

STATEMENT OF PURPOSE

RS25572

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 the State Highway Account as provided in Idaho Code 40-707. Project selection and allocation of GARVEE bond proceeds shall be the sole responsibility and duty of the Idaho Transportation Board.

This legislation creates the Capacity, Safety, and Congestion Mitigation Program Fund (CSCM Fund). Money from ITD's CSCM Fund and from the locals CSCM Fund can be used for road or bridge new construction projects.

This legislation extends for 5 years the surplus eliminator in 2015's H312aaSaaS, providing for a split of 60% for state and 40% for local units of government. Local units of government are required to file reports as to how the maintenance money was spent before they can receive their payment. If reports are not filed by June 30 the State Controller shall deposit all funds withheld pursuant to this requirement in the Budget Stabilization Fund. The 40% local split would be put in a newly created fund called local strategic initiatives fund. LHTAC would take applications, prioritize, and select projects.

This legislation eliminates the 5% transfer from the Highway Distribution Account to the Law Enforcement Account. Beginning in FY2018, 1.185% or \$17 million of sales taxes are distributed to the Law Enforcement Fund. Finally, this legislation directs JLOC to have OPE conduct an independent evaluation of LHTAC.

FISCAL NOTE

In FY2018, \$17 million to the Idaho State Police (ISP), \$250,000 for the LHTAC study. Total in FY2018 is \$17.25 million.

In FY2019 and thereafter, 1.185% goes to ISP. The amount to ISP is expected to grow in the future beyond the FY2018 amount of \$17 million as the economy grows.

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.

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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).