

Distribution of Highway User Revenue and the Highway Distribution Account

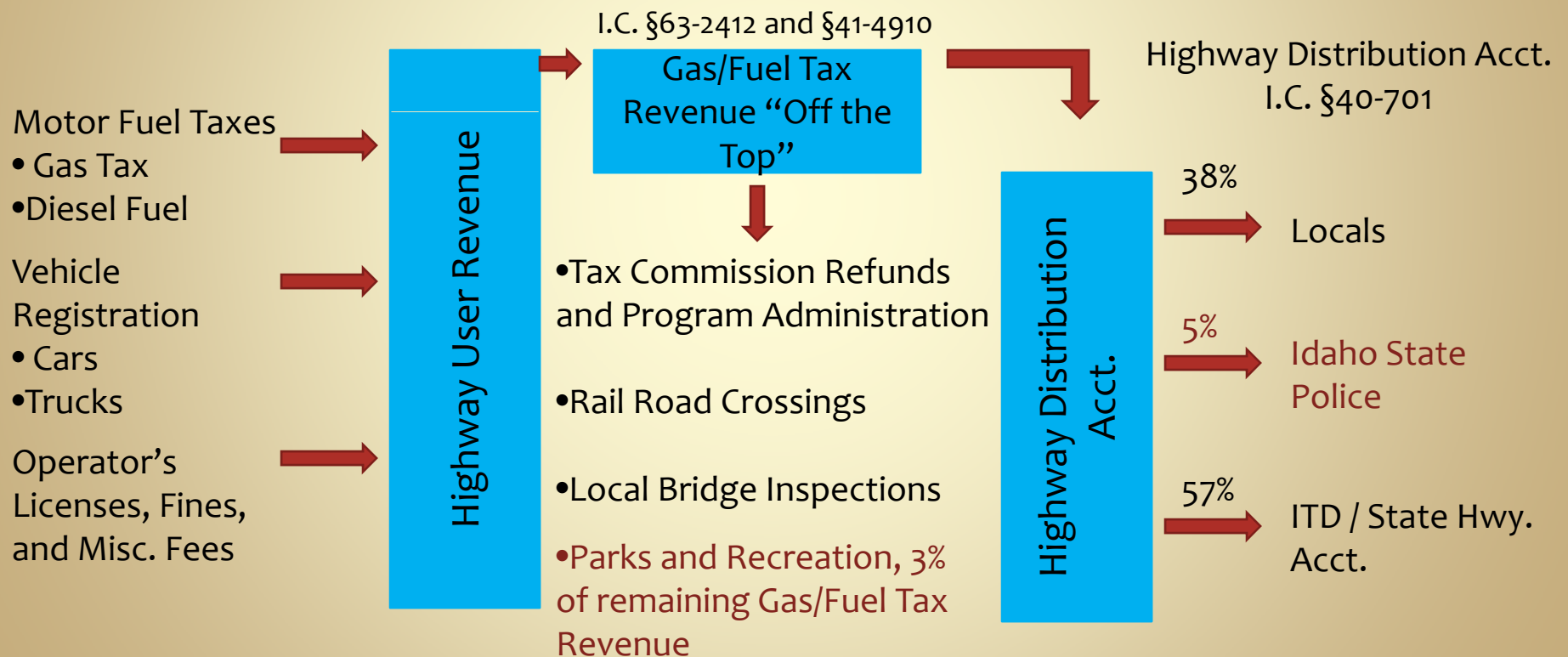
Presentation to the

*Task Force to Identify Alternative Funding
Sources for the Idaho State Police and the Idaho
Department of Parks & Recreation*

Keith Bybee
Legislative Services Office
Budget and Policy Analysis

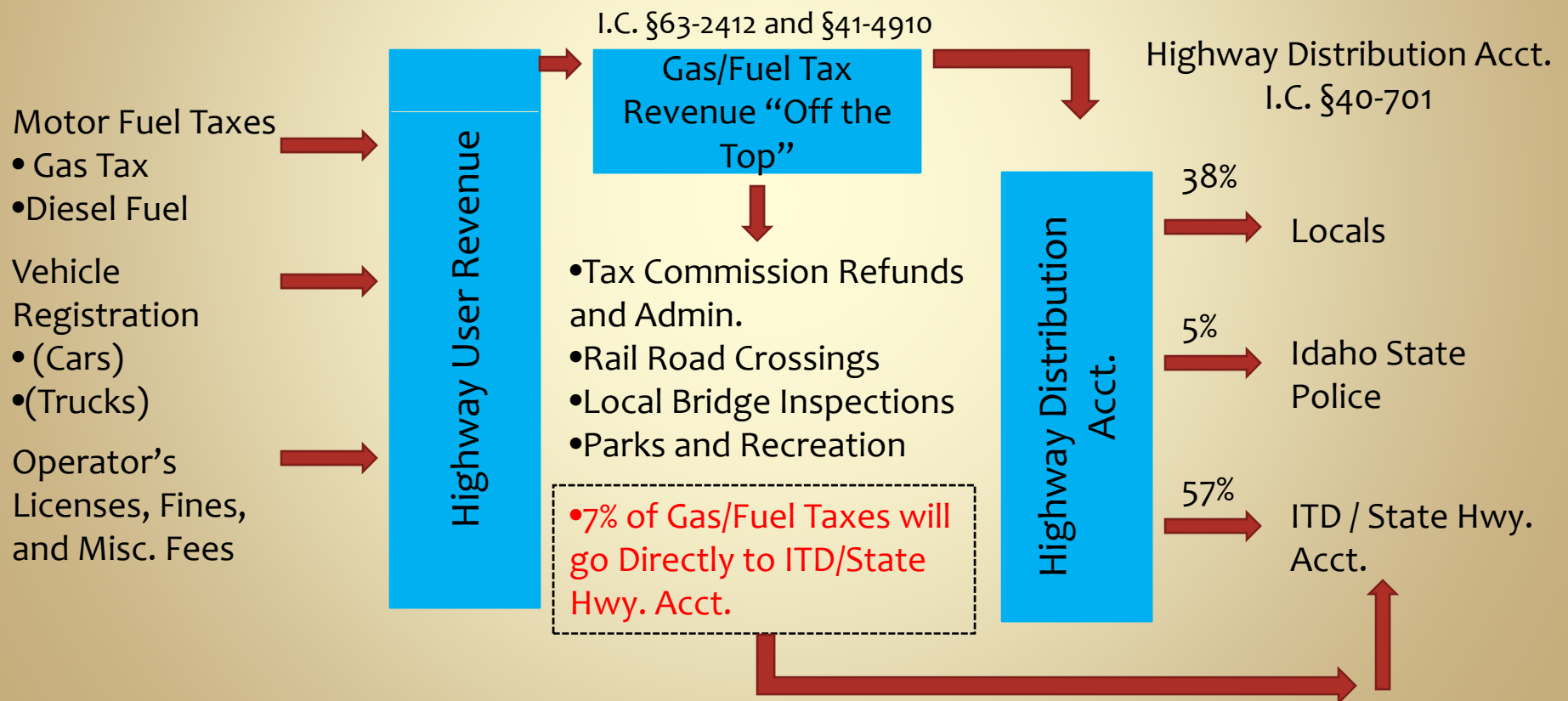
September 29, 2009

Distribution of Highway User Revenue Prior to June 1, 2009



Distribution of Highway User Revenue for FY 2010 Based on H338 Amendments

Took Effect June 1, 2009



Memorandum

To: Alternative Funding Task Force
From: Keith Bybee, Legislative Budget & Policy Analyst
Date: 9/29/2009
Re: Follow-up from June 30 and August 11 meetings

1) Representative Wills asked of the number of registrations (both car and driver's license) that were late.

In calendar year 2008, 66,500 driver's licenses were issued late out of a total 372,720, which is 17%. The total number of driver's licenses in Idaho is 1,038,314. In calendar year 2008, 220,918 registrations were issued late out of a total 1,614,392, which is 14%.

Drivers Licenses Class A-B-C-D as of Jan 31, 2009

17,180	7 days late	25.8%
9,886	14 days late	14.9%
6,867	21 days late	10.3%
32,567	22 days late and greater	49.0%
66,500	Total DL's issued late	100%

Registrations for cars, trucks, boats, rv's, motorcycles, trailers, snowmobiles, temporary permits, ATV's Handicapped & etc.

16,350	7 days late	7.40%
20,795	14 days late	9.41%
20,110	21 days late	9.10%
163,663	22 days late and greater	74.08%
220,918	Total Registrations issued late	100.00%

2) Representative Labrador asked how much Idaho may receive from a late vehicle and driver's license registration fee similar to Ohio's?

The State of Ohio implemented a flat \$20 late fee and provided a seven day grace period. Based on information above, the Ohio model would provide the state with additional revenue of \$5,077,760¹. The State of Ohio and analysts at ITD do contend, however, that this much revenue would likely decline over time because after the late fee has been implemented for a year, it is behavior changing in that once a late fee is levied, most people will likely try to avoid another late fee. The state would likely see a decrease in revenue from late fees in subsequent years.

¹ $((66,500 \text{ total late driver's licenses} - 17,180 \text{ late licenses in 7 day grace period}) + (220,918 \text{ total late registrations} - 16,350 \text{ late registrations in 7 day grace period})) * \$20 \text{ late fee} = \$5,077,760 \text{ additional revenue.}$

Continued on next page

Memorandum

- 3) Representative Wills asked how many overall DUI reinstatements have occurred in the past three years.

Reinstatements for Alcohol Related Offenses

	2006	2007	2008	Total
DUI	6,406	6,940	7,100	20,446
Commercial DUI	104	328	472	904
Blood Alcohol Content Refusal	1,204	894	898	2,996
Administrative License Suspension	5,821	6,115	6,842	18,778
Alcohol Age Violations	2,344	2,164	2,263	6,771
<i>Totals</i>	<i>15,879</i>	<i>16,441</i>	<i>17,575</i>	<i>49,895</i>

- 4) Representative Labrador asked if Idaho was losing out on any federal dollars due to its current seat belt and motorcycle helmet laws.

There are no current incentives or sanctions for funding from the federal government with regard to motorcycle helmet laws. There are however, federal funds available should the State change its seatbelt laws. There are currently \$4.5 million of one-time funds available for projects related to highway safety for incorporating a state primary seat belt law (Primary seat belt laws allow law enforcement officers to ticket a driver for not wearing a seat belt, without any other traffic offense taking place). Additionally, Idaho has missed (\$5-\$6 million by some estimates) funds for not attaining 85% seatbelt use, powerball funds (\$1,015,106 additional moneys available for incorporating a primary seat belt law), and \$250,000 for implementing one of the following: increase the seat belt fine by at least \$25, passing a primary seat belt law or deleting the nursing baby exemption from child passenger safety law. These moneys were available in federal fiscal year 2009 and were one-time. The caveat for receiving these moneys is that they can only be used for highway safety improvement (capital projects) and behavioral safety programs.

- 5) Mary Coome from the horse association asked how many horse trailers are registered in Idaho.

There are 5,217 horse trailers registered this year bringing the total number of horse trailers registered to 26,318. The fund source may not be stable because utility plates for trailers are issued on 1, 5, and 10-year increments and based on vehicle body type as declared by the owner.

- 6) Senator Bilyeu asked what have been the recent savings to ITD from contract construction bids coming in lower than expected.

According to the ITD board meeting on August 19, 2009, bids from American Recovery and Reinvestment Act Title XII funds have come in approximately \$35.4 million under original projections. The "savings" will be utilized in other STIP projects. Bids have continued to come in lower than estimated in Fiscal Years 2009 and 2010.

Sources: Legislative Services Office website: www.legislature.idaho.gov/legislature/2009/legindex.htm

Idaho Department of Transportation Board Minutes, August 20, 2009

Idaho Department of Transportation, Department of Motor Vehicles

Memorandum

7) Representative Ringo asked what were the registration fee proposals from last session.

Bill No.	Description	Fiscal Note
H93	Motor vehicle lease and rental tax (6% fee on daily lease or rental rate)	\$2,000,000
H94	Highway & Bridge Fund created, fuel tax increases	Increase to \$88,000,000 over 5 years
H95	Highway distribution account, revise fund distributions	\$5,000,000 increase from shift of ISP off HAD
H96	Gas/DMV tax increase, gasahol deduction removed	eliminate ethanol exemption
H98	Vehicle Registration, categories, Fee Increase	increase to \$119,100,000 over 5 years
H133	Motor vehicle lease and rental tax	\$2,000,000 increase
H135	Highway Maintenance Fund, 2 cent fuel tax	\$17.6 million total, \$10.6 to ITD
H136	Highway Maintenance Fund, 5 cent fuel tax	\$44 million total, \$26.4 to ITD
H148	Vehicle Registration Fee Increase	\$28 million increase
H149	Vehicle Registration Fee Increase	\$21.4 million increase
H246	Highway maintenance fund, gradual fuel tax increase (3 cents, 2 cents, 2 cents)	increase to \$61.6 million new revenue over 4 years
H247	Vehicle driver & dealer, registration fees increased	increase to \$43.7 million new revenue over 4 years
H254	Vehicle driver & dealer, registration fees increased	increase to \$31.6 million new revenue over 4 years
H307	Highway maintenance fund, sales tax proceeds	increase to \$120 million transferred revenue from GF over 5 years
H334*	Vehicle registration/driver/dealer license fees up	\$13.1 million increase for SHA
H336	Vehicle Registration, categories, fee increase	\$3.1 million increase
H338*	fuel taxation, gasahol/biodiesel, funds distribution	deletes ethanol exemption
H375	Highway distribution account, revise fund distributions	transferred ISP and Parks from SHA and HAD
H376*	Highway distribution account, revise fund distributions	transferred ISP and Parks from SHA and HAD

*Passed both the Senate and House of Representatives and was signed into law by the Governor.

**HISTORY OF
I D A H O
STATE RAISED HIGHWAY USERS REVENUE
BY FISCAL YEAR**

(millions of dollars)

	Actuals 2008	Actuals 2009	Forecast** 2010	Forecast** 2011
GASOLINE TAX COLLECTED	\$167.57	\$154.54	\$160.00	\$162.50
LESS: ADMINISTRATION	(\$2.50)	(\$2.58)	(\$2.70)	(\$2.70)
REFUNDS	(\$4.76)	(\$1.38)	(\$4.00)	(\$4.00)
R.R., BRIDGE & LNAA	(\$0.35)	(\$0.35)	(\$0.35)	(\$0.35)
LESS 7% TO ITD/STATE HWY. ACCT			(\$10.71)	(\$10.88)
NET TO DISTRIBUTE	\$159.96	\$150.22	\$142.24	\$144.57
LESS: WATER WAYS, OFF-ROAD & PARKS	(\$4.83)	(\$4.56)	(\$4.27)	(\$0.30)
NET TO H.D.A.	\$155.13	\$145.66	\$137.97	\$144.27
SPECIAL FUEL TAX	\$66.18	\$61.56	\$65.00	\$67.50
LESS: ADMINISTRATION	(\$1.06)	(\$1.09)	(\$1.00)	(\$1.00)
REFUNDS	(\$0.97)	(\$0.87)	(\$1.20)	(\$1.20)
LESS 7% TO ITD/STATE HWY. ACCT			(\$4.40)	(\$4.57)
NET SPECIAL FUEL TO H.D.A.	\$64.15	\$56.60	\$58.40	\$60.73
PASSENGER CARS & TRUCKS	\$50.86	\$49.86	\$52.00	\$53.00
STATE TRUCK REGISTRATION	\$45.59	\$44.21	\$46.00	\$46.50
96 HR. & SINGLE TRIP	\$2.37	\$2.97	\$3.70	\$3.80
MISC. REG. & PLATE FEES	\$0.25	\$0.25	\$0.25	\$0.25
GROSS WEIGHT DISTANCE TAX	\$0.83	\$0.73	\$0.00	\$0.00
REPORTS & FINES	\$5.76	\$5.85	\$5.90	\$5.90
OPERATORS LICENSES	\$2.19	\$2.42	\$3.90	\$6.80
TOTAL NET TO H.D.A. FOR DISTRIBUTION	\$327.13	\$311.55	\$308.12	\$321.25
Local funds to LHTAC	(\$0.41)	(\$0.39)	(\$0.41)	(\$0.42)
Highway Distribution Acct. to LOCALS	\$124.91	\$118.50	\$117.09	\$122.19
Highway Distribution Acct. to LAW ENFORCEMENT	\$16.36	\$15.58	\$15.41	\$0.00
Highway Distribution Acct. to ID. TRANSPORTATION DEPT.	\$186.46	\$177.58	\$175.63	\$199.36
7% to ITD/STATE HWY. ACCT (H338 Ethanol and Biofuel Exemption)			\$15.11	\$15.45
TOTAL to ITD/STATE HWY. ACCT.			\$190.74	\$214.81

** Forecast was completed August 21, 2009.