



Suzanne Budge
Executive Director,
Idaho Petroleum
Marketers &
Convenience Store
Association

Looking forward to the 2014 Legislative Session

The Big Picture:

Three issues are likely to dominate the 2014 legislative session and (big surprise) they all involve really large piles of money.

This being an election year, politics will play an even larger role than usual at the Idaho Statehouse when spending money and raising taxes are on the agenda. Here are the big issues in play for 2014:

1. Transportation Funding – This long-brewing issue is finally back on the front burner, with transportation advocates making a big push to raise new

funds to build and repair Idaho's roads and bridges. This is the third big-ticket item that legislators will consider and they are working from five bills that were introduced at the end of the 2013 legislative session. The menu of options is broad, and includes fuel taxes, transfer fees, creating a new sales tax on fuel, vehicle registration and rental car fees, diverting auto-related sales tax, and raising the sales and dedicating those new funds to transportation. Clearly, as an industry, we care about this issue and will continue to dedicate our efforts to maintaining a fuel tax system that is transparent, easily implemented and broadly applied.

2. Medicaid Expansion – Call it "ObamaCare – Part 2." With wounds still raw from the health care exchange battle of 2013, this is a heavy lift for many Idaho legislators even though a case can be made that taking federal Medicaid money will provide property tax relief. Look for health care providers and insurance carriers to press for Medicaid expansion as phase two of implementing the federal Affordable Care Act (ObamaCare) in Idaho.

3. Education Funding – The Governor's Education Reform Task Force has made a host of recommendations to reform K-12 Education in Idaho and most of them involve (you guessed it) more money. Governor Otter created the task force early in 2012, in the wake of the defeat at the ballot box of the Otter/Luna reform bills passed in 2011. Two of the proposals offered would consume 80% of the state's new revenue between now and fiscal year 2019, and be dedicated to boosting teacher pay and restoring operator funds.

In looking over Idaho's political landscape, it seems obvious to the casual observer that there won't be enough money to satisfy these three big ticket items. Interest groups are likely to clash over existing revenue and compete for any new funds that might be proposed. And for a change, these three sets of advocates are distinct constituencies, without much overlap (with the possible exception of IACI). Looking forward, 2014 is shaping up to be a very interesting year, with new leadership and a class of freshmen who are collectively still trying to define themselves. In an election year, this is a clash of the titans, between big money and big interests, and it's not obvious which will prevail. One thing we do know, all 105 legislators, plus five statewide elected officials, will stand for (re)election come November.

State of the State: An Update on Idaho's Economy

Things are looking up for the state's economy, at least by some measures, but other statistics show more of a mixed bag. Idaho State revenues closed out the year on a strong note. The state's jobless rate is still below the national average but Idaho's total employment is down. Here are a few statistics that provide a snapshot of the state's overall economic health:

- Idaho General Fund ended the 2013 fiscal year (July 31, 2013) on a positive note, up \$92.3 million (3.5%) above projections to \$2,750 million. Revenues for the year marked a 6.3% increase from FY 2012.
- All General Fund categories exceeded their FY 2013 forecasts, including individual income tax (\$1,284 million, up 3.3%), corporate income tax (\$198.7 million, up 8.1%), and sales tax (\$1,109.8 million, up 2.5%)
- Idaho's unemployment rate stood at 6.8% in August, lower than the previous year when the rate was 7.0%. This compares to the national jobless rate of 7.3%. But total employment dropped to its lowest level in nearly a year to 721,000 jobs .
- More Idahoans are working multiple jobs – in 2012 24.2% of Idaho jobs were part time, compared to 18.2% before the recession. Seven of ten new jobs in August were in services, and the growth in new jobs came in those sectors where part-time jobs are more common (retail, administrative and food services).
- Urban areas are doing better than rural Idaho as measured by their jobless rates and by their gross product. Idaho's five metropolitan areas produced \$37.2 billion, while the real value of goods and services produced in rural Idaho slipped for the second year in a row.
- Gross product for the state (not inflation-adjusted) was up 2.1% in urban Idaho and 1.7% in rural Idaho. Statewide, gross product stood at \$58.2 billion, up 2%.

2013 PAC Activities:

- Preparing for the 2014 Election Cycle

As we move into the 2014 election cycle, candidates are stepping up their fund-raising activities and requests. In 2012 IPM&CSA contributed to 65 candidates. We expect even more demand in 2014 because all statewide offices will be in play as well as both Congressmen and U.S. Senator Risch. As an industry, IPM&CSA raises PAC funds through our annual golf outings, and we hold three or four events every year to support our political giving on the state level. 2013 regional golf outings included Clear Lakes in Buhl, Head Waters/Teton Springs in Victor and Banbury in Eagle. Thanks to our member/coordinators and to all participants who contributed to our state PAC fund!

With transportation funding on the front burner, timing is critical to defend the industry on fuel tax issues. 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.

continued on page 54

State Report

IPM&CSA *In Idaho*

continued from page 56

WPMA / Idaho Website: See yourself in color on our latest photos

Check out the Idaho section of the WPMA Website to see photos from 2013 and past years' IPM&CSA events including conventions, shooting and golf events.
www.wpma.com/idaho/photo-gallery

Mark Your Calendar: 2014 IPM&CSA Convention and Trade Show

August 6-8, 2014 at the Coeur d'Alene Resort, Coeur d'Alene, Idaho. Hold the date for a family vacation in beautiful Coeur d'Alene, Idaho. You will want to bring friends and family and stay awhile! Check out the resort at:

<http://www.cdaresort.com>. Get your room reserved early to get the best rates. See you in Coeur d'Alene in 2014!

