

Proper panels finally handle 1 percent issue

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By BEN J. PLASTINO

Post-Register political editor

After losing considerable time in jockeying around, the germane committees of the Idaho Legislature appear to be settling down for proper drafting of legislation to implement the 1 percent tax initiative.

It is the House Revenue and Taxation Committee, under the able chairmanship of Rep. Steve Antone, that must and should have the key hand in drafting and passing the important 1 percent legislation.

This fiddling around has been going on since the Legislature convened some three weeks ago and this has brought expected but useless delays.

Early in the session, the Republican leadership, apparently feeling its own importance, first held closed sessions on the 1 percent initiative. All this did was to ruffle the feelings of the germane committees, particularly the House Revenue and Taxation Committee, and the Democrats.

After the Republican leaders, in all their wisdom, came up with virtually nothing, the House Revenue and Taxation Committee and the Senate Local Government and Taxation Committee began the work of implementing the 1 percent, just as they should have done in the first place. After they get done with their work, then the important Joint Finance Appropriation Committee will place the final stamp of approval.

House members, justifiably so, believe it is their responsibility to introduce tax-related bills.

Much of the friction between the Senate and House was removed this week when Antone suggested appointing a subcommittee in both chambers to coordinate their activities. It would have no power to introduce bills, but as Antone explained it, would primarily act in liaison capacity.

Antone selected four Republicans and two Democrats in the House, and Sen. Edith Klein, R-Boise, of the Senate Local Government and Taxation Committee, named three Republicans and two Democrats. At first she wanted only one Democrat, but this is patently unfair, as the Republicans hold only a slim 19-16 edge in the Senate.

Antone commented he had the impression that the House and Senate would share the task of introducing 1 percent legislation. Instead, all of a sudden the senators were tossing bills into the hopper. Four relating to the 1 percent initiative were introduced.

Mrs. Klein said the bills introduced in her committee were not of a revenue raising nature, so she felt they were appropriate.

At any rate, this disagreement between the two chambers appears to have been settled, at least temporarily.

Antone said the sharpest difference is the insistence by the Senate that the tax initiative be implemented July 1, 1979, while the House feels the earliest date should be Jan. 1, 1980.

Antone said any date this year could wreck the financial structures of local governments, such as cities, counties and school districts which already have set their budgets for the year, or are in the process of doing so.

Antone said his committee has already drafted bills that are intended to correct the constitutional flaws of the initiative.

These include changing the effective date from Oct. 1, which is the counties and cities fiscal year beginning but not of the state; and that vote for taxes should be by a two-thirds margin and not majority. Another correction is that it should be by a two-thirds margin of the number of people voting, not a two-thirds of the eligible voters.

This gives an idea how badly and hastily drawn was an initiative that vitally affects Idaho citizens.

The Senate bills require county assessors to bring property values up to 1978 levels by Jan. 1, 1980; makes the measure effective July 1, 1979; freezes local government budgets at their 1978 level; and provides that local governments can exceed the 1 percent limitation for new bonded indebtedness with two-thirds approval of those voting.

In all, there are presently 11 bills proposed on implementing the 1 percent initiative.

Others include one signed by the 16 Senate Democrats which would make the 1 percent retroactive to Jan. 1, 1979, but has little chance of passage; limit local government budgets to a percentage of the per capita cost-of-living increase in the preceding year, and a measure providing a formula to distribute the property tax relief resulting from the 1 percent.

Antone said he regretfully finds there is considerable opposition by many legislators to granting cities local option taxing authority, even though such proposals will be subjected to two thirds majority approval by the citizens affected. He noted that the initiative sponsors even opposed such a local option move.

What are the alternatives, then, to avoid a severe impact on local government?