

STATEMENT OF PURPOSE

RS32841C1 / H0535

This legislation streamlines the distribution process for vehicle registration fees and fuel taxes. It updates the Highway Distribution Account (HDA) distribution to treat all user fee funds the same, a 60% state and 40% local split. 2015 legislation added a process where new gas tax revenue would be tracked separately from traditional revenue. In 2019, legislation passed to gradually shift the Idaho State Police (ISP) funding away from the HDA and replace it with money from the state's general fund. The shift was implemented over a five-year period from FY21 to FY25. There is no longer a need to track items separately after ISP was removed. This legislation does not change any current revenue sources to the HDA or the 60/40 split; it updates statute to reflect the current process.

The legislation also ensures bridge safety. It increases the local bridge inspection account from \$175,000 annually to \$300,000 annually in dedicated funds by a gas tax transfer to keep the fund solvent for FY27 and beyond. The cost of bridge inspections and number of inspections has increased over time. The \$175,000 amount is no longer sufficient to cover the needs for inspections.

FISCAL NOTE

The increase to the local bridge inspection account reduces the revenues available in the HDA by \$125,000.

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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).