

## STATEMENT OF PURPOSE

### RS25604

This legislation approves bonding authority to issue highway transportation (GARVEE) bonds by the Idaho Housing and Finance Association (IHFA) in a principal amount sufficient to finance the highway transportation projects listed in the legislation in an amount up to \$300 million. Such bonds are expected to be paid from federal highway apportionments and a small State match. Project selection and allocation of GARVEE bond proceeds shall be the sole responsibility and duty of the Idaho Transportation Board.

This legislation creates the Transportation Expansion and Congestion Mitigation Fund in ITD.

This legislation extends for 2 years the surplus eliminator in 2015's H312aaSaaS, providing for a split of 60% for state and 40% for local units of government. The 40% local split would be put in a newly created fund called local strategic initiatives fund. LHTAC will work with local units of government to select projects.

This legislation redirects the unallocated portion of the cigarette tax to the Transportation Expansion and Congestion Mitigation Fund.

### FISCAL NOTE

The surplus eliminator will vary from year to year, but in previous years it has been \$21.9 million to \$108.3 million. These amounts are split equally between Budget Stabilization Fund and the Strategic Initiatives Fund and impact the General Fund by reducing the amount on the bottom line.

The timing for the statutory transfer to the budget stabilization fund (BSF) is changed. With the current revenue forecast, for FY2017 there will be a \$31.8 million transfer to BSF and in FY2018 there will be a \$18.1 million transfer to BSF. The transfer in FY2018 is a positive impact of \$15.2 million compared with the General Fund Daily Update.

One percent (1%) of the sales tax revenues, or approximately \$15 million in 2018, will be directed to the Transportation Expansion and Congestion Mitigation Fund.

#### 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).**