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For Immediate Release

**AAA: FUNDING BILLS WILL HARM,
NOT FIX IDAHO'S HIGHWAY WOES**

Idahoans want a solution that is transparent, accountable and fair to all highway users

BOISE – (Mar. 12, 2015) – Several last-minute bills designed to secure future funding to meet a \$262 million annual shortfall for roads and bridges will take Idaho down the wrong road, threatening the integrity of the user-pay system as well as the stability of the state's General Fund, according to AAA Idaho.

Two of three bills introduced this week target passenger vehicles for the biggest share of the fix, counter to the public sentiment expressed in three statewide surveys and at odds with the findings of several state studies in the past decade, AAA says. All three pieces of legislation also include components that rely on General Fund contributions, which could spell trouble for education and other state needs.

AAA says none of the legislation drafted addresses the underlying problems with the state's user-pay fees and taxes, which could threaten the long-term viability of transportation funding.

ITD state-funded studies show among other things that long-haul interstate trucks underpay their share of costs incurred on Idaho highways, especially compared to the per-mile costs of competing Idaho-based intrastate haulers. The motoring group says Idaho's Highway Cost Allocation Study, whose findings were accepted by the Governors funding task force, also identified major inequities between what cars and combination trucks pay.

AAA provided a funding plan, including a basic mileage surcharge structure to state leaders a month ago that would have addressed problems with the current truck registration structure. That structure's viability has been questioned in the past dozen years due to the loss of tens of millions of dollars in revenues to the state's Highway Distribution Account.

None of input showed up in the bills that have been printed this legislative session, AAA said.

"That's unfortunate," said Dave Carlson, AAA's Director of Public and Government Affairs, because getting everyone to pay their fair share expands the taxable base and could better address Idaho's huge revenue shortfall.

AAA says the a 5-cent fuel tax in Rep. Vander Woude's HB 266, coupled with a 2-cent transfer fee— itself also a gas tax—would generate more than \$63 million annually for roads and bridges, with just \$10.4 million per year coming from trucks registered at 26,000 lbs. and above, based on ITD data.

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Out-of-state trucks can also avoid higher fuel prices by filling up out of state, an option not available to other users.

A scenario referenced in Idaho's 2010 Highway Cost Allocation Study shows the state's funding structure is so out of balance that the diesel tax for combination trucks would need to be well in excess of \$1.00 a gallon to cover the costs incurred by those vehicles.

AAA says it also troubled by the lack of transparency regarding transfer fees. The fee mechanism is part of the Idaho Petroleum Clean Water Trust Fund, which provides an insurance pool for the owners of underground storage tanks. The current one-cent transfer fee is paid by Idaho petroleum dealers and funds an insurance pool for owners of underground store tanks.

The additional two cent fee would also be paid by the distributor, but it is clear that the fee would be passed on to consumers as a higher price for the fuel they purchase.

"Idahoans want and deserve a funding solution that is transparent," Carlson said. "Let's be honest and tell Idahoans this is a gas tax."

Despite minor window dressing, the plans in HB 144, HB 260, and HB 266 are alike in that they give long-haul combination trucks a pass, even though the state has been aware for a dozen years that these vehicles have been underpaying their fair share of the ride," said AAA Idaho spokesman Dave Carlson.

Registration Fees: Cars, 25%; Trucks 5%

HB 266, the House sponsored bill from Rep. Vander Woude, targets passenger registration fees for a 25 percent increase, compared to just five (5) percent for all trucks. That strategy was tried in prior years, AAA says, but Idahoans railed against the idea, asking why trucks were getting a pass.

AAA says its members and the driving public deserve to know why registration fee legislation starts and ends with the notion that cars should pay a greater share of the bill. HB 144, an earlier offering from Rep. Joe Palmer, would have raised passenger vehicle registrations by 50 percent, compared to 25 percent for trucks.

The auto club, which represents 120,000 Idaho members said it considered its engagement with officials to part of good faith negotiating to address a problem it says clearly requires sizable and user-appropriate contributions from everyone who uses the road.

"We appreciate that legislators are grappling with the tough job of securing future funding, but we are convinced that Idaho taxpayers, not just certain business interests, should be invited to the table," Carlson said. "We cannot support legislation that does not address these important issues.

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AAA Idaho is affiliated with AAA Oregon/Idaho, providing more than 756,000 members with travel insurance, financial and automotive related services. AAA serves 54 million member motorists in North America.

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