



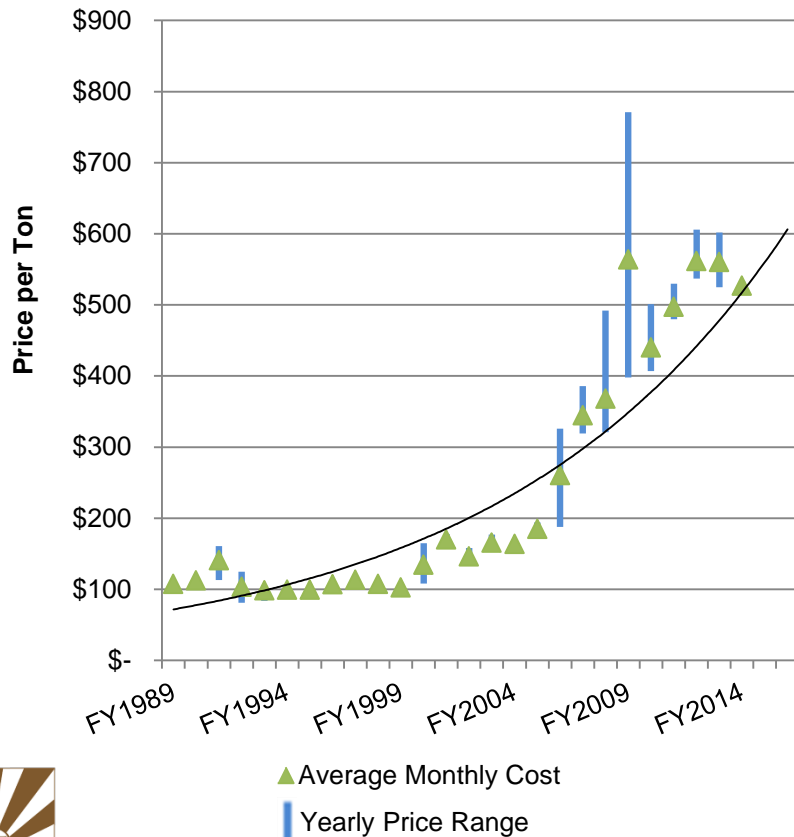
County Supervisors A S S O C I A T I O N of arizona

Transportation Funding Update

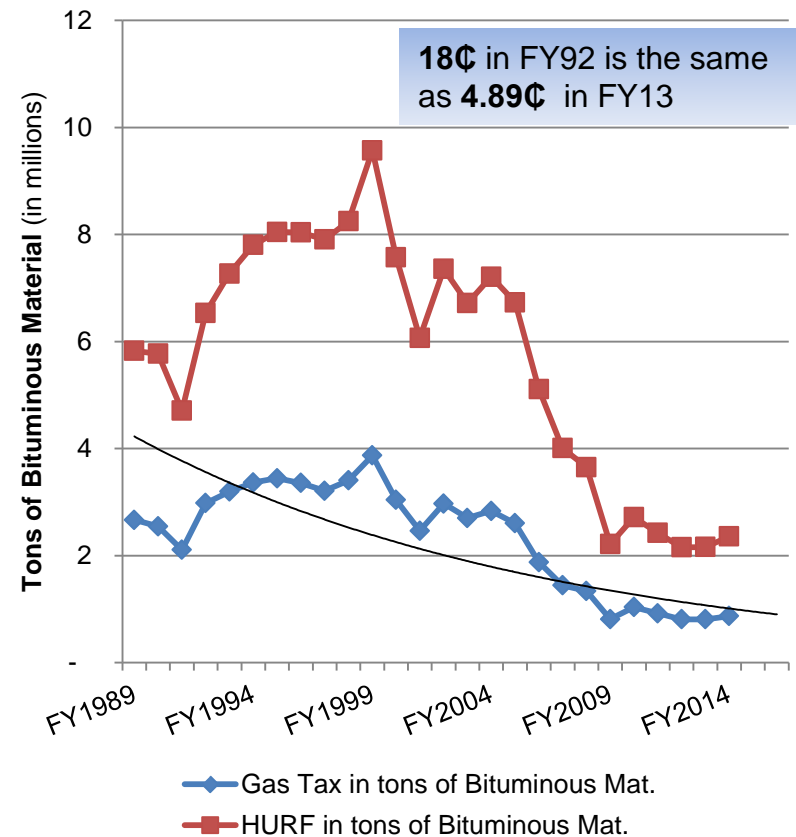
August 15th, 2014

Current Revenue Structure

Average Annual Monthly Bituminous Material Cost

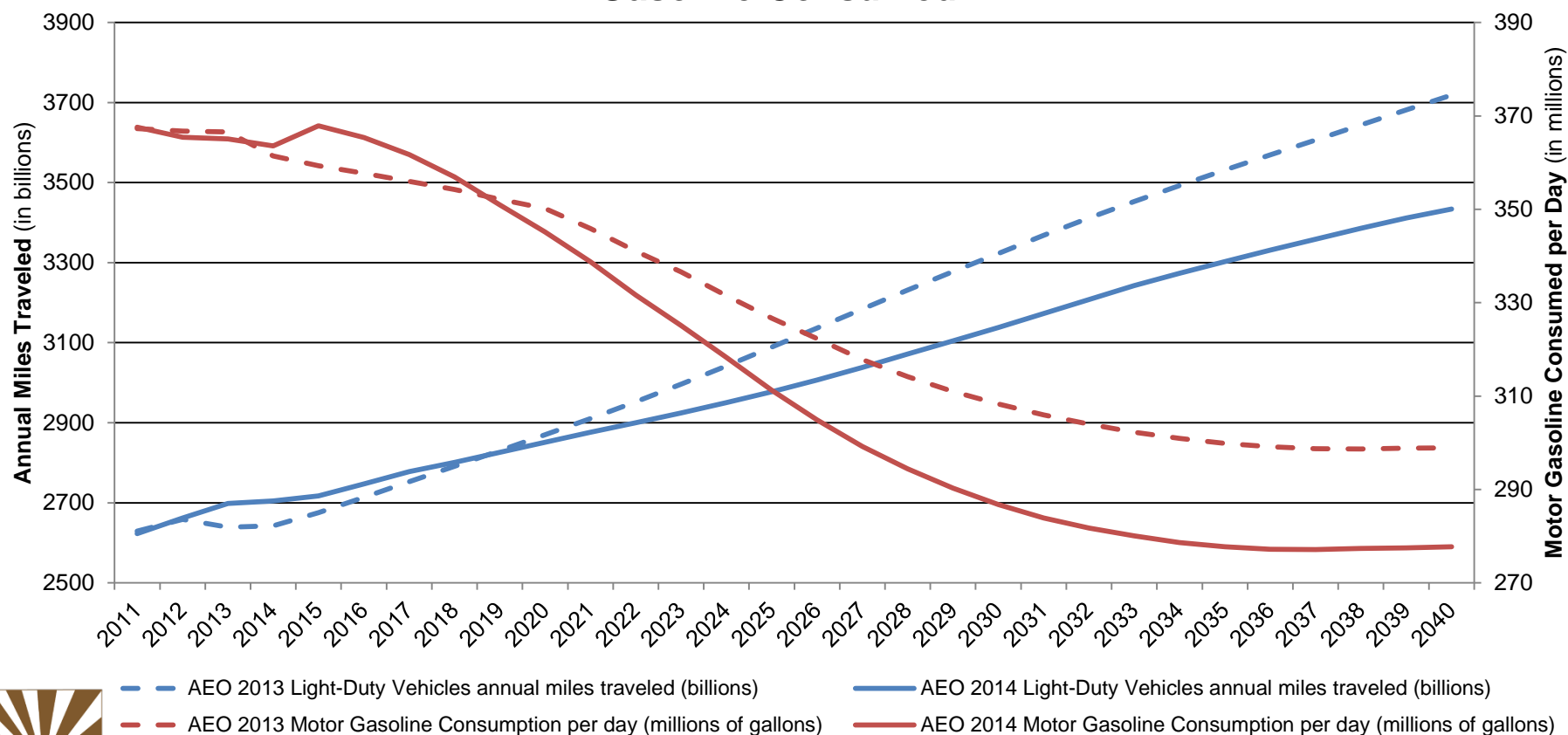


Bituminous Material Purchasing Power of Gas Tax & Total HURF



Projected National Trend

Projected Vehicle Miles Traveled Compared to Gallons of Motor Gasoline Consumed[^]

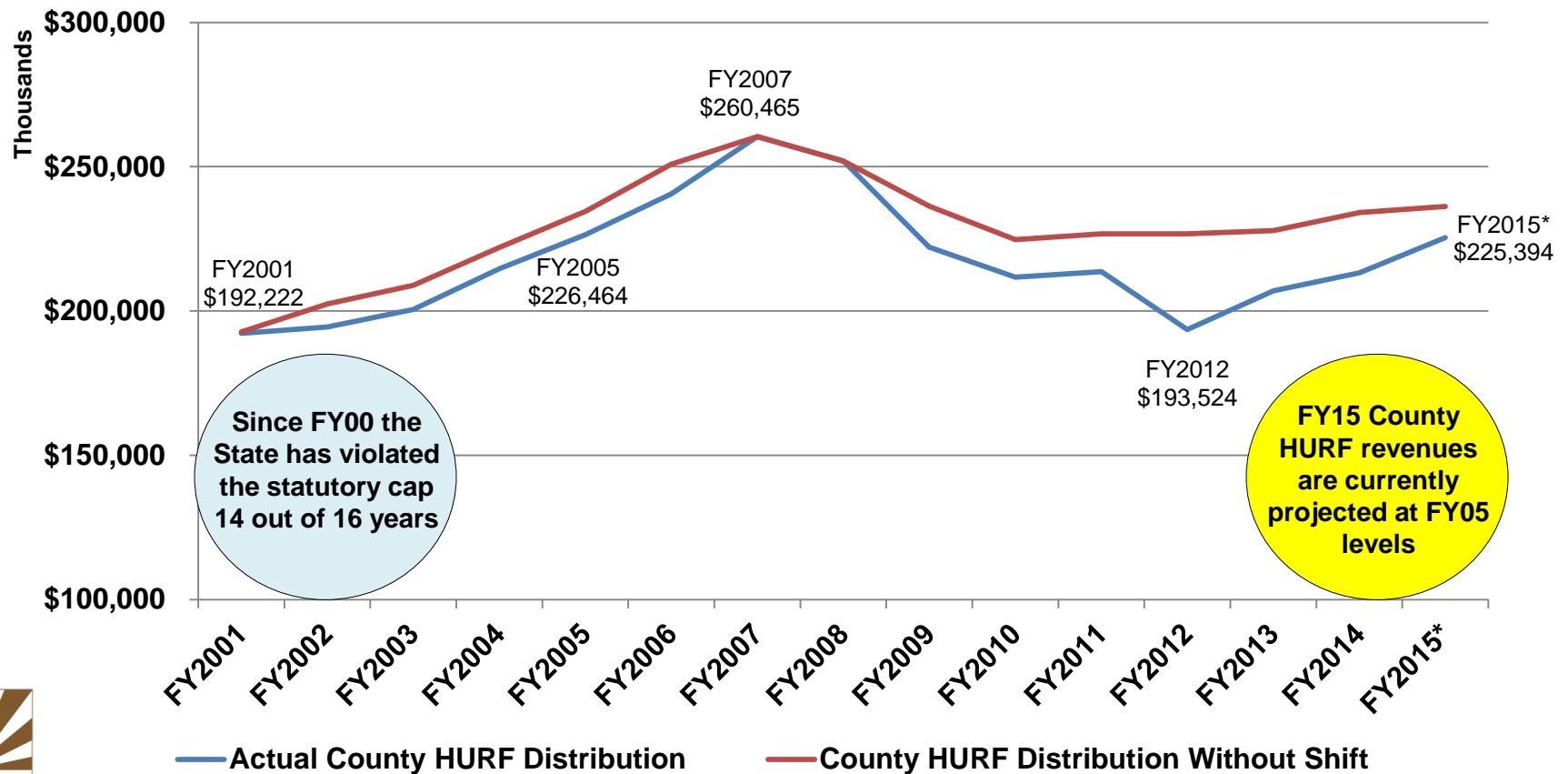


[^]U.S. Energy Information Administration (EIA) Annual Energy Outlook (AEO) 2013; Reference Case Tables A7 & A11. Accessed at: <http://www.eia.gov/analysis/projection-data.cfm#annualproj>



HURF Revenues at FY05 Levels

Counties' Actual Share of HURF Revenue and Counties' Estimated Share Without Legislative Shifts

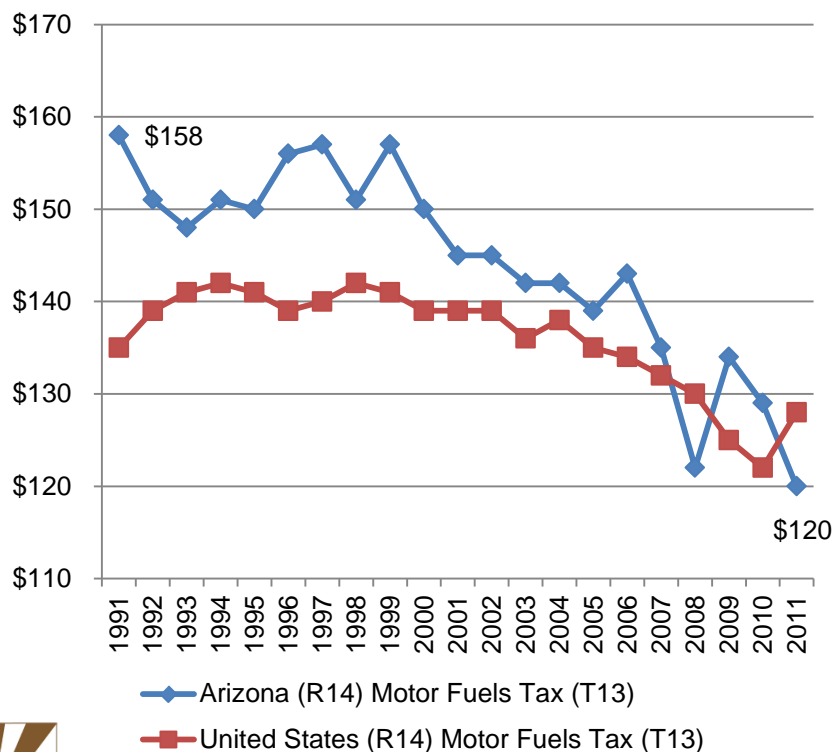


*ADOT FY15 Projections

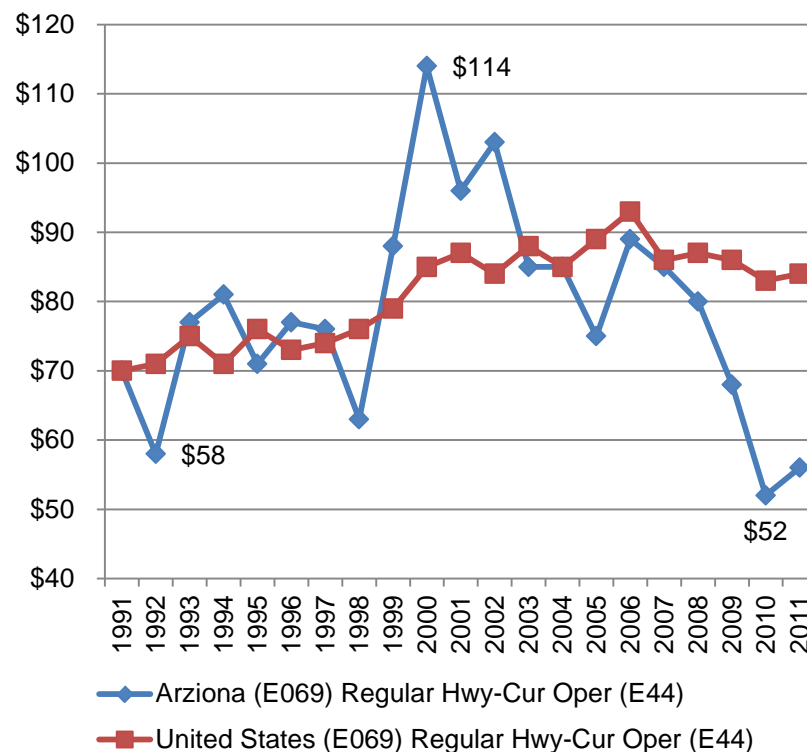


Motor Fuel Tax Revenue & Expenditures

**Motor Fuel Tax Revenue
1991-2011 Per Capita, Real
(2011\$)**



**Regular Highway Expenditures
1991-2011 Per Capita, Real
(2011\$)**



Source: State & Local Government Finance Data Query System. <http://slfdqs.taxpolicycenter.org/> The Urban Institute-Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, Annual Survey of State and Local Government Finances, Government Finances, Volume 4, and Census of Governments (Years). Date of Access: (03-Jun-14 08:22 PM)

Gasoline Excise Tax By State

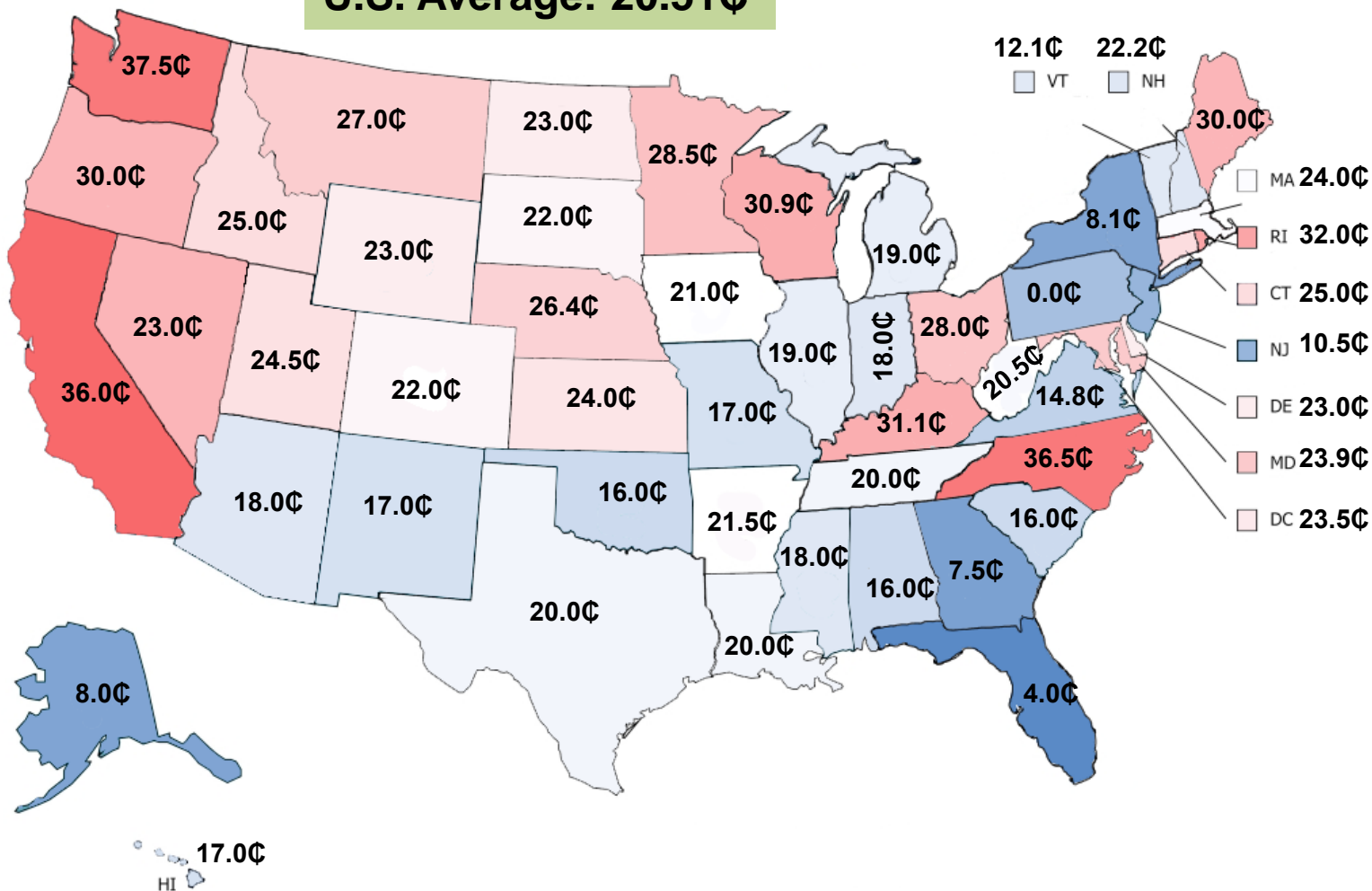
U.S. Average: 20.51¢

Top Rates

WA	37.5
NC	36.5
CA	36.0
RI	32.0
KY	31.1

Low Rates

PA	0.0
FL	4.0
GA	7.5
AK	8.0
NY	8.05



Source: American Petroleum Institute (API) 2014 State Motor Fuel Taxes Report.
Note: Rates effective 7/1/2014, U.S. Average represents volume-weighted average.

Total Gasoline Tax By State

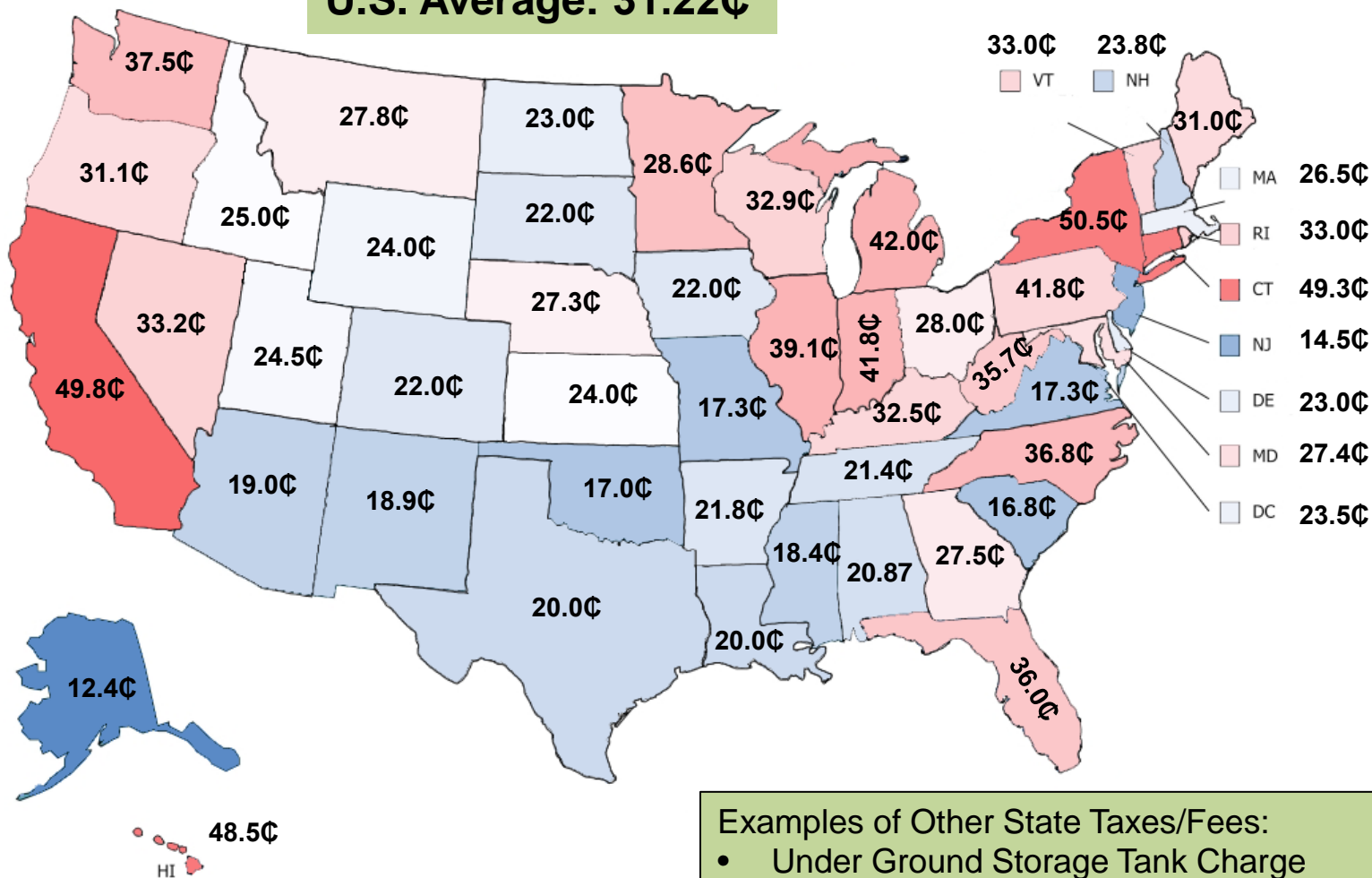
U.S. Average: 31.22¢

Top Rates

NY	50.5
CA	49.8
CT	49.3
HI	48.5
MI	42.0

Low Rates

AK	12.4
NJ	14.5
SC	16.8
OK	17.0
VA	17.3



Examples of Other State Taxes/Fees:

- Under Ground Storage Tank Charge
- Average Local Option
- Environmental Fees

Source: American Petroleum Institute (API) 2014 State Motor Fuel Taxes Report.
Note: Rates effective 7/1/2014, U.S. Average represents volume-weighted average.



VLT (In-Lieu) Comparison

Numbers reflect estimated tax on a 3 year old \$20,000 Car

4% of 75% of original MSRP (valuation), depreciated every year

Fee Schedule based on the age of the vehicle:

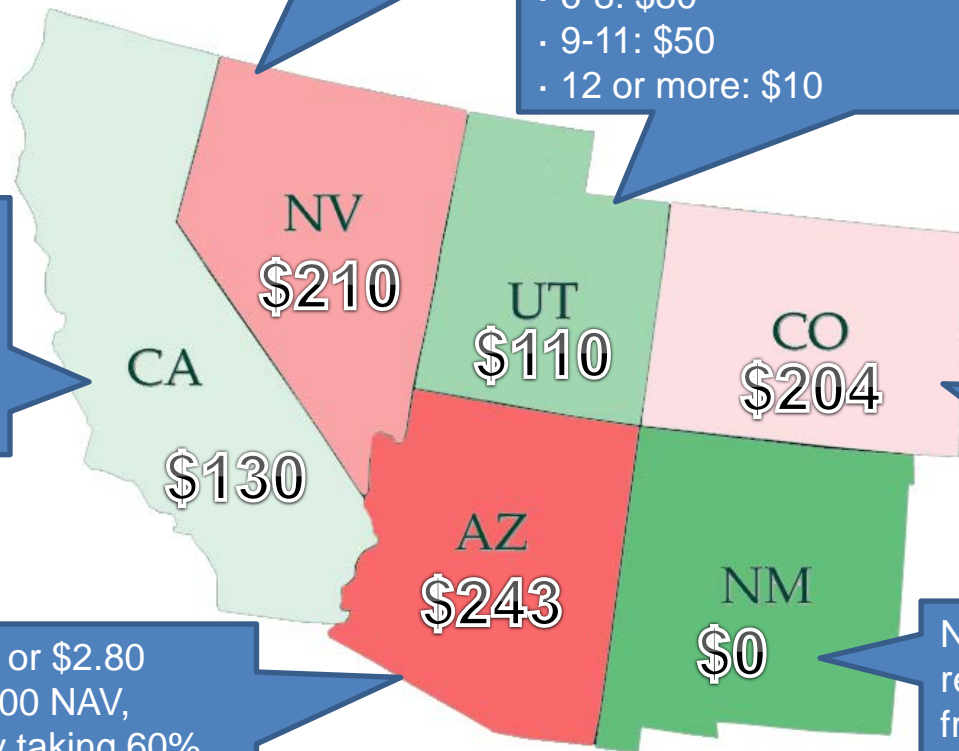
- Less than 3: \$150
- 3-5: \$110
- 6-8: \$80
- 9-11: \$50
- 12 or more: \$10

0.65% of Current Market Value (as determined by the Dept. of Transportation)

Variable rate (0.45% to 2.10%) of 85% on the original MSRP

\$2.89 (used) or \$2.80 (new) per \$100 NAV, calculated by taking 60% of the manufacture's base retail price and reducing it by 16.25% each year

No "in-lieu" tax but registration fees range from \$27.00-\$62.00 based on weight and model year



Revenue Raising Options

Revenue Raising Options	Examples
<ul style="list-style-type: none">• Increase in the Motor Fuel Excise Tax (cents per gallon)	<ul style="list-style-type: none">• Wyoming passed a 10cpg increase
<ul style="list-style-type: none">• Increase Vehicle Registration Fee (flat fee for registration) and/or Vehicle License Tax (fix rate based on the assessed value of the vehicle)	<ul style="list-style-type: none">• Virginia added a \$64 registration fee for alternative fuel vehicles
<ul style="list-style-type: none">• Index the Motor Fuel Excise Tax to adjust for Inflation	<ul style="list-style-type: none">• A portion of Florida's excise tax is indexed to the Consumer Price Index (CPI)
<ul style="list-style-type: none">• Local Option (local governments levy a gas excise tax)	<ul style="list-style-type: none">• Florida localities can charge up to 0.06cpg or transportation needs



Revenue Raising Options (cont.)

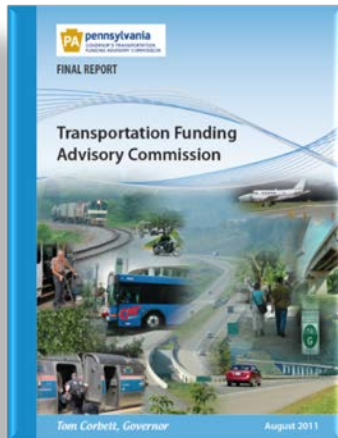
Revenue Raising Options	Examples
<ul style="list-style-type: none">• Institute a Value Capture Revenue model (assessing parcels receive a benefit from a project)	<ul style="list-style-type: none">• Connecticut State law allows for an assessment district for Value Capture Revenue
<ul style="list-style-type: none">• Vehicle-Miles Traveled (VMT) fees (tax the miles traveled based on weight)	<ul style="list-style-type: none">• Oregon completed a Road User Fee Pilot Program in 2007, a tax was levied based on weight and miles driven, which The tax was paid at the pump
<ul style="list-style-type: none">• Sales Tax (tax the total purchase price)	<ul style="list-style-type: none">• Virginia passed legislation that eliminates the gas tax and replaces it with a sales tax increase of 0.3% dedicated to transportation



Pennsylvania Example

APR 2011 –Transportation Funding Advisory Commission (TFAC) created by EO

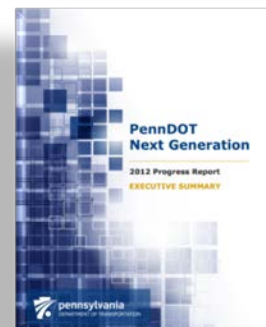
- Purpose: to “develop a comprehensive, strategic proposal for addressing the transportation funding needs of Pennsylvania.”



AUG 2011 – TFAC publishes their final report which included the following recommendations (millions \$):

- Cap or move the State Police costs to the General fund (\$0-\$300)
- Increase vehicle & driver fees for inflation (\$574)
- Uncap Oil Company Franchise Tax (OCFT) (\$1,361)
- Vehicle Fees for Localities (\$110)
- Dedicate 2-percent of existing sales tax to transit (\$172)

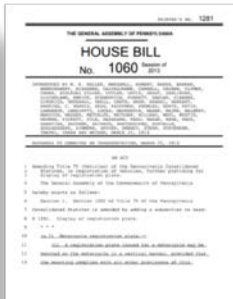
2012 – PennDOT publishes the Next Generation Progress Report, detailing modernization efforts & \$50-\$70 million in cost-savings.



Pennsylvania Example (cont.)

FEB 2013 – Governor Corbett releases his Plan for Transportation Funding

- Decreases “at the pump” gas tax
- 5 year phased in elimination of the cap on OCFT
- Options for Counties to assess a \$5 registration fee



MAR 2013 – HB 1060 is introduced in the PA General Assembly NOV 2013 – Signed by Governor Corbett

- Uncapping the OCFT
- Local option registration fee
- Provides for a “bundling” program to help decrease local design and construction costs
- Increases vehicle fees and indexes for inflation

5 year estimate of additional funding
is \$2.3 - \$2.4 billion

