questionnaires but when the legislators clustered under the marble dome of the State Capitol, most important city-oriented legislation was torpedoed, including the revenue bond proposal.

Perhaps the situation will improve this year but veteran observers of the legislators can't help but be skeptical in the way the jealous legislators have been reluctant to grant cities more powers. Yet they should be the first to admit that cities and counties do a far better job of governing their constituencies than does the state.

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House Speaker Ralph Olmstead, R-Twin Falls, an announced gubernatorial candidate, said he could support certain local options but not sales tax.

Rep. Rich Orme, R-St. Anthony, said he believes control needs should be on the local level. However, he said he doesn't like the revenue bond concept as they are tax exempt. He acknowledges he may be in the abject minority as all states except Idaho and one other do not have this provision. He also emphasized that any sales tax should be statewide not local option—as this would pit cities against cities and would mean, for example, residents of Fremont help financing Bonneville County if Idaho Falls has a local option sales tax and St. Anthony did not.

Many legislators skipped answering the general question of giving cities local option powers but many did say they favored the cities get revenue power plant authority. These includes Rep. Ray E. Infanger, R-Salmon; Wayne E. Tibbitts, R-Lorenzo; Linden B.

Bateman, R-Idaho Falls; John O. Sessions, R-Driggs; Martin Trillhaase, R-Idaho Falls; Kurt L. Johnson, R-Idaho Falls; and House Minority Leader Melvin Hammond, D-Rexburg.

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Sen. Dane Watkins, R-Idaho Falls, chairman of the Senate Local Government and Taxation Committee, noted he successfully sponsored the legislation some five years ago that made possible the bulb turbine plants. However, this legislation was for existing plants, not new construction for which a bill failed to pass last year.

Rep. Gary L. Paxman, R-Idaho Falls, was one of the few who said he would look at local option tax and also favored revenue bonds as long as they are not tied to the property tax.

Sens. J. Marsden Williams, R-Idaho Falls, and Mark G. Ricks, R-Rexburg, and Rep. Elaine Kearnes, R-Idaho Falls said they favor more city home rule under the existing taxing structure.

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Sen. Israel Merrill, D—Blackfoot, usually a loyal city backer, surprisingly expressed reluctance. He said "if cities are given these added taxing abilities we will have another revolt. The revenue bond is very volatile. Most of those cities which need it have legislators who refuse to help others who have problems. Thus, they have trouble getting support for their proposals.

Sen. Vearl Crystal, R-Rigby, a ranking member of the Local Government and Taxation Committee, said he had no objection giving cities more home rules to levy taxes on the local level, adding "they have their back to the walls." He also favored industrial revenue bonds but entered some doubts on their tax exemption status, saying that county assessors would have problems with this.

Sen. William L. Floyd, R-Idaho Falls, warmly backed local option powers for cities and also new revenue bonds, but only after private utilities have had an opportunity to respond within a measured time frame. He added "local entities have responsibility to deliver benefits of facilities, whatever they may be, as economically as possible."