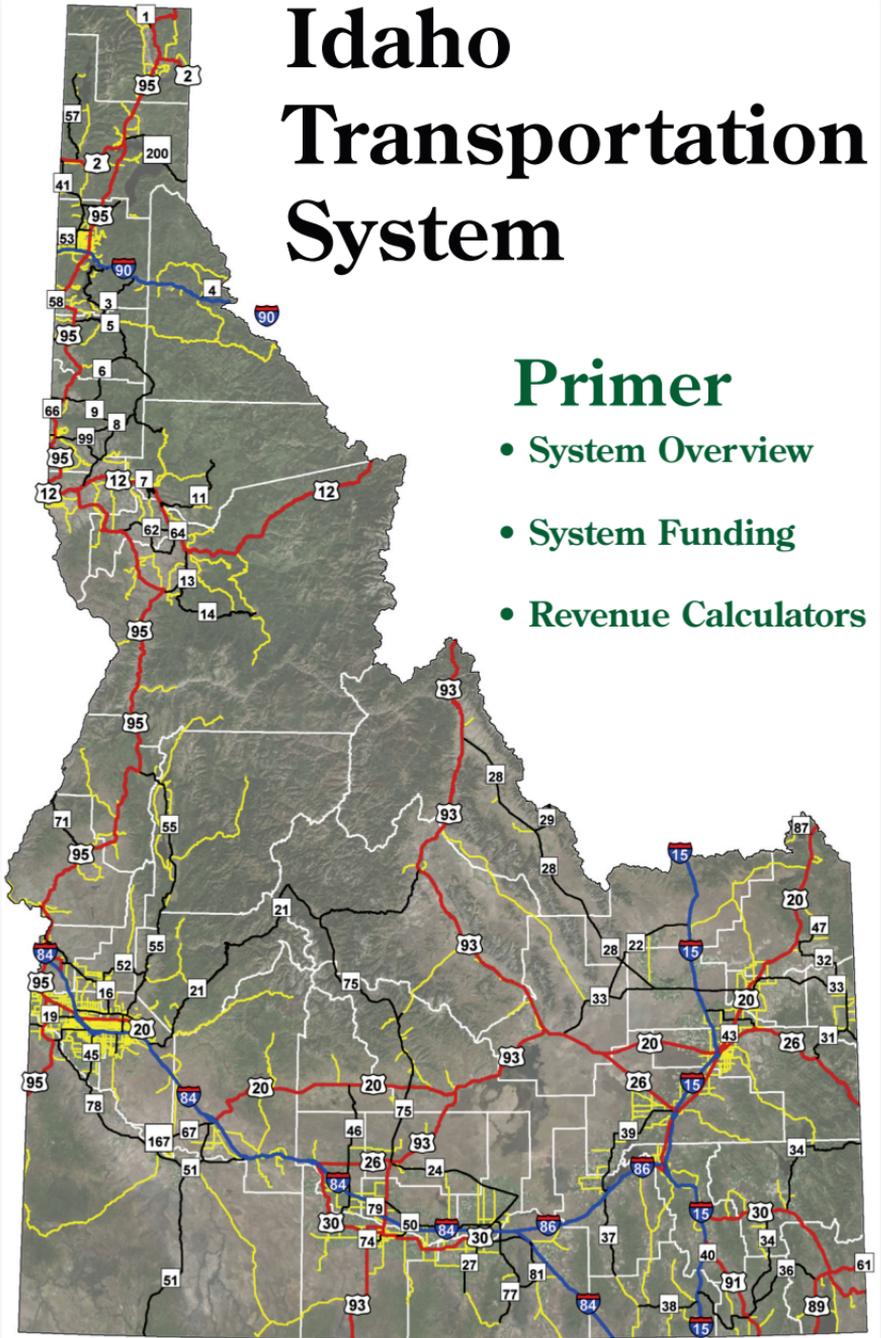


Idaho Transportation System

Primer

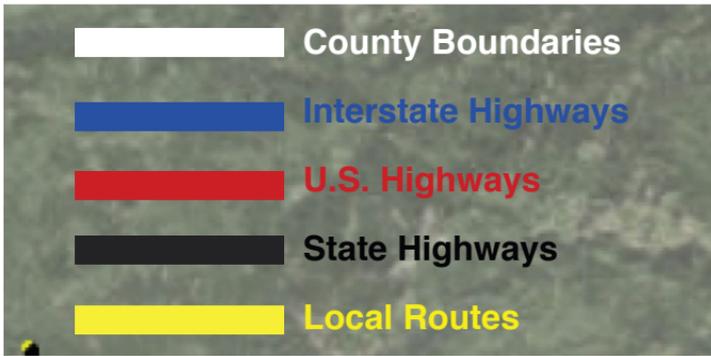
- System Overview
- System Funding
- Revenue Calculators



Compiled from information provided by the Idaho Transportation Department, the Idaho Tax Commission, and the Local Highway Technical Assistance Council.

February 2015

Color Key for Highway Map



This document, and the Idaho Transportation Funding Pocket Guide are available online at:

http://www.itd.idaho.gov/newsandinfo/Docs/idaho_funding_primer.pdf

http://www.itd.idaho.gov/newsandinfo/Docs/funding_pocket_guide.pdf

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Idaho's Transportation System

State Transportation System

The Idaho Transportation Department (ITD) plans, builds, operates, and maintains the state transportation system.

The state system includes Interstate and rural highways that connect Idaho communities to each other, as well as other states and Canada. State highways are designed to provide safe, efficient, high-speed travel for both passenger and commercial traffic.

To maintain and operate the State Highway System, ITD has six transportation districts across the state. It also has a Division of Aeronautics and a Division of Motor Vehicles.

Local Transportation System

Nearly 300 cities, counties, and highway districts in Idaho plan, build, operate, and maintain the local transportation system, which includes public roads and bridges in Idaho that are not a part of the State Highway System.

The local neighborhood streets and thoroughfares they manage are designed to allow Idahoans to travel from their homes to jobs, schools, stores, and recreation; to live and enjoy the Idaho lifestyle.

Safety

State and local transportation agencies strive to reduce the number of deaths and injuries on Idaho's roads by using a combination of:

- Infrastructure improvements
- Advanced technology
- Agency partnerships
- Strategies to improve driver behavior
- Emergency response

State and Local Safety Data (Calendar Year 2013)

- Total crashes..... 22,348
- Total fatal crashes..... 200
 - % of fatal crashes related to impaired driving* 45%
 - % of fatal crashes related to distracted driving* 21%
- Total fatalities 214
 - Fatalities related to impaired driving* 96
 - Fatalities related to aggressive driving* 84
 - Fatalities related to distracted driving* 43
 - Motorcycle fatalities 26
 - Pedestrian fatalities 14
 - Bicycle fatalities 3
- Percent of people in Idaho wearing seat belts..... 82%
- Economic cost of all crashes \$2.6 billion

**Crashes can involve multiple contributing factors, including impairment, aggressive driving, and distracted driving.*

Economic Impact

The list below shows the importance of Idaho's integrated state and local transportation system to Idaho's economic engine.

- 150,000 Idaho businesses rely on a well-maintained system of roads and bridges to ship and receive products.
- Approximately 650,000 Idahoans travel to and from work on Idaho roads each day.
- Trucks carry more than 150 million tons of freight (worth \$80.5 billion) on Idaho roads each year.
- In 2013, Idaho had approximately \$33 billion in outgoing trade. Approximately \$16.8 billion of that was shipped by truck.
- Idaho companies exported products to foreign countries worth more than \$6 billion in 2012.
- Tourists spend \$2.7 billion in Idaho every year, and Idaho residents enjoy access to the state's many outdoor opportunities via an interconnected system of state and local roads.
- The transportation system provides invaluable access to Idaho's federal lands, which comprise 63% of the state.

Roads and Bridges

Idaho's Roads and Bridges are Aging

Nearly 50% of Idaho's state and local bridges are close to half a century old. Idaho's roads were typically built at the same time as its bridges. Many of these roads and bridges have restrictions to modern traffic demands ranging from weight capacity to spring-frost load restrictions on pavements.

While the surface of Idaho's roads and bridges are what the public sees on a daily basis, it is the structure underneath that is most important. Most of these facilities have been maintained by adding surface seals and other treatments that have short-term benefits.

Road and bridge maintenance is similar to maintaining the roof of a house. You can only add so many shingles to an aging roof before the underlying structure must be rebuilt. The same is true of Idaho's transportation infrastructure. It can only be "patched" a limited number of times before requiring an extensive rebuild.

The American Association of State Highway and Transportation Officials found that every \$1 invested when infrastructure is in good condition avoids spending up to \$14 to repair or replace infrastructure in poor condition.

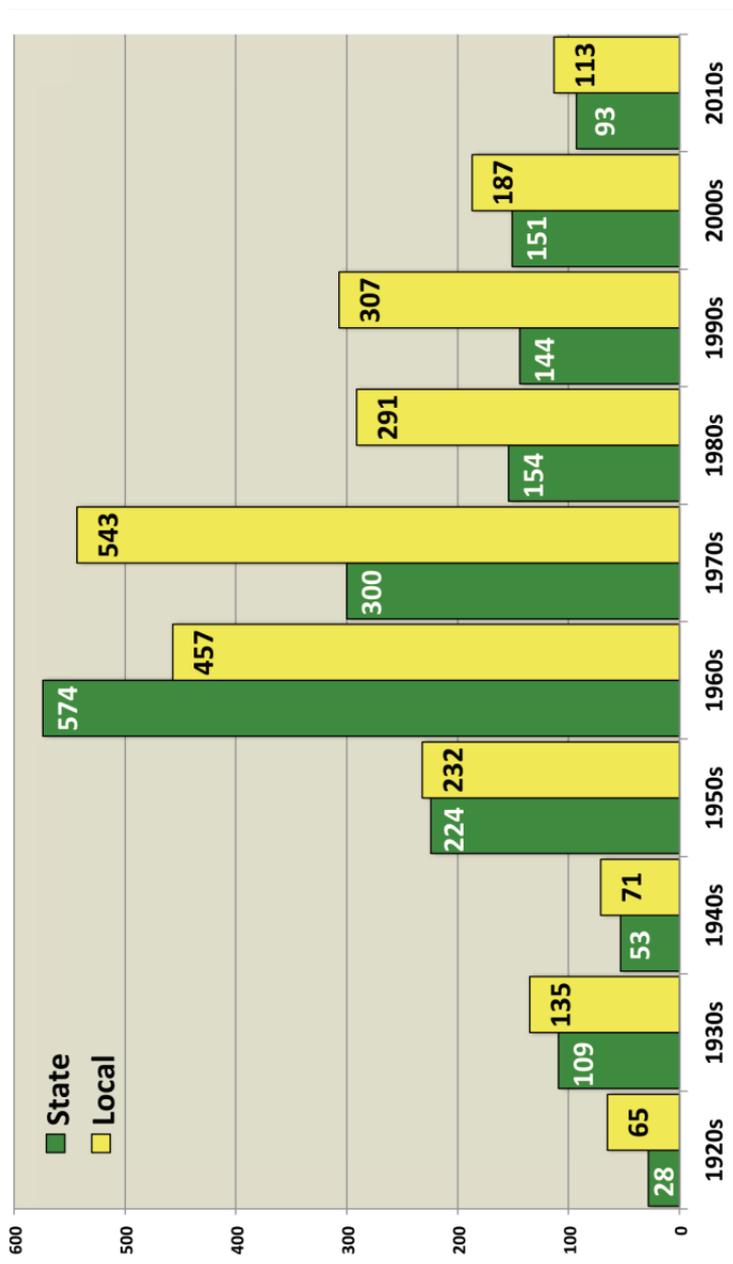
State Transportation System

- Lane Miles (includes unpaved) 12,284
- Bridges > 10 Feet Long..... 1,824
(761 of which are 50+ years of age)
- Square Feet of State Bridge Deck 12 million

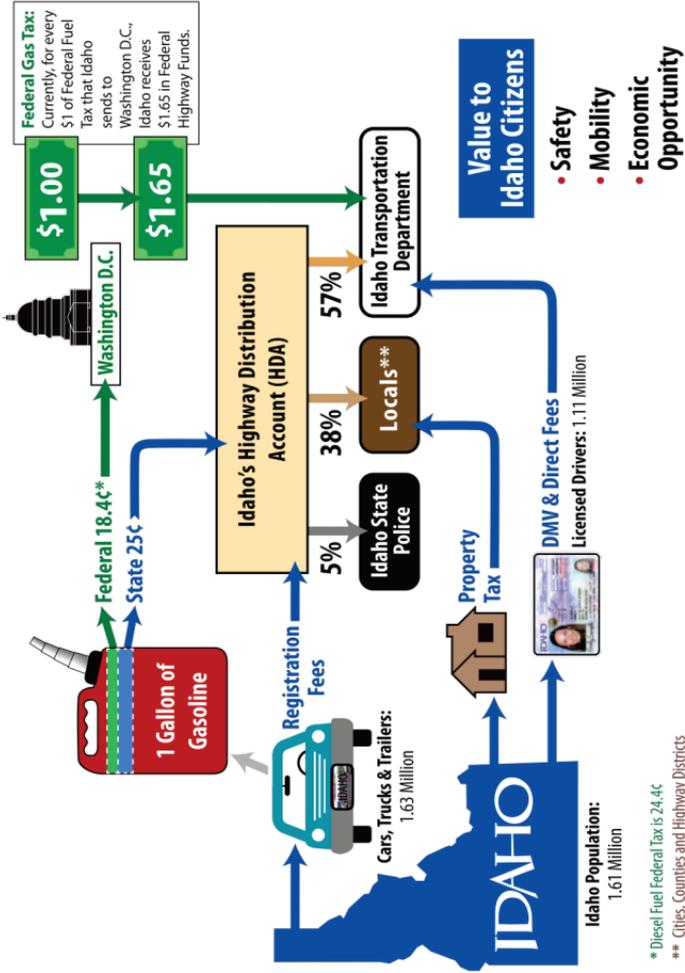
Local Transportation System

- Lane Miles (includes unpaved) 63,607
- Bridges > 20 Feet Long..... 2,375
(702 of which are 50+ years of age)
- Square Feet of Local Bridge Deck 5.7 million

Decade of Construction for State and Local Bridges



Idaho's Transportation Fund Sources and Distribution



* Diesel Fuel Federal Tax is 24.4¢

** Cities, Counties and Highway Districts

FY14 Transportation Revenue

(Dollars rounded and in millions)

Description	State*	Local	Total
Federal Aid	\$309.7	-	\$309.7
Federal Receipts for Locals	-\$56.9	\$56.9	-
Highway Distribution Acct. (66% fuel tax, 31% registration, 3% misc.)	\$180.6	\$119.7	\$300.4
Property Tax	-	\$107.2	\$107.2
Other Local Sources**	-	\$90.8	\$90.8
User Funds to State Hwy. Acct.	\$62.9	-	\$62.9
Other State Sources***	-	\$19.8	\$19.8
Secure Rural Schools	-	\$17.6	\$17.6
Other Federal Receipts****	-	\$16.2	\$16.2
Transfers for Projects from Locals	\$3.1	-	\$3.1
Total Receipts:	\$499.4	\$428.2	\$927.6
Percent of Total:	53.8%	46.2%	100%

* Amounts to the state reflect actual FY14 receipts to the State Highway Account.

** Fund transfers from non-highway accounts, local impact fees, local option registration fees, etc.

*** Inventory replacement tax, revenue sharing, etc.

**** Critical bridge, National Forest Reserve apportionment, etc.

Federal and State Revenue

Federal Revenue

Congress allocates revenue to states through the national transportation bill, historically reauthorized every six years. The last authorization, signed by the President on July 6, 2012, and which expired September 30, 2014, is titled “Moving Ahead for Progress in the 21st Century” (MAP-21). It was extended by a continuing resolution until May 31, 2015.

State Revenue

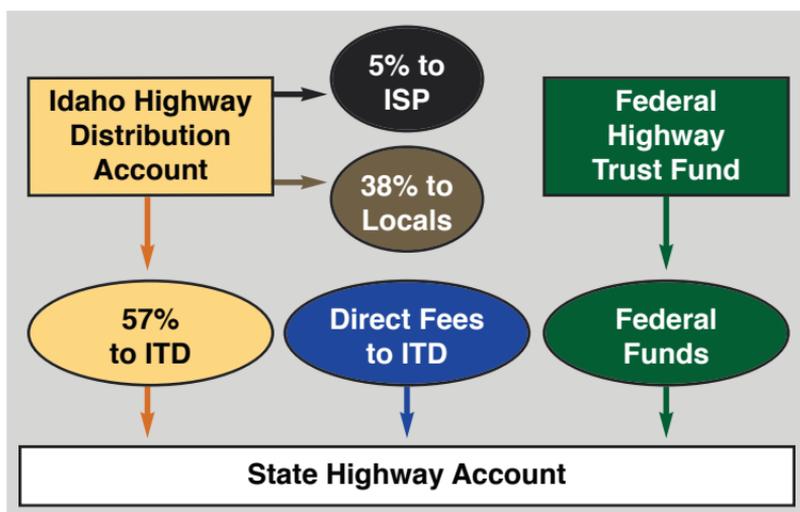
State fuel taxes, on both gasoline and diesel, are deposited into the Highway Distribution Account (HDA) along with revenue generated by vehicle registration, driver licensing, and miscellaneous sources.

Highway Distribution Account

The Highway Distribution Account is distributed as follows:

- Idaho State Police 5%
- Local jurisdictions (cities, counties, hwy. districts) 38%
- State Highway Account (ITD) 57%

Flow of State and Federal Transportation Funds



FY14 ITD Highway Distribution Account (HDA) Revenue Sources

(net to HDA, in millions, after off-the-top deductions)

State Highway Account

ITD's portion of Highway Distribution Account revenue and funds provided directly to ITD are added to federal resources to fund the State Highway Account.

Because the tax exemption for ethanol was eliminated in FY10, seven percent of motor fuel tax revenue is now deposited directly into the State Highway Account.

During the 2014 legislative session, House Bill 547 modified Idaho Statute to distribute a portion of annual cigarette tax revenues to ITD. In the future, ITD will receive \$4.7 million per year from cigarette tax revenue to provide matching funds for federal revenue used to pay GARVEE debt service, and a portion of Idaho's cigarette tax, averaging \$3.4 million per year, for highway maintenance, construction, and right-of-way acquisition.

Local Revenue

The local share of the Highway Distribution Account, property tax, direct federal funding, and other state and local sources are added together to fund transportation systems for cities, counties, and highway districts.

Property tax revenue used for transportation is generated and allocated locally. State HDA funds to local agencies are distributed by formula directly to the cities, counties, and highway districts.

GARVEE Bonding

GARVEE (Grant Anticipation Revenue Vehicle) bonds are not new revenue. States use GARVEE bonds to borrow money, using estimated future federal revenue to pay back the bonds, with interest.

The Idaho legislature established a maximum amount of 30% of ITD's federal revenue that can be used to pay debt service for GARVEE bonds.

ITD's current debt service amount is 21% of its annual federal revenue.

ITD used GARVEE bonds to offset inflation, advancing priority projects that otherwise would have taken decades to fund and complete.

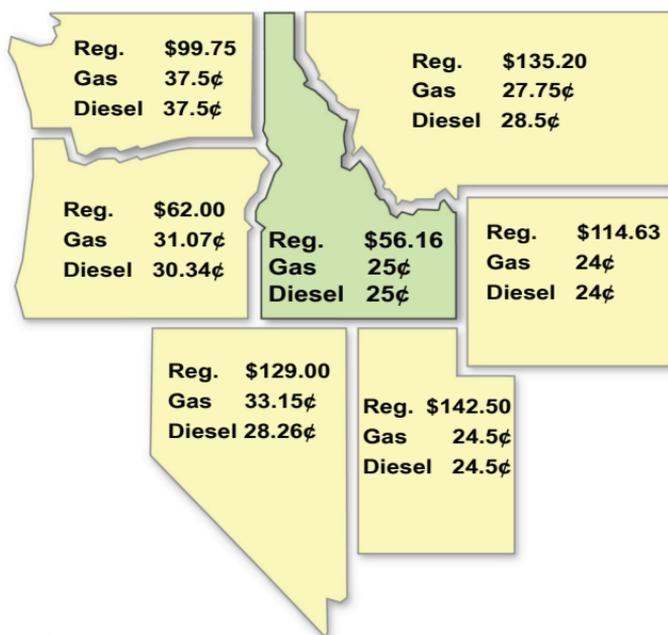
GARVEE PROGRAM (as of December 2014)

<u>Actual</u>	<u>FY14</u>
Total Amount Authorized	\$857.4
Amount of Bonds Sold	\$857.4
Amount Under Contract	\$857.4
Expended	\$813.0
Debt-Service Ratio Limit	30%
Current Debt-Service Ratio	21%

Note:

Additional bond capacity, under current federal funding and state law, is approximately \$230 million.

Surrounding State Comparison



NOTES:

- Registration fees are the cost to register a 2007 Toyota Camry in the county seat of each state's most populous county. In Idaho, that is Ada County, which adds \$32.16 to the \$24 registration fee.
- Fuel tax source: *American Petroleum Institute, 2014*
- Some surrounding states have additional funding sources such as general funds, extraction taxes, local option taxes, gross-vehicle-weight fees, rental car taxes, toll taxes, royalties, severance taxes, etc.

Public Transportation

Idaho receives approximately \$22 million annually from the Federal Transit Administration (FTA).

Transit providers in the Coeur d'Alene, Lewiston, Boise/Nampa, Pocatello, and Idaho Falls urban areas receive approximately \$11 million per year directly from the FTA to operate public transportation within their jurisdictions.

ITD distributes approximately \$11 million of the FTA funds to qualified public transportation service providers throughout the state.

Idaho Code allows resort communities to assess local option taxes. This is currently being done in Sun Valley, Coeur d'Alene, Sandpoint, and Ponderay.

Task Force Recommendation

Additional Annual Transportation Revenue Needed for State and Local Systems

Level of Service	Additional Annual Revenue Needed	Avg. Monthly Cost to Consumers*
Maintain System in the Condition it is in Today	\$262 Million	\$20
Maintain Current System and Enhance Safety and Capacity	\$543 Million	\$41

*Revenue needed divided by 1.1 million licensed Idaho drivers, divided by 12 months.

NOTE:

The Governor's Task Force on Modernizing Transportation Funding issued a final report listing mechanisms for potential sources of additional transportation revenue in Idaho.

To read the report and see the funding options explored by the task force, go to:

http://itd.idaho.gov/taskforce/Task_Force_Final_Report_Low_Res.pdf

Fuel Tax Rates (Per Gallon)

Description	Gas	Diesel
Federal	18.4¢	24.4¢
State	25¢	25¢

Fuel distributors pay taxes for all motor fuels used to propel a licensed vehicle on Idaho's roads. This revenue currently generates approximately two-thirds of State Highway Distribution Account receipts.

State Fuel Tax Rate History (cents per gallon)

- 1976-19819.5¢
- 1981-198211.5¢
- 1982-198312.5¢
- 1983-198814.5¢
- 1988-199118¢
- 1991-199621¢
- 1997 to present.....25¢ + 1¢*

**The transfer fee is currently 1¢ per gallon, when active, a portion of which is dedicated to the Petroleum Clean Water Trust Fund.*

Passenger Vehicle Registration Fees

Idaho's passenger-vehicle registration fees are based on vehicle age, and have not been increased since 1996.

Vehicle owners pay annual registration fees according to the following schedule:

- Vehicles one and two years old\$48
- Vehicles three to six years old\$36
- Vehicles older than six years\$24

An EMS Service fee of \$1.25 is added to all registrations. Vehicles registered in Ada County require an additional fee ranging from \$24 to \$40 to fund local transportation infrastructure. County administrative charges may also apply.

The statewide motorcycle registration fee is \$9, plus an additional \$8 in Ada County.

Truck Registration Fees

Trucks with gross vehicle weights between 8,000 and 60,000 pounds pay registration fees based on weight group and type of operation.

Trucks with gross vehicle weights higher than 60,000 pounds pay a single registration fee calculated by weight tier and mileage group.

Permits are available for carriers operating vehicles over their registered configuration.

The most common weight for a truck in Idaho is 80,000 pounds.

The Full Fee table below lists the cost to register an 80,000 pound truck driving 100 percent of its miles in Idaho.

80,000 POUND TRUCK	FULL FEE (ALL IDAHO MILES)
- 1 to 7,500 Miles	\$480
- 7,501 to 20,000 Miles	\$1,100
- 20,001 to 35,000 Miles	\$1,700
- 35,001 to 50,000 Miles	\$2,300
- Over 50,000 Miles	\$3,360

Revenue Calculators

Fuel Revenue Calculator

Option	Gallons Sold in FY14	Tax Rate Factor	Revenue Increase Per Unit
Gasoline	644 Million	+ 1¢	\$6.4 Million
Diesel	257.8 Million	+ 1¢	\$2.6 Million

Passenger Registration Revenue Calculator

Current Registration Fees	Registrations Issued in CY13	Registration Fee Factor	Revenue Increase* Per Unit
1 to 2 years old (\$48)	144,627	+ 10%	\$694,000
3 to 6 years old (\$36)	172,758	+ 10%	\$622,000
Over 7 years old (\$24)	931,193	+ 10%	\$2.2 Million
Other (varies)	219,425	+ 10%	\$1.2 Million

Truck Registration Revenue Calculator

Current Registration Fees	CY14 Registration Revenue	Registration Fee Factor	Revenue Increase* Per Unit
Commercial	\$47.8 Million	+ 10%	\$4.8 Million
Trip Permits	\$2.1 Million	+ 10%	\$210,000
Overlegal	\$3.7 Million	+ 10%	\$370,000

Scenario Planning Worksheets

Scenario 1

Description	Volume	Rate Change	Total
		TOTAL:	

Scenario 2

Description	Volume	Rate Change	Total
		TOTAL:	

Scenario 3

Description	Volume	Rate Change	Total
		TOTAL:	

Idaho State Fuel Tax History

(cents per gallon)

The area chart below shows Idaho's state fuel tax history from 1976 to 2014.

