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FOR YOUR INFORMATION

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Local governments want debt rules eased

A proposed constitutional amendment would allow borrowing for projects such as a Boise Airport parking garage as long as no taxpayer money is needed to cover payments.

BY JOHN MILLER

THE ASSOCIATED PRESS

Local governments and public hospitals are again pushing a change to permit going into debt in some instances without two-thirds voter approval.

A narrower but similar measure to allow cities to build revenue-generating structures cleared the House last year but fell one vote short of the two-thirds majority needed in the state Senate.

If the current version sponsored by Rep. Fred Wood, R-Twin Falls, clears both chambers, it will go to the voters in November 2010.

In a case brought by activist David Frazier, the Idaho Supreme Court ruled in 2006 that a 109-

year-old interpretation of the state Constitution barred a proposed expansion of the parking garage without voter approval.

Wood said the constitutional amendment would allow the Boise Airport project to be completed without a vote if the construction bonds are retired by revenue from garage users, not taxpayers.

Cities and counties also could sign multiyear leases or lease-purchase agreements of less than five years if the resulting payments don't push local government spending above annual revenue.

The Supreme Court ruling "cast doubt on all the financial means that various political subdi-

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visions have been using to finance the everyday running of local government," Wood told The Associated Press.

"This keeps the Frazier decision intact, but it outlines those circumstances in which you don't have to go to taxpayers for permission."

House Joint Resolution 1, which could get a hearing in the House State Affairs Committee as early as Fri-

day, would also allow municipal electric utilities to go into debt to expand generating plants if payments come from electricity users rather than from tax revenues.

Such projects were thrown into doubt by the Frazier ruling.

Frazier says Wood's proposal should be rejected as just another way for local governments to finance expansion without taxpayer permission.

Projects like the airport garage will reduce revenue that otherwise would bene-

fit local governments by luring private businesses such as rental car agencies from private property to government operations that don't pay taxes, he insisted.

Sen. Joe Stegner, R-Lewiston, who helped kill last year's bill, said Thursday he helped draft the new package and will back it if it reaches the Senate.

"You're not developing any future taxpayer liability, and that's the key," he said. "Anything that would obligate taxpayers to cover a liability would still require a two-thirds vote."