

STATEMENT OF PURPOSE

RS26755

This legislation amends the Transportation Expansion and Congestion Mitigation (TECM) program found in Idaho Code § 40-720 to provide for a bonding mechanism for the funds already received in that section.

Currently under Idaho Code § 40-720, the Idaho Transportation Department (ITD) is tasked to evaluate projects based on mitigation of traffic times, improvement to traffic flow and mitigation of traffic congestion. Once the evaluation is completed by ITD, the Idaho Transportation Board (ITB) chooses the projects. The current law allows TECM funds to "finance projects."

This legislation provides a financing mechanism using the Idaho Housing and Finance Association (IHFA) to issue bonds secured by TECM funds to finance projects approved by the ITB. It also states that the ITB shall take into consideration the mitigation of traffic congestion caused by the establishment of the State offices campus located at Chinden Boulevard and Cloverdale Road in Boise.

Finally, the legislation specifies that the 1% sales tax used to fund TECM, but not less than \$15 million dollars, is continually appropriated to the TECM fund for the ability to support and finance TECM projects.

FISCAL NOTE

This legislation provides that not less than \$15 million dollars of the 1% received from sales tax be distributed to the TECM fund. The ITB has the ability to bond approximately \$150 million for transportation projects depending on unencumbered amounts in the TECM fund.

There is no negative fiscal impact because in FY 2018 the 1% received from sales tax was \$15.7 million, \$.7 million more than the minimum of \$15 million dollars provided under this legislation. The bonding mechanism does not require a tax increase.

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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).