

Local Option Vehicle Registration Fee FAQs



Why is The Local Option Vehicle Registration Fee Needed?

The last major investment in Kootenai County's transportation system occurred in the late 1960's and early 1970's.

Economic growth and development within the County since then, has brought prosperity to the region, but has also consumed the planned capacity of our major highways and roads.

Today, traffic congestion and road conditions continue to be a major issue for anyone driving in Kootenai County. Commutes that used to take 15 minutes, now can take upwards to 30 or more.

As a result, it is time for the residents of Kootenai County to partner with the Idaho Transportation Department, local jurisdictions, and highway districts to make the next investment in our transportation system.

Growth will only continue and now is the time to preserve and provide for a safe, efficient, and reliable transportation system for today and the future.

Why isn't the funding currently available for these projects?

There is no local money available. Annual transportation funding comes from basically comes from three sources: 1) Federal gas taxes, 2) State gas taxes, and 3) State of Idaho imposed vehicle registration fees.

The last Federal gas tax increase occurred in 1993. The last State of Idaho gas tax occurred in 2015, and was limited to the repairs of bridges and maintenance of streets and roads.

Increased costs over time associated with operating, maintaining, and preserving the existing transportation system, has all but eliminated any currently available funds to re-invest in our local transportation system.

Less than 10% of the funds provided annually go to address existing traffic congestion, capacity, and reliability challenges.

Funding models have changed. The federal approach toward funding major improvements over the past 15 years has moved to a national competitive grant program. To be a successful grant recipient, projects need to demonstrate a collective regional and state financial commitment in the range of 40% to 60% of the project cost to be seriously considered.

The days of expecting to use only “someone else’s money” to fund our transportation investments are gone.

What would the Local Option Vehicle Registration Fee be used for?

Local jurisdictions and highway districts in Kootenai County, as members of the Kootenai Metropolitan Planning Organization (KMPO), have identified and adopted a list of twelve (12) regionally significant transportation projects. The fees collected will be used specifically to accelerate the financing and construction for these twelve (12) projects exclusively.

Local Option Transportation Project Funding List Five Year Funding Program	Estimated Total Project Cost	Local Option Share	Local Share URD/LID	State/Formula Share	Federal Competitive Grant
Minimum Target Share	100%	Variable	Variable	Variable	Variable
Huetter Corridor - I-90 to U.S. 95	\$ 295,000,000	\$ 88,500,000	\$ -	\$ 88,500,000	\$ 118,000,000
I-90 - Stateline to Sherman Ave widening	\$ 375,000,000	\$ 75,000,000		\$ 150,000,000	\$ 150,000,000
ITD I-90 Port of Entry Relocation	\$ 20,000,000	\$ 4,000,000		\$ 8,000,000	\$ 8,000,000
Regional Traffic Management Center	\$ 7,500,000	\$ 1,500,000		\$ 1,500,000	\$ 4,500,000
Prairie - Meyer to SH-41	\$ 5,000,000	\$ 3,000,000	\$ 2,000,000		
Pleasant View Road - Seltice Way to SH-53	\$ 15,000,000	\$ 9,000,000	\$ 6,000,000		
Hayden Avenue - U.S. 95 to Huetter	\$ 16,000,000	\$ 9,600,000	\$ 6,400,000		
SH-54 - UPRR & BNSF Underpass, Athol ID	\$ 21,000,000	\$ 6,300,000		\$ 6,300,000	\$ 8,400,000
Atlas Road - Seltice Way to Hanley	\$ 8,000,000	\$ 4,800,000	\$ 3,200,000		
Pole Line - SH-41 to Huetter	\$ 8,500,000	\$ 5,100,000	\$ 3,400,000		
U.S. 95 Spokane River Bridge Davidson to Upriver	\$ 59,000,000	\$ 11,800,000		\$ 11,800,000	\$ 35,400,000
Julia I-90 Overpass - Ironwood to Apple Way	\$ 7,500,000	\$ 1,875,000	\$ 3,375,000	\$ 2,250,000	
	\$ 837,500,000	\$ 220,475,000	\$ 24,375,000	\$ 268,350,000	\$ 324,300,000
Rev 07/21/2020		26%	3%	32%	39%
	ITD - Regional	\$ 92,300,000			
	Cities	\$ 21,075,000			
	Highway District	\$ 17,100,000			
	Local - Regional	\$ 90,000,000			
		\$ 220,475,000			

What is the Kootenai Metropolitan Planning Organization?

Kootenai Metropolitan Planning Organization (KMPO) was established in early 2003 with primary responsibility to ensure and plan for the safe and efficient movement of people and goods in and across Kootenai County by developing a 20-year transportation plan and funding program.

KMPO looks at current and future transportation challenges facing the region, and working community groups, local jurisdictions, state and federal agencies, and seeks to develop a common sense and realistic approach toward developing and implementing identified transportation investment.

The organization is governed by board of nine elected and two appointed officials and is supported by a 15-member technical committee (KCATT), that provides technical reviews and recommendations on various plans, programs and projects.

What is the Local Option Vehicle Registration Fee?

Idaho Code Section 40-827 provides the authorization for voters in a county to approve locally generated vehicle registration fees. The revenue from the fee is to be used exclusively for construction, repair, maintenance, and traffic supervision of the roads and highways within the jurisdictions of Kootenai County.

Does a Local Vehicle Registration Fee Require a vote?

Yes. The vote must be held during a general election and a simple majority of the votes cast on the question will be necessary to pass the ballot initiative and authorize the fee.

What is the ballot question?

The ballot question is required by Idaho Statute to state the requested fee amount and how long the local option fee would be in effect. The ballot question requests an annual \$50.00 local option vehicle registration fee at the time of a vehicle's registration or registration renewal with a duration of 20 years in order to obtain long-term financing for the twelve regionally-significant transportation projects.

What is the duration of the Local Option Vehicle Registration Fee?

Twenty years. Effective January 1, 2021 through December 31, 2041.

Who will be permitted to vote on a Local Option Vehicle Registration Fee?

Kootenai County registered voters are permitted to vote on the question.

Does the fee cover all vehicles?

No. The increase in registration fees applies only to vehicles under 8,000 lbs. that are not used for hire.

State of Idaho Vehicle Registration Fee based on Age of Vehicle	State Base Rate July 1, 2020	Statutory Authority Up to 2 times the Base Rate	Statutory Limit for Vehicle Registration Fee	Ballot Measure Request	Revised Annual Registration Fee	2019 Eligible Vehicles	Local Option Revenue 2019
Vehicles one (1) and two (2) years old	\$ 69.00	\$ 138.00	\$ 207.00	\$ 50.00	\$ 119.00	20,371	\$ 1,018,550.00
Vehicles three (3) and four (4) years old	\$ 57.00	\$ 114.00	\$ 171.00	\$ 50.00	\$ 107.00	11,885	\$ 594,250.00
Vehicles five (5) and six (6) years old	\$ 57.00	\$ 114.00	\$ 171.00	\$ 50.00	\$ 107.00	11,670	\$ 583,500.00
Vehicles seven (7) and eight (8) years old	\$ 45.00	\$ 90.00	\$ 135.00	\$ 50.00	\$ 95.00	9,924	\$ 496,200.00
Vehicles over eight (8) years old	\$ 45.00	\$ 90.00	\$ 135.00	\$ 50.00	\$ 95.00	92,506	\$ 4,625,300.00
Excludes vehicles over 8,000 lbs., trailers and motorcycles						146,356	\$ 7,317,800.00

How is the Registration Fee Collected?

The \$50.00 fee will be collected as part of the normal vehicle registration process. The Idaho Department of Motor Vehicles (DMV) utilizes a statewide data base for registering motor vehicles. DMV locations in each county are connected to the statewide database, so regardless of where you register your vehicle in the state, the registration fee will be based on the registered address of the vehicle.

Can I avoid paying the Local Option Vehicle Registration Fee if I purchase a vehicle outside of Kootenai County?

No. The Local Option Vehicle Registration fee is collected at the time of registration, not at the point of sale, even though car dealers may process the title and registration as part of the transaction. The registration is based on the buyer’s residence, and providing a fraudulent address to avoid a duly authorized fee is illegal and subject to fines under Idaho Code.

Why are older vehicles being assessed the same fee as new vehicles?

Vehicles eight (8) years and older represent 64% of the vehicles subject to the Local Option Registration Fees, and thus comprise a large proportion of those vehicles using the regions roads and highways.

Regardless of a vehicle’s age, condition, or value they are still an essential part of moving people and goods on a daily basis. These vehicles rely on a safe and efficient transportation system, just as newer vehicles do.

In many instances, older vehicles have a higher incidence of creating congestion and system reliability issues because of more frequent mechanical failures.

Why aren’t motorcycles exempt from the Local Option Vehicle Registration Fee?

Motorcycles use the same regional transportation systems as other vehicles. Motorcycles are classified as a motorized vehicle under Idaho Code Title 49 Motor Vehicles Chapter 4 Registration. They occupy a travel lane and actually use as much, or more capacity as a car or

light pickup. This is due to the increased safety distances recommended between cars and motorcycles.

Why is the motorcycle fee only \$25.00?

They are not generally considered an all-weather vehicle in Kootenai County.

How much money is expected to be generated if this Initiative is approved?

The initial estimate is around \$7.3 million annually, based on 2019 vehicle data. Assuming a 2% annual increase in vehicles between 2021 and 2041, that amount is expected to rise approximately to \$11.4 million annually. This estimate should provide over \$200 million toward implementing the 12 designated projects.

How much of the Local Option Vehicle Registration Fee Actually Stays within Kootenai County?

98.5%. The Local Option Vehicle Registration Fee is collected annually when a qualifying vehicle is registered. Funds are then sent to the Idaho Department of Revenue, who in turn transmits the vehicle registration fees to Kootenai County. The funds are then deposited in the pooled program account or as agreed to by the eligible recipients. The Idaho Department of Revenue may retain up to 1.5% of the monthly revenue for administrative purposes.

How much of the Current Registration Fees come to Kootenai County jurisdictions and highway districts?

About 2.7%. Current Vehicle Registration Fees are placed into the State Highway Revenue Account, along with gas tax and other fees for distribution to the Idaho Transportation Department (ITD), local jurisdictions, and highway districts or counties with road jurisdiction.

In 2019, Kootenai County received approximately 2.7% of the annual State Highway Revenue Account.

HISTORY OF IDAHO STATE RAISED HIGHWAY USERS REVENUE BY FISCAL YEAR (millions of dollars)						
	2014	2015	2016	2017	2018	2019
Total HUR Funds to ITD	\$180.64	\$189.43	\$261.90	\$265.02	\$273.61	\$286.11
Total HUR Funds to Locals	\$120.49	\$126.29	\$167.12	\$176.68	\$182.41	\$190.74
Minus HUR Funds to LHTAC	\$0.39	\$0.41	\$0.55	\$0.46	\$0.48	\$0.62
NET HUR funds to Locals	\$120.10	\$125.88	\$166.57	\$176.21	\$181.93	\$190.11
Total Idaho Highway User Revenue =	\$476,220,000					
All Local Jurisdictions in Kootenai County=	\$ 13,047,096	2.73%				
4 Highway Districts in Kootenai County=	\$ 7,813,747	1.16%				
13 Cities in Kootenai County=	\$ 5,233,349	1.10%				

Of the 12 projects, which would be done first?

Projects will be funded based on readiness and on a first come, first served, basis.

Can projects on the list be changed?

No. Funding and participation levels for each project may change; however, modifying the project list would be very difficult and under extraordinary conditions.

Since “growth” is contributing to our traffic congestion problems, why isn’t “growth” paying for the projects?

Who and what is Growth? Growth is defined as an increase in size, length, or volume from a given point in time. Growth by this definition is the increase in population (35,332 in 1970 to approximately 175,000 today), employment, and traffic.

You are most likely part of “growth.” If you didn’t live in Kootenai County in the late 60s or early 70s when funding for the last major capacity increases to our transportation system occurred, but you use the transportation system today, you are using the investments that were paid for by someone else. Therefore, you should consider yourself part of “growth,” and should be a willing participant in helping to pay for projects needed to help address our current and future traffic congestion and reliability challenges.

Why is the revenue in a pooled fund rather than disbursed to each eligible jurisdiction?

Accountability and Efficiency. The twelve projects, for the most part transcend jurisdictional boundaries, making their implementation more challenging and costly when divided up. By pooling the revenue, more favorable loan rates and terms can be negotiated to accelerate project implementation. Lastly, a pooled program also provides better opportunities for transparency and oversight by community members that will be requested to oversee the program in an advisory capacity.

What happens to these projects if the Local Option Vehicle Registration Fee does not pass?

Traffic conditions and our regional transportation system will continue to deteriorate. The twelve projects, while they are need to be constructed, are not presently funded, nor shown in a funding program between now and 2027.

Vehicles coming from Washington or other areas don't have to pay the Local Option Vehicle Fee, but they use our roads. How is that fair?

Do you pay a fee when you use roads and highways in other areas? Sixty percent of the statewide gas tax and vehicle registration fees collected in Idaho goes to the Idaho Transportation Department. ITD's State and Federal funding is targeted specifically to address the intrastate and interstate movement of people and goods in Idaho.

Seven of the twelve projects show ITD and Federal participation at about 71%, while local participation is only about 26%. This is in recognition that residents of Kootenai County are willing to pay their fair share for the utilization of these facilities. So, when "those people" buy the less expensive gas in Idaho, they help support ITD activities in Kootenai County and throughout the State.

Everyone Will Benefit

Everyone who drives in Kootenai County will benefit from the Local Option Vehicle Fee. Daily commuters, parents taking their kids to/from school, and commercial entities of every type will benefit. Everyone who relies on transportation for travel, goods and services will benefit.