

Problem found in UTA's books

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UTA has some explaining to do, says Rep. Becky Lockhart.

Lockhart, R-Provo, said Saturday that she made a startling discovery last week while investigating a transportation bill and learning about the Utah Transit Authority. She said UTA has apparently been using local revenue streams from cities around Utah and Utah County to bond across the entire Wasatch Front.

"It's a problem, a huge problem. There's nothing of real value that we own from our revenue here," said Lockhart.

UTA has not been using the funds to buy items outright, but rather using that money to get a better rate on their bonds. Lockhart said that going back as far as 1984 she could not find any contract agreement between UTA and cities in Utah County to use their funds in this manner. She could not say whether language in the legislation specifically prevents UTA from doing this, but said that she would do whatever they could to bring UTA to the table.

"UTA has to be controlled," Lockhart said at Saturday's "Eggs and Issues," an opportunity for lawmakers and the public to discuss issues at the state Legislature.

UTA spokesman Justin Jones was unsure of Lockhart's concern about bonding using the county's money. He said that transit authorities around the world bond in order to build up their transit systems.

"We bond because we don't have enough money in the bank to purchase the items used," said Jones.

"If we didn't bond, we'd have to sit save money. People would not receive the benefits of transit for years."

UTA is in the process of acquiring a 30 year bond to build commuter rail into Provo. Jones said that it was important to begin purchasing items now because they will only get more expensive in the future. UTA's revenue is used for maintenance and staffing the transit system.

Senate president John Valentine said that this year's Legislature has gotten off to a fast start, and they "really haven't stopped sprinting yet." After two weeks of debate and bill introductions Valentine introduced a six-point outline of what the Senate's main focus is this year.

Citing a point of agreement with Gov. Huntsman's budget suggestion for education this year, Valentine said they would work with that \$300 million proposal. "Public education is the highest priority this session," he said. That includes sending more money to classrooms and preventing the loss of funds in the shuffle. Providing teachers with competitive salaries, along with adding technology to the classrooms will be included under that budget umbrella.

A tax cut in the \$150 million range would provide ample reduction for all Utahns, Valentine said. An income tax cut would flatten the rate from 5.3 to about 5.0. When coupled with his idea of a credit exemption of sorts for those receiving lower income amounts would equalize the tax cuts and benefit all Utahns. Included in tax legislation would be an effort to equalize the taxation of cable and satellite television services.

Avoiding unnecessary debt by spending cash on hand and not utilizing bonds would save Utah in the future during less-fortunate economic times. "We will have a down cycle. We need to prepare ourselves for when it comes," he said.

Providing competitive pay for state employees would prevent cities and counties from taking vital personnel from the state offices.

With all of the work that has been done over the past few years, Valentine wants to keep transportation continually funded. He described it as an worthwhile investment that cannot be ignored.

Higher education investment has been built up over the past few years but at a cost. "We have built it on the back of our students and their parents. We have increased their tuition," Valentine said. While no growth has been attributed to the general tax, the Senate's focus on higher education couples with Valentine's only bill he has ever carried to the Senate.

Senate bill 70, Utah Valley University Institutional Name Change has 27 cosponsors. No name has been decided, though the UVSC has been pushing to upgrade from a college to university as soon as possible. Valentine promised the bill would pass the Senate, but was cautious to speak further.

"It will not pass the House, unless you help," he said, adding that 38 votes are needed and some of those votes have to come from places other than Utah County.

Rep. John Dougall, R-Highland, used the meeting as an opportunity to explain the quick passage of House Bill 282, Sales and Use Taxation of Food and Food Ingredients, which would lower the sales tax on food.

He described the bill as part of a continuing tax reform. With the time to discuss it at length with the Senate and executive branch, he hopes it will pass. When asked about further tax cuts in subsequent years, he expressed cautious optimism.

"As long as we have a strong economy there will be tax cuts," Dougall said.

Though HB 282 would lower the tax on food, Dougall said that many other feel that food, as a necessity of life, should not be taxed at all.

"They consider it the most vile tax because it is taxing a necessity. The question is whether it is right to tax a necessity of life and subsidize a nicety like the symphony," Dougall said.

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