

# IPM&CSA / Idaho Report for WPMA magazine / November 1, 2016

## 2017 Legislative Preview

### Overview

In the wake of the 2016 elections, a newly-elected group of lawmakers will convene in Boise for the first regular session of the 64<sup>th</sup> Idaho Legislature. But despite all 105 seats being up for re-election on November 8, don't expect many new faces to cross the threshold of the Idaho Statehouse in January 2017. Although we will see a few new members, the major players will remain unchanged, with leadership in the House and the Senate reflecting the dominant political party and conservative sentiment, as it pertains to managing the business of the State of Idaho. We can expect some musical chairs within the committees, and those will require our attention as we work to maintain good working relationships and continue our ever-important effort of educating lawmakers about our industry: fuel taxes, fuel distribution and infrastructure, sales tax and retail issues, UST and environmental regulations. All of these, and then some, require our active participation in the political process, starting January 9, 2017.

### Industry Issues for 2017

DEQ Rules Implement UST Inspection Fees and new EPA UST Requirements: The DEQ Board approved updated UST rules to implement new EPA requirements and \$100/tank fee to support the Idaho program. IPM&CSA has worked closely with DEQ and lawmakers to ensure that the state maintain control of the UST program, rather than the federal EPA. In 2016, the IPM&CSA board voted to support a reasonable tank fee, ensure flexibility in the state program, and help maintain a regulatory climate of compliance rather than enforcement. We have relied upon the expertise of PMAA content specialists as well as our friends in the legal and consulting community here in Idaho. The rules that will be presented to the Resource Committees of the Idaho House and Senate reflect our input and we expect they will be approved intact. Thanks to our member companies who have provided guidance along the way.

Motor Fuel Taxes: How Idaho funds and maintains our transportation infrastructure will once again be a topic in the 2017 legislature. Fuel tax remains the dominant funding mechanism for Idaho's roads and bridges, and we can expect continued efforts by road-building advocates to seek more money for transportation. IPM&CSA has always been closely involved with these discussions and must remain constantly vigilant in defending the industry against bad ideas, intentional or otherwise, when it comes to altering the framework for collecting and remitting fuel tax. Distributors play a vital role in collecting the state's fuel tax: \$255 million in FY 2015. (Source: 2015 Annual Report Idaho Tax Commission).

2017 Fuel Tax Proposal Modeled after Utah: We expect to see a fuel tax proposal based somewhat on the recently adopted Utah model. The draft proposal, as described by the proponents includes:

- Dedicated user fees – and additional user fee (5 to 10 cents per gallon) on the purchase of fuel. The fee varies quarterly depending on the price of regular unleaded fuel.
- Create an authority for enforcement of current dyed fuel laws.
- Create authority for local jurisdictions to use local option tax for transportation.
- Consider establishing a vehicle mileage fee for vehicles 60,000 pounds and greater.

Proponents estimate their proposal will raise \$123 million annually: \$96 million from the fuel tax "user fee", and \$26.2 million from existing dedicated fund sources.

**IPM&CSA PAC Supports Our Allies at the Statehouse:** IPM&CSA commits time and resources to legislative and statewide races and supports elected officials who share our philosophy of government policy and regulations. As in previous election cycles, Idaho marketers continue to build relationships with key legislators and government officials

to ensure that our industry is represented in the development of Idaho laws and regulations. IPM&CSA contributed to 49 legislative candidates in the 2016 election cycle. Thanks to members and vendors and friends who supported the 2016 IPM&CSA PAC golf tournaments to fund our state PAC efforts! And a huge "Thank You" to our event coordinators (noted below) who donate countless hours to making these events a success!

#### 2016 IPM&CSA PAC Golf Events:

Boise Ranch May 3 (Terry Spackman, Alpha Transport)

Blue Lakes Country Club, June 29 (Rob Franklin, United Oil)

Circling Raven Golf Course, August 3 (Eric Busch, Busch Distributing)

Huntsman Springs, September 8 (Ron Berry, Berry Oil)

### **Check This Out –Idaho Website Has Photos, Registration, and News!**

Check out the Idaho section of the WPMA Website. Register for events, find critical industry information and see your favorite photos from IPM&CSA events. Visit the updated Idaho page and let us know what you think and how we can improve the information we provide.

[www.wpma.com](http://www.wpma.com)

<http://www.wpma.com/idaho>

### **Mark Your Calendar & Get Your Room Reserved: August 2-4, 2017 IPM&CSA Convention and Trade Show, Sun Valley Resort, Sun Valley, Idaho**

Hold the date for a family vacation in beautiful Sun Valley, Idaho for the 2017 IPM&CSA Convention and Trade Show, August 2-4, 2017. You will want to bring friends and family and stay awhile. This is the high season in Sun Valley. The room block always sells out early, so get your reservations now! Call Sun Valley Reservations at 1-800-786-8259 and ask for the IPM&CSA room block. [www.sunvalleyresort.com](http://www.sunvalleyresort.com)

### **NACS 2015 State Report for Idaho Offers C-Store Industry Snapshot:**

NACS provides interesting statistics for Idaho C-Stores which illustrate just how important we are to the Idaho economy! Here's how the numbers lay out based on the NACS State of the Industry Report of 2015; Nielsen TDLinx Store Count (December 31, 2015)

	Average Per Store	Idaho
Total Stores:	1	898
Total Employees:	17	14,817
Transactions per Day:	1,446	1,289,508
Total Sales:	\$3,744,772	\$3,362,805,256
Merchandise Sales:	\$ 941,810	\$ 845,745,380
Food Service Sales:	\$ 248,278	\$ 222,953,644
Total Motor Fuel Sales:	\$2,554,683	\$2,294,105,334
Total Motor Fuel Gallons:	1,064,451	955,876,998
Total Credit Card Expense:	\$ 65,149	\$ 58,503,802
Total Utilities Expense:	\$ 41,832	\$ 37,565,136
Total Labor Expense:	\$ 275,376	\$ 247,287,648
Pre-Tax Profit:	\$ 69,058	\$ 62,014,084