

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 535

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

RELATING TO TRANSPORTATION FUNDING; AMENDING SECTION 40-701, IDAHO CODE, TO REVISE PROVISIONS REGARDING APPORTIONMENT OF THE HIGHWAY DISTRIBUTION ACCOUNT, TO REVISE A PROVISION REGARDING FEES ON ELECTRIC AND HYBRID VEHICLES, AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 63-2412, IDAHO CODE, TO REVISE A DISTRIBUTION TO THE LOCAL BRIDGE INSPECTION ACCOUNT, TO REMOVE A LIMITATION REGARDING REVENUES RECEIVED FROM FUEL TAXES, AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-2418, IDAHO CODE, TO REVISE A PROVISION REGARDING THE DISTRIBUTION OF THE TAX ON CERTAIN SPECIAL FUELS AND TO MAKE A TECHNICAL CORRECTION; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 40-701, Idaho Code, be, and the same is hereby amended to read as follows:

40-701. HIGHWAY DISTRIBUTION ACCOUNT -- APPORTIONMENT. (1) There is established in the state treasury an account known as the "Highway Distribution Account," to which shall be credited:

(a) Moneys as provided by sections 63-2412(1)(f)4. and 63-2418(4), Idaho Code;

(b) All moneys collected by the department, ~~their~~ its agents and vendors, and county assessors and sheriffs, under the provisions of title 49, Idaho Code, except as otherwise specifically provided for; and

(c) All other moneys as may be provided by law.

(2) (a) The highway distribution account shall be apportioned as follows:

~~(a) Thirty-eight percent (38%) in fiscal year 2021, thirty-eight and one-half percent (38.5%) in fiscal year 2022, thirty-nine percent (39%) in fiscal year 2023, thirty-nine and one-half percent (39.5%) in fiscal year 2024, thirty-nine and three-quarters percent (39.75%) in fiscal year 2025, and forty percent (40%) thereafter to local units of government as provided in section 40-709, Idaho Code;~~

~~(b) Fifty-seven percent (57%) in fiscal year 2021, fifty-seven and one-half percent (57.5%) in fiscal year 2022, fifty-eight percent (58%) in fiscal year 2023, fifty-eight and one-half percent (58.5%) in fiscal year 2024, fifty-nine and one-quarter percent (59.25%) in fiscal year 2025, and sixty percent (60%) thereafter to the state highway account established in section 40-702, Idaho Code; and~~

~~(c) Five percent (5%) in fiscal year 2021, four percent (4%) in fiscal year 2022, three percent (3%) in fiscal year 2023, two percent (2%) in fiscal year 2024, one percent (1%) in fiscal year 2025, and zero dollars thereafter to the law enforcement account, established in section 67-2914, Idaho Code. The state controller shall cause the remittance of~~

1 ~~the moneys apportioned to local units of government not later than Jan-~~
 2 ~~uary 25, April 25, July 25 and October 25 of each year, and to the law~~
 3 ~~enforcement account and the state highway account as the moneys become~~
 4 ~~available to the highway distribution account.~~

5 (i) Forty percent (40%) to local units of government as provided
 6 in section 40-709, Idaho Code; and

7 (ii) Sixty percent (60%) to the state highway account established
 8 in section 40-702, Idaho Code.

9 (b) The state controller shall cause the remittance of the moneys ap-
 10 portioned to local units of government no later than January 25, April
 11 25, July 25, and October 25 of each year and to the state highway account
 12 as the moneys become available to the highway distribution account.

13 ~~(3) All new revenues generated by increases in registration fees and~~
 14 ~~fees on electric and hybrid vehicles pursuant to the provisions of House Bill~~
 15 ~~No. 312, as amended in the Senate, as amended in the Senate, during the first~~
 16 ~~regular session of the sixty-third Idaho legislature, fees on electric and~~
 17 ~~hybrid vehicles and all revenues generated by fees on electric and plug-in~~
 18 ~~hybrid vehicles pursuant to the provisions of section 49-457, Idaho Code,~~
 19 ~~shall be apportioned as follows:~~

20 (a) Forty percent (40%) to local units of government as provided in sec-
 21 tion 40-709, Idaho Code; and

22 (b) Sixty percent (60%) to the state highway account established in
 23 section 40-702, Idaho Code.

24 (4) Interest earned on the investment of idle moneys in the highway dis-
 25 tribution account shall be paid to the highway distribution account.

26 (5) All idle moneys in the dedicated highway trust or asset accounts or
 27 subaccounts established from highway user revenues, reimbursements, fees or
 28 permits shall be invested by the state treasurer in the same manner as pro-
 29 vided under section 67-1210, Idaho Code, with respect to other surplus or
 30 idle moneys in the state treasury. Interest earned on the investments shall
 31 be returned to the various highway trust or asset accounts and subaccounts.

32 SECTION 2. That Section 63-2412, Idaho Code, be, and the same is hereby
 33 amended to read as follows:

34 63-2412. DISTRIBUTION OF TAX REVENUES FROM TAX ON GASOLINE AND AIR-
 35 CRAFT ENGINE FUEL. (1) The revenues received from the taxes imposed by sec-
 36 tions 63-2402 and 63-2421, Idaho Code, upon the receipt or use of gasoline,
 37 and any penalties, interest, or deficiency additions, shall be distributed
 38 periodically as follows:

39 (a) An amount of money equal to the actual cost of collecting, admin-
 40 istering and enforcing the gasoline tax requirements by the commission,
 41 as determined by it, shall be retained by the commission. The amount re-
 42 tained by the commission shall not exceed the amount authorized to be
 43 expended by appropriation by the legislature. Any unencumbered balance
 44 in excess of the actual cost of collecting, administering and enforcing
 45 the gasoline tax requirements by the commission at the end of each fis-
 46 cal year shall be distributed as listed in paragraph (f) of this subsec-
 47 tion.

48 (b) An amount of money shall be distributed to the state refund account
 49 sufficient to pay current refund claims. All refunds authorized by the

1 commission to be paid shall be paid from the state refund account, and
2 those moneys are hereby continuously appropriated for that purpose.

3 (c) As soon as possible after the beginning of each fiscal year, the sum
4 of two hundred fifty thousand dollars (\$250,000) shall be distributed
5 to the railroad grade crossing protection ~~account~~ fund in the dedicated
6 fund, to pay the amounts from the ~~account~~ fund pursuant to the provi-
7 sions of section 62-304C, Idaho Code.

8 (d) As soon as possible after the beginning of each fiscal year, the sum
9 of ~~one hundred seventy-five thousand dollars (\$175,000)~~ three hundred
10 thousand dollars (\$300,000) shall be distributed to the local bridge
11 inspection account in the dedicated fund, to pay the amounts from the
12 account pursuant to the provisions of section 40-703, Idaho Code.

13 (e) An amount of money equal to seven percent (7%) shall be distributed
14 to the state highway account established in section 40-702, Idaho Code.

15 (f) From the balance remaining with the commission after distributing
16 the amounts in paragraphs (a) through (e) of this subsection:

17 1. One and twenty-eight hundredths percent (1.28%) shall be
18 distributed as follows: sixty-six percent (66%) of the one and
19 twenty-eight hundredths percent (1.28%) shall be distributed to
20 the waterways improvement fund, as created in chapter 15, title
21 57, Idaho Code. Up to twenty percent (20%) of the moneys dis-
22 tributed to the waterways improvement ~~account~~ fund under the
23 provisions of this paragraph may be used by the department of parks
24 and recreation to defray administrative costs. Any moneys un-
25 used at the end of the fiscal year by the department of parks and
26 recreation shall be returned to the state treasurer for deposit
27 in the waterways improvement ~~account~~ fund. Thirty-three percent
28 (33%) of the one and twenty-eight hundredths percent (1.28%) shall
29 be distributed into the park and recreation capital improvement
30 account as created in section 57-1801, Idaho Code. One percent
31 (1%) of the one and twenty-eight hundredths percent (1.28%) shall
32 be distributed to the search and rescue fund created in section
33 67-2913, Idaho Code;

34 2. One and twenty-eight hundredths percent (1.28%) shall be
35 distributed as follows: sixty-six percent (66%) of the one and
36 twenty-eight hundredths percent (1.28%) shall be distributed to
37 the off-road motor vehicle account, as created in section 57-1901,
38 Idaho Code. Up to twenty percent (20%) of the moneys distributed
39 to the off-road motor vehicle account by this subparagraph may be
40 used by the department of parks and recreation to defray adminis-
41 trative costs. Any moneys unused at the end of the fiscal year by
42 the department of parks and recreation shall be returned to the
43 state treasurer for deposit in the off-road motor vehicle account.
44 Thirty-three percent (33%) of the one and twenty-eight hundredths
45 percent (1.28%) shall be distributed into the park and recreation
46 capital improvement account as created in section 57-1801, Idaho
47 Code. One percent (1%) of the one and twenty-eight hundredths
48 percent (1.28%) shall be distributed to the search and rescue fund
49 created in section 67-2913, Idaho Code; and

1 3. Forty-four hundredths percent (.44%) shall be distributed to
2 the park and recreation capital improvement account as created
3 in section 57-1801, Idaho Code, to be used solely to develop,
4 construct, maintain and repair roads, bridges and parking areas
5 within and leading to parks and recreation areas of the state.

6 4. The balance remaining shall be distributed to the highway dis-
7 tribution account created in section 40-701, Idaho Code.

8 ~~(2) Provided however, the distribution pursuant to subsection (1) of~~
9 ~~this section of revenues received from the taxes imposed pursuant to section~~
10 ~~63-2402(2), Idaho Code, shall apply only to twenty-five cents (25¢) of ev-~~
11 ~~ery thirty-two cents (32¢) received. The remaining seven cents (7¢) of ev-~~
12 ~~ery thirty-two cents (32¢) received pursuant to the provisions of section~~
13 ~~63-2402(2), Idaho Code, shall be distributed as follows:~~

14 ~~(a) Sixty percent (60%) to the state highway account; and~~

15 ~~(b) Forty percent (40%) to be distributed pursuant to the provisions of~~
16 ~~section 40-709, Idaho Code, in the same manner as distribution of mon-~~
17 ~~neys appropriated from the highway distribution account to local units~~
18 ~~of government.~~

19 ~~(3) (2)~~ The revenues received from the taxes imposed by section
20 63-2408, Idaho Code, and any penalties, interest, and deficiency amounts,
21 shall be distributed as follows:

22 (a) An amount of money shall be distributed to the state refund account
23 sufficient to pay current refund claims. All refunds authorized by the
24 commission to be paid shall be paid from the state refund account, and
25 those moneys are hereby continuously appropriated.

26 (b) The balance remaining of all the taxes collected shall be dis-
27 tributed to the state aeronautics fund, as provided in section 21-211,
28 Idaho Code.

29 SECTION 3. That Section 63-2418, Idaho Code, be, and the same is hereby
30 amended to read as follows:

31 63-2418. DISTRIBUTION OF TAX REVENUES FROM TAX ON SPECIAL FUELS. Un-
32 less as otherwise provided in subsection (5) of this section, revenues re-
33 ceived from the tax imposed by this chapter upon the receipt of special fuel
34 and any penalties, interest or deficiency additions, or from the fees im-
35 posed by the commission under the provisions of section 63-2424 or 63-2438,
36 Idaho Code, shall be distributed as follows:

37 (1) An amount of money equal to the actual cost of collecting, adminis-
38 tering and enforcing the special fuels tax provisions by the commission, as
39 determined by it, shall be retained by the commission. The amount retained
40 by the commission shall not exceed the amount authorized to be expended by
41 appropriation by the legislature. Any unencumbered balance in excess of the
42 actual cost of collecting, administering and enforcing the special fuels tax
43 requirements by the commission at the end of each fiscal year shall be dis-
44 tributed to the highway distribution account.

45 (2) An amount of money shall be distributed to the state refund account
46 sufficient to pay current refund claims. All refunds authorized by the com-
47 mission to be paid under this chapter shall be paid from the state refund ac-
48 count, those moneys being hereby continuously appropriated.

1 (3) An amount of money equal to seven percent (7%) shall be distributed
2 to the state highway account as established in section 40-702, Idaho Code.

3 (4) The balance remaining with the commission after distributing the
4 amounts specified in subsections (1), (2) and (3) of this section shall
5 be distributed to the highway distribution account established in section
6 40-701, Idaho Code.

7 (5) For those special fuels subject to tax pursuant to section 63-2402
8 or 63-2424, Idaho Code, ~~twenty-five cents (25¢) of every thirty-two cents~~
9 ~~(32¢) of revenue received from such tax shall be distributed pursuant to the~~
10 ~~provisions of subsections (1), (2), (3) and (4) of this section. The remain-~~
11 ~~ing seven cents (7¢) of every thirty-two cents (32¢) of the~~ revenue received
12 shall be distributed as follows:

13 (a) Sixty percent (60%) to the state highway account; and

14 (b) Forty percent (40%) to be distributed pursuant to the provisions of
15 section 40-709, Idaho Code, in the same manner as distribution of mon-
16 eys appropriated from the highway distribution account to local units
17 of government.

18 SECTION 4. An emergency existing therefor, which emergency is hereby
19 declared to exist, this act shall be in full force and effect on and after
20 July 1, 2026.