

**Senate Legislative Task Force
Treasure Valley Transportation Issues
2007**

MEMBERS OF THE COMMITTEE

Chairman Senator John McGee	District 10	Caldwell
Senator Brad Little	District 11	Emmett
Senator Stan Bastian	District 14	Eagle
Senator David Langhorst	District 16	Boise

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FINAL REPORT

Membership

Senate Pro Tem Robert Geddes appointed four members of the Senate to participate in the task force and appointed the chairman:

Chairman Senator John McGee	District 10	Caldwell
Senator Brad Little	District 11	Emmett
Senator Stan Bastian	District 14	Eagle
Senator David Langhorst	District 16	Boise

Meetings and Presenters

The task force held three meetings and received testimony as follows:

1. September 7, 2007 (Boise)
 - Martin Montgomery, Acting Administrator, Division of Public Transportation, Idaho Transportation Department
 - Nancy Merrill, Mayor of the City of Eagle
 - Tom Dale, Mayor of the City of Nampa
 - Matt Stoll, Executive Director, Community Planning Association of SW Idaho (COMPASS)
 - Lane Beattie, President and CEO, Salt Lake Chamber
 - Kelli Fairless, Executive Director, Valley Regional Transit

2. October 15, 2007 (Boise)
 - Pamela Lowe, Director, Idaho Transportation Department
 - Julie Pipal, Office of Budget, Policy and Intergovernmental Relations, Idaho Transportation Department
 - Pat Carr, Port of Entry Manager, Commercial Vehicle Services, Idaho Transportation Department
 - Matt Moore, Transportation Planning and Programming Administrator, Idaho Transportation Department
 - Nestor Fernandez, GARVEE Program Administrator, Idaho Transportation Department
 - Jason Brinkman, GARVEE Program Engineer, Idaho Transportation Department
 - Amy Schroeder, GARVEE Staff Engineer, Idaho Transportation Department
 - Dave Butzier, Connecting Idaho Partners
 - Joel Drake, Senior Budget Analyst, Idaho Transportation Department
 - Scott Stokes, Deputy Director, Idaho Transportation Department
 - Don Kostelec, Planning and Programming Manager, Ada County Highway District
 - Roy Eiguren, Valley Regional Transit

3. December 4, 2007 (Nampa)
 - Sujit CanagaRetna, Senior Fiscal Analyst, Southern Office of the Council of State Governments
 - James Whitty, Manager, Office of Innovative Partnerships and Alternative Funding, Oregon Department of Transportation

Findings

1. Idaho is the third fastest-growing state in the nation, yet transportation revenues are not keeping pace with the growth. The costs of highway construction, including basic materials and buying rights-of-way, are rapidly increasing. State sources of revenue are derived primarily from gasoline taxes and registration fees. Nearly 60% of construction funds for local roads come from local property taxes. Federal funds account for approximately 5% of local road budgets and the funds from that source continue to decline.
2. Investing in the highway infrastructure is an investment in the economic development of the state. If the state is to secure its economic prosperity and keep pace with its growth, it must not allow the *status quo* to continue, which will only lead to economic stagnation. The financial security of the state depends on a program that aggressively expands Idaho's highway infrastructure and provides the funding necessary to maintain that infrastructure. Failure to do so exposes the state to funding solutions paid for by out-of-state and foreign interests, which carry with them the possibility of Idaho losing control of its infrastructure and economic base.
3. There is a shortfall of \$245 million each year for maintenance of deteriorating roads and bridges and for construction of new structures. The shortfall is accruing for several reasons: declining federal dollars distributed to the states, declining fuel tax revenues even though Idaho's fuel tax is among the highest in the nation, and the state's obligation to pay into the future both the principal and interest on GARVEE bonds. The total dollar needs estimated for Idaho through the year 2030 amounts to \$36.1 billion.
4. Rural areas of the state can benefit more from increased funding for highways rather than funding for public transportation. Urban areas with high volumes of traffic and congestion on major highways are in greater need of public transportation systems and the revenues needed to grow and support them. Lack of a dedicated funding source for public transportation is the primary obstacle to building a viable transportation alternative.

Recommendations

All recommendations are directed toward the pressing need for revenue enhancements.

1. Local option taxation should be supported as a means to raise moneys for public transportation and basic highway needs.
2. The legislature should support increasing fees associated with automobiles and highway usage to spread the collection of additional revenues across a broad base to avoid concentrating the

burden. Potential revenue sources include:

- Increasing automobile registration fees; and exploring the viability of basing the registration fee for passenger car and light truck registrations on the value of the vehicle rather than on the age of the vehicle.
 - Increasing fees charged for motor vehicle services provided by the Idaho Transportation Department.
 - Increasing the gas tax.
 - Increasing permit fees.
 - Implementing a highway preservation fuel tax paid by the distributor.
 - Eliminating the state's ethanol exemption.
 - Imposing a rental car fee.
3. The legislature should consider raising revenues from non-highway related sources to help defray costs associated with rapid growth, especially in the Treasure Valley. Additional sources of such revenues include:
- Implementing an impact fee program to defray one-time infrastructure requirements generated by development.
 - Assessing an employment tax paid by employers based on the number of employees.
 - Imposing a local option excise tax on taxes already collected on the sale of beer, wine and alcohol.
4. The Idaho Transportation Department should direct more of its assets to mitigating the congestion on main transportation corridors of the Treasure Valley caused by high traffic volumes. Any other revenue sources available to the department should be used to create a higher level of safety for the traveling public, which is at greater risk due to traffic congestion.
5. The legislature should continue to study the options and possibilities that Public Private Partnerships (P3s) appear to offer as a means to finance highway projects, and continue to track the outcome of major P3 projects that have been completed in other states such as Virginia, Illinois and Indiana.
6. The state should review funding mechanisms used in other states, which promote growth paying for growth, such as special assessment districts that provide an opportunity for prepayment of impact fees to the state if adopted.