

STATEMENT OF PURPOSE

RS25508

This legislation approves bonding authority to issue highway transportation (GARVEE) bonds by the Idaho Housing and Finance Association in a principal amount sufficient to finance the highway transportation projects listed in the legislation (page 3) in an amount up to \$300,000,000. Such bonds are expected to be paid from the State Highway Account as provided in Idaho Code § 40-707. Project selection shall be the sole responsibility and duty of the Idaho Transportation Board. Allocation of GARVEE bond proceeds shall be the sole responsibility and duty of the Idaho Transportation Board.

Also, this legislation approves \$200,000,000 in general bonding authority issued by IHFA to finance projects lists in the legislation (page 3) or other new highway and bridge projects ITD may select to improve safety, provide commerce opportunities, and reduce congestion. Of this bonding authority, 60% is for State projects and 40% is for local units of government.

This legislation extends for 5 years the surplus eliminator in H312aaSaaS, passed in 2015, providing for a split of 60% for the state and 40% for local units of government which are required to file reports as to how the maintenance money was spent before they can receive any additional payments.

This legislation exempts the sales tax on road materials. It also eliminates the 5% transfer from the Highway Distribution Account to the Law Enforcement Account. Instead, 1% of the sales tax distribution is directed to the Law Enforcement Account. To hold local governments harmless, it increases one percentage point to 12.5% of sales tax distribution to the Revenue Sharing Account. Finally, this legislation directs JLOC to have OPE conduct an independent evaluation of LHTAC.

FISCAL NOTE

Sales tax revenue stream sufficient to provide bond payments for \$200,000,000 General Bonding is estimated to be \$17,000,000 per year.

One percent (1%) of sales tax revenue shall be distributed to the law enforcement fund and is estimated to be approximately \$17,000,000 for Fiscal Year 2018, but is expected to grow as the economy grows in future years.

Surplus eliminator will vary from year to year. Past years have ranged from approximately \$104,000,000 to approximately \$21,000,000. Those amounts are then split equally between the Budget Stabilization Fund and the Strategic Initiatives Fund. Those payments will impact the General Fund by reducing the amount on the bottom line. The money for transportation will be split 60% for the State and 40% for local jurisdictions.

Sales tax on materials used for public roads is estimated to be \$10,000,000 to \$12,000,000 and will be used on the highways and will not be going into the General Fund.

The cost of the independent audit and review (Office of Performance Evaluation) of the Local Highways Technical Assistance Council (LHTAC).

Contact:

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).