National Association of Counties

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STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

IDAHO COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funding:

- Counties receive a portion of state revenues which are comprised of the state gas tax (40 percent), diesel tax (18 percent), registration fees (30 percent) and other miscellaneous state revenues for transportation (12 percent).
- For every $50 an Idaho motorist spends on gas, Idaho roads and bridges receive $3.00, which is distributed as follows: Idaho State Police receive $0.15, local roads and bridges receive $1.14 and state roads and bridges receive $1.71.

From Federal Funding:

- Forest counties in Idaho rely on federal transportation funds from the Secure Rural Schools and Community Self-Determination (SRS) Act to fund most of their transportation needs. Counties receiving large SRS payments tend not to levy property taxes to fund roads.

From County Funding:

- Counties have the option of using three types of property tax levies specifically for transportation funding.
  - General Maintenance and Operation: A levy of 0.20 percent of taxable market value for general road maintenance and operation. If a county or highway district elects to levy this tax, 50 percent of the tax levied within an incorporated city must be shared with the eligible city while 100 percent of the tax goes to the county or highway district outside of the incorporated limits of an eligible city.
  - Special and Matching Levy: A levy of 0.0084 percent of taxable market value for special road and bridge projects or to match funds from another entity (usually associated with federal grant funds or funds dedicated for a special project). The tax revenues from this levy do not have to be shared with cities.
  - Joint County Bridge Levy: A levy of 0.0024 percent of taxable market value for maintenance and operation of joint county bridges. The tax revenues from this levy are not shared with cities.
- Counties may create special purpose highway districts to fund transportation projects. Counties with these special districts receive no state or federal highway funds.

Share of County Owned **Road Miles** Out of Public Roads Statewide	33%
Share of County Owned **Bridges** Out of Public Bridges Statewide	35%
Share of **Structurally Deficient Bridges** Out of County Owned Bridges	13%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Property tax revenues cannot increase by more than 3% per year. There are three types of property tax levies with special restrictions on each.
Levy Personal Property Taxes		
Levy Local Option Sales Taxes		
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee	X	With voter approval, counties may charge a motor vehicle registration fee no greater than twice the fee the state charges.
Form Special Districts for Transportation	X	Counties with special highway districts have no jurisdiction over highways and receive no state or federal highway funds.

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COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Idahoans continue to buy more fuel-efficient vehicles, which reduces the amount of revenue available through the gas tax. Vehicles have made increasing gains in fuel efficiency—from an average of 14.3 miles per gallon in 1978 to 22.6 miles per gallon in 2008. This trend will continue as hybrid and alternative-energy vehicles gain popularity.
- Secure Rural Schools payments have dropped an average of 10 percent a year since 2008. Counties relying on SRS payments to fund road and bridge operations have dramatically scaled back road maintenance in recent years including road plowing in winter months. Deferred maintenance is taking a toll on rural roads. Counties receiving SRS payments, often do not levy any transportation levies, in order to increase levies for other county services. Each year there is the risk SRS will not be reauthorized. Should this occur, rural counties relying on SRS would no longer have the resources to even partially maintain their roads.
- Idaho is not a home rule state, thus a county's ability to generate new revenues is very much restricted. A county is prohibited from incurring any debt that cannot be paid off within a single budget year unless it receives 2/3 voter approval in a referendum. This hurdle is too high to incur debt to pay for new roads, let alone maintain existing roads.
- Idaho prohibits counties from exercising local option sales or use taxes, therefore, counties must rely on state revenue sharing, local property taxes, and federal funds (SRS and otherwise) to fund road projects.

BREAKDOWN OF COUNTY TRANSPORTATION FUNDING[1]

County Share	50%
State Share	40%
Federal Share	10%

[1] This is an estimate based on information from Idaho Association of Counties. The county share includes revenues from Special Purpose Highway Districts created by the county.

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