

RECOMMENDATION ON LOCAL OPTION TRANSIT FUNDING LEGISLATION

- ▶ The proposed legislation is a revision of the existing regional public transportation authority (RPTA), upon voter approval, to levy a local option sales tax for the purposes of financing, constructing, operating and maintaining public transportation systems where there is an adopted public transportation plan [Chapter 21, Title 40, Idaho Code].
- ▶ “Public Transportation Systems” include systems and services designed to transport customers on local and regional routes, including buses, vanpools, demand response services, rail, rail corridor, park and ride and so forth, which are compatible with adopted state, regional or local transportation plans [Section 40-2103].
- ▶ The sales tax referendum can only be on the ballot in November on even year elections to assure a high vote turnout and would pass with a simple majority [Section 40-2111].
- ▶ The legislation would authorize not less than 0.1 percent or more than 0.5 percent in the initial referendum. The tax would be imposed in amounts necessary to support adopted plans and budgets. The maximum tax authorized would not exceed 0.75 percent [Section 40-2112].
- ▶ The sales tax sunsets after 20 years unless it is reauthorized by voter approval. Reauthorization in a general election may be considered two (2) years prior to the sunset date. The sales tax collections continue until existing bonded indebtedness is retired [Section 40-2112].
- ▶ The RPTA, upon 2/3 voter approval, may issue bonds, for purposes of financing its public transportation infrastructure. Bond provisions are patterned after typical Idaho bond statutes [Section 40-2114 through 40-2118]. Debt service is limited to no more than 20 percent of revenues.
- ▶ Sales taxes are collected through the state tax commission and distributed back to the regional transportation authority [Section 40-2113].