

Statehouse sidelights . . .

Key legislators show sympathy for cities

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Members of the all powerful Joint Finance Appropriation Committee in their business sessions in Idaho Falls last week showed sympathy for the financial plight of Idaho cities, and to a less extent, for schools and counties.

This committee which wields the main power in deciding where appropriations will be made are virtually assured there will be adequate funding for most state agencies, even though tight in many areas.

The report of Legislative Auditor Bruce Balderson indicates that if revenue continues to come in at the rate of recent months, the state can expect a 10 percent increase over the current fiscal 1980 budget of about \$357 million. This would increase the 1981 fiscal year state general fund budget to \$392 million and if a 13 percent hike is realized, as seems possible, it could vault to \$402 million.

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This discloses what has been long suspected and predicted — that state government can get along, even though on a stringent basis, but what about the main local units of government — cities, counties and school districts?

Rep. Doyle C. Miner, R-St. Anthony, committee co-chairman, remarked he was pleased at the state revenue projection but he correctly expressed concern what could be done for local government units, particularly cities.

Basically the state can offer two forms of relief: (1) share some of its revenue with the cities, or (2) allow them an escape valve in permitting them local option tax authority.

The joint committee members did not discuss these alternatives at their sessions here because of lack of time but they did indicate they have a critical problem to solve in the second regular session of the 45th session. They refused to do anything in the last session, much to the distress of Gov. John V. Evans, but the problem is still there in a much more aggravated form.

The legislators, however, do have a better handle on the situation because they will know more accurately the adverse impact of the 1 Percent Tax Initiative than was possible during their session early in the year.

Idaho Falls City Councilman Paul Hovey recently conducted a poll of the 105 legislators and 59 sent replies which indicated city support.

Of these polled, 37 say they would support liquor-by-the-drink local option tax, 32 motel local option tax and 23 local sales taxes. Only nine expressed favor for a 1 percent increased sales tax.

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Sen. Vearl Crystal, R-Rigby, who had a key hand in writing HB 166 which implemented the 1 percenter, suggested an income tax surcharge to be collected by the state and then be distributed back to the cities, or even counties if they are included. This would avoid the friction of local option where cities would be competing with each other in placing such a tax, subject to a vote of the people.

When it is finally figured up, most of the \$26.2 million will be offset by other forms of taxation and fees, meaning the initiative was a tax shift, not tax relief.

This is aside from extra city and county tax levies, charges and fees.

Ammon Mayor George Wehmann, president of the Association of Idaho Cities, urged a huge slice of the state surplus to cities but past history shows legislators are reluctant to share in the surplus, aside from allocating it for tax relief.

Miner is a former city councilman at St. Anthony and is sympathetic to the cities' plight. He and other legislators, after assured the state can get, say, at least a 10 percent funding increase to offset inflation, they can then see what relief they can offer cities.

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The cities financial distress is far more serious than school districts who have the escape valve of voting override maintenance and operation levies, plant facilities levy and bonds.

Counties, which were actually stepchildren of the state, can simply cut services if the money isn't there. Their governmental administration is rather limited to providing mostly county road programs, taxing and assessment services and welfare. If the money isn't there, they simply don't oil or upgrade the roads. They also provide rural law enforcement but in most counties, including Bonneville, this is of rather dubious quality, anyway.

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It's the school districts which have really made a mockery of the 1 Percent Initiative and they really can't be blamed.

Idaho legislators felt proud that in implementing the initiative they repealed 11 mills of the public school levy and shifted \$26.2 million from the general fund to public schools.

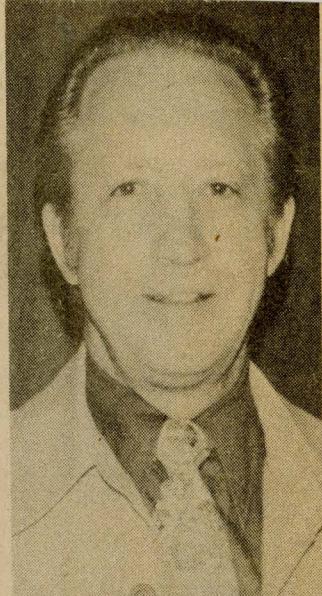
Aha, they said, this is the biggest tax relief ever given to Idaho taxpayers.

That's true, but look what has happened so far and more is coming.

The Associated Taxpayers of Idaho reported 50 school districts, nearly half of the 114 in Idaho, have approved \$8,042,314 in override levies this year. That's well above the 38 school districts sanctioning \$5,44,196 in 1978, said Russell Westerberg, the ATI executive manager.

Westerberg noted more school districts are planning extra levies.

The \$8,042,314 is about a third of that so-called \$26.2 million tax relief, but to this must be added millions more in plant facilities levy, bonds and increased school fees and charges.



REP. DOYLE C. MINER, R-St. Anthony, co-chairman of the Joint Finance Appropriation Committee, expressed hope at a committee meeting in Idaho Falls last week that cities could be helped by the 1980 Legislature.