



**REGIONAL PUBLIC
TRANSPORTATION AUTHORITY
(RPTA)
WHITE PAPER
-DRAFT-**

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Background

In 1991, a legislative committee was formed to study the need for a public transportation policy in the State of Idaho. The committee's work led to the adoption of Section 40-514 of the Idaho Code that created the Public Transportation Advisory Council (PTAC). The PTAC's purpose is to "advise the Idaho transportation department on issues and policies regarding public transportation in Idaho... participate in planning activities, identify transportation needs, and promote coordinated transportation systems." An Interagency Working Group (IWG) comprised of representatives from the Idaho Transportation Department (ITD) and other affected state agencies was also established. The IWG is tasked with "analyzing public transportation needs, identifying areas for coordination, and developing strategies for eliminating procedural and regulatory barriers to coordination at the state level."¹

The law also stipulates that ITD:

- Develop a uniform data collection and reporting system
- Develop a comprehensive plan for public transportation
- Provide assistance to operators of local and regional transportation systems

In 1994, the Idaho Legislature passed the Regional Public Transportation Act (Title 40, Chapter 21 of the Idaho Code) allowing cities and counties to form public transportation authorities. The legislation was approved without designating a funding source for the authorities.²

What is a Regional Public Transportation Authority (RPTA)?

A regional public transportation authority is a governmental agency created by ballot initiative to address public transportation issues within each county or region that deems such an agency necessary.

How is an RPTA formed?

An RPTA can be formed on a county or regional basis. A countywide authority must include the entire geographical area of the county. A regional authority may include the contiguous parts of one or more counties. If the city councils and county commissions of all cities and counties wholly or partially included in the proposed region approve a resolution proposing the establishment of an RPTA, the question shall be submitted for voter approval. A simple majority is needed for passage.

¹ I.C. § 40-514.

² The Coalition for Regional Public Transportation, Final Report and Recommendation, 2007, p. 5-6.

What are the RPTA's responsibilities?

An RPTA “shall provide public transportation services, encourage private transportation programs and coordinate both public and private transportation programs, services and support functions.”³

How is an RPTA governed?

An RPTA is governed through a board of directors made of local elected and appointed officials representing each of the local governments (cities, counties, highway districts) wholly or partially within the authority boundaries. This use of existing public officials is intended to limit the expansion or duplication of governmental roles.

How many RPTAs are in Idaho?

There currently are two RPTAs in Idaho. Bonneville County was the first to approve the formation of a countywide RPTA (the Targhee Regional Public Transportation Authority). In 1998, voters in Ada and Canyon counties voted for the formation of a RPTA (now called Valley Regional Transit).

What are the advantages of an RPTA?

One advantage of an RPTA is that its focus is solely on public transportation issues in its area of jurisdiction. This narrowed focus can result in better coordination of services, closer monitoring of federal grant programs and a unified effort to secure federal and local funding. An RPTA also provides accountability to the public, stakeholders and member jurisdictions. Thus, the RPTA must appropriately represent the interests of all parties involved. An RPTA serves as a single, consolidated face for transit that will be helpful in building public confidence in the system. An RPTA also has the structure that could be expanded to serve a broader multi-county area.⁴

Does the RPTA law provide for a funding mechanism for transit services?

No. Counties, cities, highway districts and other governmental entities within the region may, at their discretion, enter into a cooperative agreement with the authority in order to contribute funds from any source, provide services-in-kind and loan or convey real and personal property to the authority in recognition of costs of the authority, to maintain continuity of existing public transportation services, or to implement new services.

³ I.C. § 40-2104.

⁴ Nelson\Nygaard, *KMPO Public Transportation Feasibility Study*, 2005, p. 54.

How is public transportation funded now?

Transit service in Idaho is supported by voluntary local contributions from the local jurisdictions that receive services. These local contributions are used to help match federal transit grants. These funds pay for transit operations, capital purchases, planning efforts and administrative costs. Resort cities in Idaho with populations less than 10,000 are able to provide local funding through monies raised by a local option tax. The Cities of McCall and Ketchum/Sun Valley provide funds from this local option tax for public transportation.⁵

Existing RPTAs in Idaho

Targhee Regional Public Transportation Authority

The Targhee Regional Public Transportation Authority (TRPTA) in Bonneville County was formed in 1995. TRPTA's service area includes Idaho Falls, Arco, Challis, Mackay, Driggs, Rexburg, Salmon and other communities in Southeastern Idaho. TRPTA's transit service is commonly referred to as PTA. PTA provides deviated fixed route ("FLEX") service and serves the City of Idaho Falls.

Valley Regional Transit RPTA

Voters in Ada County and Canyon County recognized the need for a regional public transportation system and approved the formation of a RPTA for the region in November 1998. The law stipulates that where an RPTA is approved, it will have sole jurisdiction over public transportation services inside its region. Community Planning Association of Southwest Idaho (COMPASS) was instrumental in the educational outreach efforts forming the RPTA.

In December 1998, COMPASS members (then Ada Planning Association), helped form a RPTA Board of Directors to serve each county. In early 1999, the two RPTA Boards voted to merge together to form one RPTA, named Valley InterArea Transportation (VIATrans). In June 2002, the VIATrans Board voted to change the agency name to ValleyRide.

In July 2002, all assets of the Boise system (Boise Urban Stages, or BUS) were transferred to ValleyRide. ValleyRide became the grantee and designated recipient of federal funding for public transportation in Ada County and Canyon County. ValleyRide also operates the bus line in Garden City. In 2003, ValleyRide entered into agreements to provide service in Nampa and Caldwell as well as between Ada County and Canyon County. The confusion between the various bus services and the RPTA caused the agency to change its name again in November 2004, to Valley Regional Transit. Bus services are still referred to as ValleyRide.⁶

⁵ Valley Regional Transit, *Transit News Report*, 2006.

⁶ COMPASS, *Communities in Motion*, 2006, Chapter 3, p. 62.

Other Governance Options

A municipal or county government is another option for the provision of public transportation. Municipally run systems typically form around the interest of providing transit in a single city, often the largest city in a region. However, municipal providers can and do provide service to other areas through the establishment of joint powers agreements. For example, Pocatello Transit operates service to a number of smaller communities and rural areas through established funding agreements with local city and county governments.

Municipally governed regional transit operations present a number of challenges. Sometimes, a city or county governance structure limits regional representation and can lead to imbalanced funding and service priorities. Were a city or county be appointed lead agency for the regional public transportation system, its governing board (city council or county commission) would decide policy for the region. An advantage of such an arrangement is that these are standing policy boards so a new board would not be required. A potential disadvantage would be that some jurisdictions within the county would perceive this as an unbalanced representation of interests. A city council or county commission is formed to set policy for its jurisdictional area and may not be structured to equitably represent all interests.

Under a municipal or county governance system, regional powers and authority would need to be established through inter-jurisdictional agreements. Many public transportation providers around the country operate under joint powers agreements. These provide the lead agency authority to set policy and administer services but typically set clear agreements that a specified type, amount and/or level of service will be provided in exchange for annual operating fund contributions and/or match funds for capital.

As discussed previously, public transportation funding in Idaho is reliant on local jurisdictions to provide matching funds to access federal dollars or to provide any service not covered by federal funds. If a local jurisdiction were designated as the federal fund recipient for the region, it would also be required to collect local fund contributions from other area jurisdictions. Once again, inter-jurisdictional agreements would need to be put in place to ensure equitable distribution of federal funds to those jurisdictions providing matching funds.

Operating as a transit department of a city or county government or under a department such as Public Works puts transit in direct competition for local general funds. Transit systems operating under a department of local government are often put in the tenuous position of competing directly with critical services such as police and fire.⁷ Conversely, while an RPTA would need

⁷ Nelson\Nygaard, *KMPO Public Transportation Feasibility Study*, 2005, p. 52-53.

to request local funds from the various jurisdictions it serves, the authority structure provides a degree of separation from local budget processes.

Efforts for New RPTA Act and Local Funding Options

An effort to enact new RPTA legislation has been ongoing since 2005. The intent of the effort is to allow for the more flexible formation of regional transportation authorities and to gain the ability to develop local funding options, likely through a local sales tax. The movement was initiated in the Treasure Valley by the Coalition for Regional Public Transportation (CRPT). The CRPT formed in the fall of 2005 with the goal of developing local funding options for regional public transportation. The CRPT coalition voted at its January 2008 meeting to be folded into Moving Idaho Forward (www.movingidahoforward.com) to expand the scope of the group beyond transit and extend its reach to include the rest of the state.

CRPT also approved the Regional Transportation Authority draft legislation that was introduced during the 2007 and 2008 Idaho legislative sessions. (This measure was different from previous RPTA legislation proposals in that its purpose was to provide a local transportation funding mechanism for all forms of transportation, including roads and bridges as well as public transportation.)

The 2007 Legislative Session

After months of discussion and research, proposed legislation was drafted based on Coalition recommendations. These recommendations included:

- a simple majority needed for passage; providing for an RPTA to ask voters to approve a one-tenth and one-half of one percent sales tax increase in an initial ballot request;
- setting a total funding cap of three-quarters of one percent sales tax;
- any tax for public transit would sunset after 20 years (or until bond obligations are paid off), unless an extension is approved by voters;
- and citizens could vote on the funding request only during the general election held on even-numbered years (to ensure a strong voter turnout).

Further discussions with state legislators led to modifications of the draft legislation:

- The simple majority requirement for passage became a two-thirds supermajority.

- Also, the RPTAs could get the proposal on the ballot in May and October of any year.

A print hearing for the proposed legislation was held Feb. 27 before the House Revenue & Taxation Committee. The committee voted to print House Bill 246.

The committee scheduled a merit hearing on HB 246 on March 6, 2007. So many people signed up to testify that committee Chairman Dennis Lake allowed the hearing to continue into a second day. Despite overwhelming testimony in favor of the proposed legislation, the committee voted to keep the bill in committee, thereby killing it for the session.⁸

The 2008 Legislative Session

A second draft of legislation that was to be introduced during the 2008 Idaho Legislative Session was completed. The draft legislation, called the Regional Transportation Act, would replace the existing Regional Public Transportation Authority Act. The main points of the legislation included:

- The act is an entirely new act that replaces the existing Regional Public Transportation Authority Act.
- The two existing Regional Public Transportation Authorities – Valley Regional Transit in the Treasure Valley and the Targhee Regional Public Transportation Authority in the Idaho Falls region - would continue as regional transportation authorities (RTAs) and operate pursuant to the act.
- One or more counties, or portions of contiguous counties, can form an RTA by action of their respective county commissions. This forms the region of the RTA.
- RTA boards are composed of one county commissioner from each county within the region; one mayor or council member from each city in the region; one highway district commissioner representing all of the highway districts within a county, or, in the case of a county-wide highway district, one commissioner from that district; and one representative from the Idaho Transportation Department selected by the ITD board.
- The RTA Board has two functions – to develop a 30-year transportation funding plan and to implement it if it is approved by the voters within the region.
- The plan lists the “projects” in the region to be funded. “Funding” means the planning, financing, constructing, operation or maintenance of any city, county, highway district and state highways in the region and public transportation systems. The RTA board can decide to fund only highways or only public transportation systems, or both. “Projects” are all or portions

⁸ Valley Regional Transit (<http://www.valleyregionaltransit.org/TRANSITCOALITION/tabid/111/Default.aspx>) 2008.

of any highway or public transportation system. The term of the plan is 30 years.

- Revenues to fund the plan come from a local option sales tax – between 0.10 percent and 1.0 percent of all sales within the region that are already included in the state sales tax. The rate is initially set by the Board subject to voter approval.
- The Board may call an election at either the May or November election of any year to seek voter approval of the plan and the imposition of the tax. Two-thirds of voters in the region who vote must approve the plan and authorize the tax at the level set in the plan. Once the plan is approved by the voters, it may not be modified without a subsequent re-authorization by the voters. The tax sunsets in 30 years unless reauthorized by the voters at a subsequent election and again with the same requirements.
- Either at this election or a subsequent one, bonds may be issued to provide capital funding for projects again at a 66⅔ percent voter approval rate at either the May or November election. The repayment of the bonds may not exceed 30 years.⁹

House Bill No. 688 was introduced in March 2008 proposing to amend the Idaho Code to add a local option sales and use tax, if the electorate approves House Joint Resolution No. 4. HJR No. 4 was brought forward proposing that Article VII of the State Constitution be amended to authorize a city or county sales and use tax:

“The legislature may authorize counties or cities to levy a sales and use tax within their jurisdictions. The proceeds from such tax in excess of the necessary costs of collection and administration and any refund or credits authorized by law shall be used exclusively as provided by law. No tax pursuant to this section shall be levied without approval of two-thirds of the qualified electors of a county or a city voting at the election held by law in November of each year. This section shall not apply to any sales and use tax authorized by law and that was imposed by a county or city prior to November 1, 2008.”

The resolution passed by a vote of 51 to 19 in the House but was sent back to the State Affairs Committee in the Senate. The enabling legislation, House Bill 688, passed the House by a vote of 66-0-4. However, the Senate Local Government and Taxation Committee voted it down 4-3.¹⁰ Proponents abandoned their efforts at that time.

The major points of opposition to the bill and resolution were the requirement of a constitutional amendment and the stipulation of supermajority voter approval as a prerequisite for adoption of local option taxes. Opponents argued “the amendment is really aimed at restricting local option taxation and that a

⁹ Moving Idaho Forward (<http://www.movingidahoforward.com/images/regionaltrans.pdf>) 2008.

¹⁰ State of Idaho, Legislative Session Data (<http://www3.state.id.us/oasis/>) 2008.

constitutional amendment is not necessary as the Legislature can empower local governments to levy local option taxes.” The Association of Idaho Cities opposed the amendment “because the Legislature clearly has the authority to extend local option taxing power to local governments, as evidenced by existing local option taxes for resort cities and county jail facilities.”¹¹

Future Legislative and Funding Options

While there are no solid efforts for new legislation in 2009, the following entities continue to explore future funding solutions:

Idaho Task Force on Public Transportation – a task force was created in mid 2003 and is currently studying options for increasing transit funding in Idaho.

Interagency Working Group – mission is to “provide leadership in coordinating safe, efficient and accessible public transportation services to Idaho.” Members include representatives from the Idaho Transportation Department, Division of Medicaid, Community Transportation Association of Idaho, Commission on Aging, Department of Health and Welfare, Division of Vocational Rehabilitation, Department of Labor, Department of Education, Council on Developmental Disabilities, Friends of Children and Families, Inc., and the Office of the Governor.

Public Transit Advisory Council (PTAC) – members are appointed by the Idaho Transportation Board and come from all 6 regions of the state. The PTAC reviews funding recommendations from staff and provides recommendations to the Idaho Transportation Department regarding public transportation needs.

Community Transportation Association of Idaho – membership organization made up of rural and urban area transit providers across the state. (www.ctai.org)

ITD Division of Public Transportation – the Division at ITD that provides assistance to transit providers related to federal funding and otherwise works to improve public transportation.¹²

¹¹ Association of Idaho Cities (<http://www.idahocities.org/>) 2008.

¹² Idaho Transportation Department, *Transit Funding 101*, 2003.

Potential Funding Mechanisms for Public Transportation¹³

Mechanism	Description
Business Improvement District	Initiated by petition, must be signed by those owning businesses that would pay at least 50% of the proposed assessment. Miscellaneous statutory requirements for notifications, letters of intent, hearings, project list, etc. Assessment can be levied based on classification of business, including degree of benefit from the district through the establishment of zones.
Development Impact Fees	A payment of money imposed as a condition of development approval to pay for a proportionate share of the cost of capital improvements needed to serve development. Cannot be used for operations. Any city, county or countywide highway district can impose fees on development. There are a number of steps to implement such a fee: form advisory committee, complete CIP, calculate fee, establish collection, expenditure, refund policy, draft ordinance, adopt impact fee ordinance.
Employment Tax	Paid by employers based on number of employees.
Gas Tax	Flat rate tax on every gallon purchased. Currently restricted to highway construction or safety projects. Idaho Constitution would have to be amended to allow this option for public transportation.
Gas Sales Tax	Tax as a percentage of the amount of sales. Idaho currently does not have a gasoline sales tax.
Local Improvement Districts (LID)	May be created to finance certain improvements that benefit property owners within the district. Improvements are financed by assessments levied on property owners within the district in relation to the benefits the owners derive from the improvements. No statutory requirement for voter approval of bond financing A number of statutory requirements exist, public notice, hearings. Requires a petition signed by 60% of property owners, resolution adopted by majority vote of city council, miscellaneous: notifications, letters of intent, project list, etc.
Local Option Excise Tax	Additional amount collected for existing excise tax on the sale of beer, wine and alcohol.
Local Option Sales Tax	Percentage tax based on dollar amount of goods sold. State legislature would have to allow local government the ability to levy a sales tax. If granted the ability to implement, it must be put to the voters.
Parking Charges	Levied on commercial parking by size, or number of spaces. Could be levied only on existing paid parking or on all commercial parking. Has a potentially strong market effect but may be too technically and politically complex to implement.
Personal Income Tax	Geographically restricted income tax surcharge. Not currently allowed by State Constitution.
Personal Property Tax on Vehicles	Ad valorem tax based on age/value of vehicle. Common method used in other states to help fund public transportation.
Real Property Tax	Ad valorem tax on property values. Primary source for local funding for public transportation capital and operating expenses.
Tax Increment Financing	Plan, enact urban renewal agency. Prepare urban renewal/revenue allocation plan. Local P&Z must review & comment on consistency w/comp plan. Public hearing on plan.

¹³ Coalition for Public Transit, *Potential Funding Mechanisms for Transportation*, 2006.

Mechanism	Description
Tire Fee/Tax	A charge on the purchase of each new tire or per vehicle.
Title Transfer Fee	Fee for the transfer of automobile titles.
Vehicle Registration Fee	Flat fee assessed annually. Restricted to roadway and safety projects. Idaho Constitution would have to be amended to allow this option for transit.

Recommendations

The following recommendations are from the KMPO Public Transportation Feasibility Study – Service Alternatives, Organization and Funding Plan, adopted by the KMPO Board on February 3, 2005.¹⁴ Primary recommendations are as follows:

- A Kootenai County Regional Public Transportation Authority (RPTA) should be formed to govern public transportation services and funding. To some extent, Idaho RPTAs are weak organizations since they do not have legislative authority to seek dedicated funding. However, the RPTA structure does provide a single, consolidated face for transit that will be helpful in building public confidence in the system. It also provides a formalized structure that can help to encourage new local funding for transit and creates an audit trail for public transit finances. Another important feature of an RPTA is that it provides a structure that could be expanded to serve a broader multi-county area.
- An RPTA Policy Board should be formed pursuant with Idaho Code Section 40-2106. Since the Idaho Code calls for a board structure nearly identical to the existing KMPO Board, we recommend the appointment of existing representatives to the RPTA Board. Short-term demands on the RPTA Board should be limited, but this structure would allow the Boards to hold back-to-back meetings, saving time and resources for Board members and staff.
- An advisory council consisting of representatives of key interest groups should be formed to provide additional direction to the policy board. Representatives on this group could include: riders, social service agency staff, disability advisory group members, local government representatives, highway district staff and other key stakeholders. This should be a newly established group, but could draw from both the existing Kootenai County Area Transportation Team and/or the KMPO Public Transportation Roundtable.

¹⁴ Nelson\Nygaard, p. 53-54.

The final recommendation is dependent on state legislative action:

- Once the Idaho State Legislature has granted RPTAs the authority to seek local dedicated source funding, the Kootenai RPTA should study the feasibility of a regional tax assessment for transit. This study should include representative polling of residents from throughout the County to determine willingness to support such a measure, viability of various assessment mechanisms and sensitivity to various assessment levels. If public support exists, the RPTA should develop a ballot measure to seek a regional options tax to support public transportation.

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