



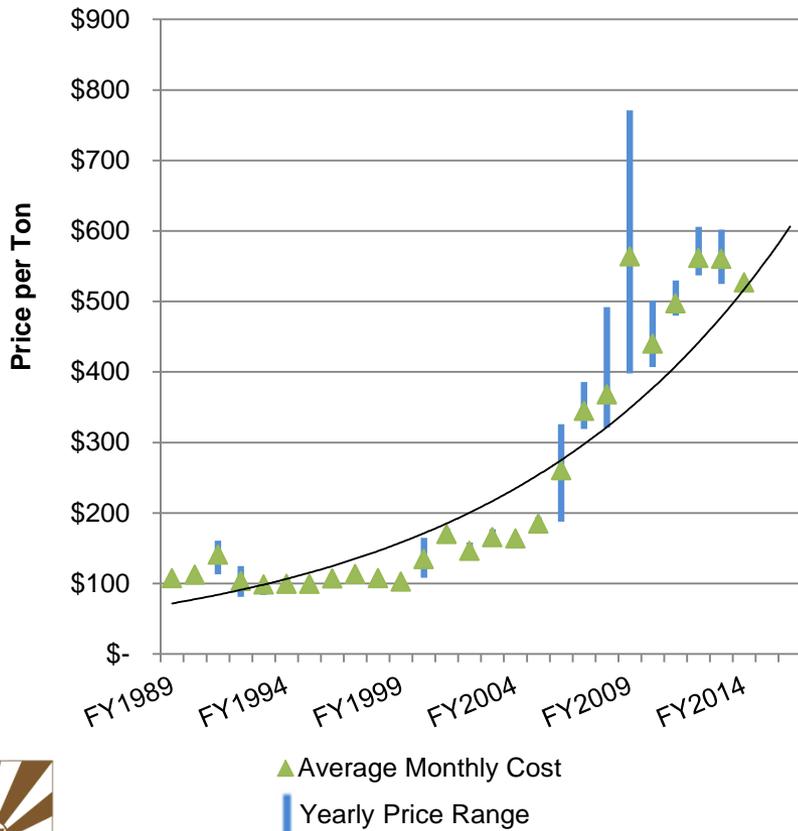
# County Supervisors ASSOCIATION of arizona

## Transportation Funding Update

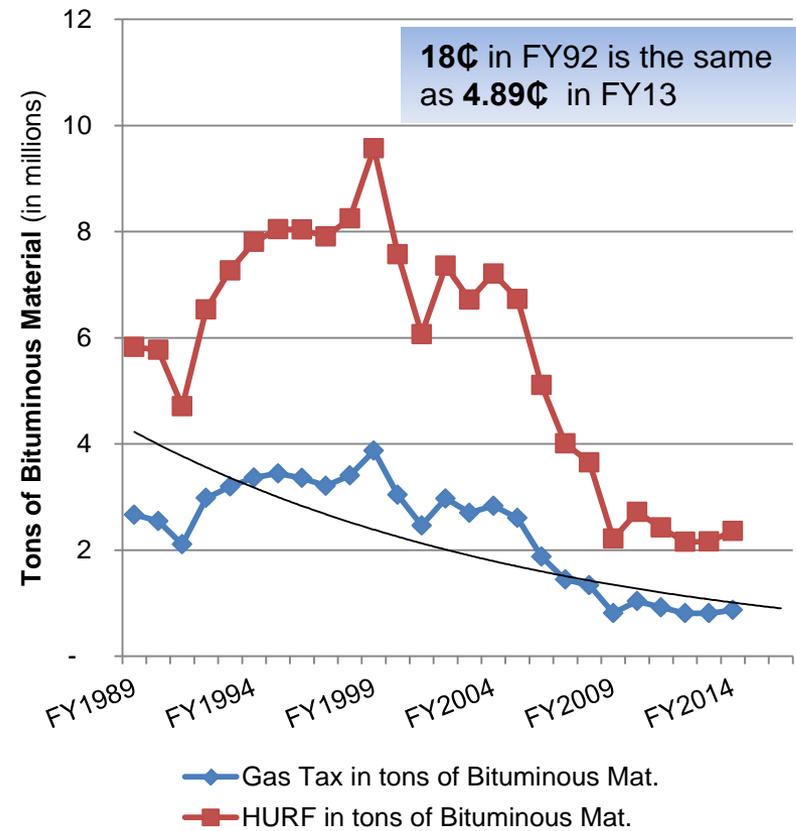
August 15<sup>th</sup>, 2014

# Current Revenue Structure

## Average Annual Monthly Bituminous Material Cost

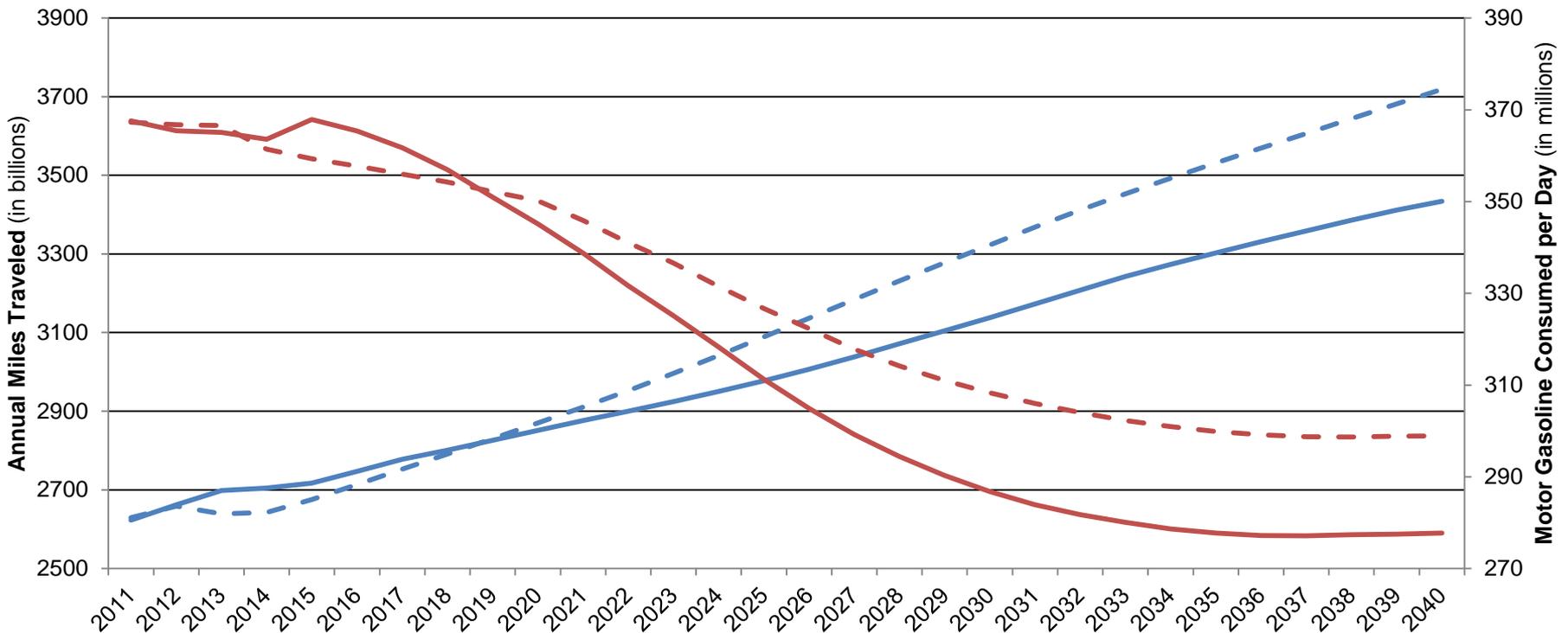


## Bituminous Material Purchasing Power of Gas Tax & Total HURF



# Projected National Trend

## Projected Vehicle Miles Traveled Compared to Gallons of Motor Gasoline Consumed<sup>^</sup>



- — AEO 2013 Light-Duty Vehicles annual miles traveled (billions)
- — AEO 2013 Motor Gasoline Consumption per day (millions of gallons)
- — AEO 2014 Light-Duty Vehicles annual miles traveled (billions)
- — AEO 2014 Motor Gasoline Consumption per day (millions of gallons)

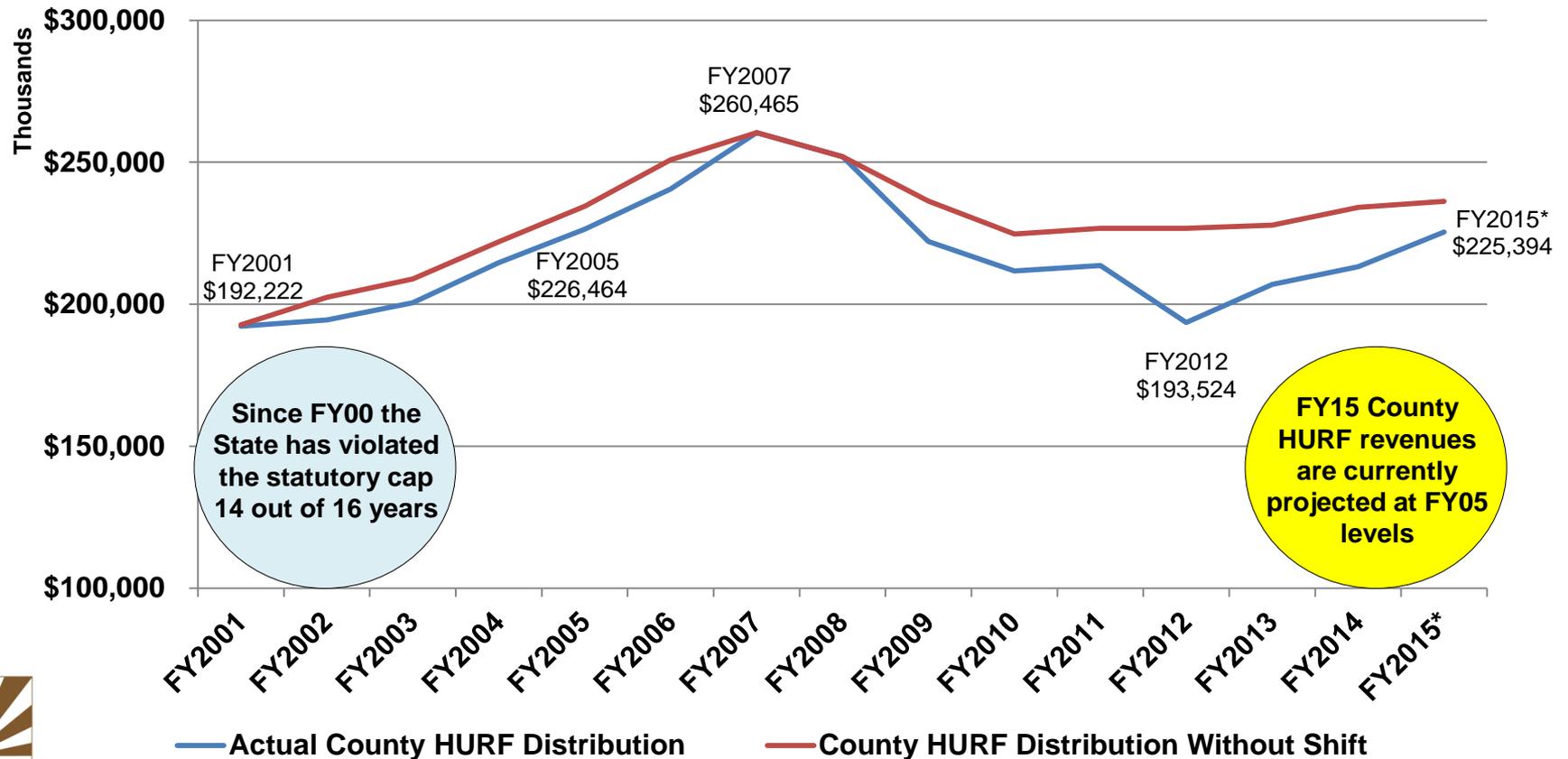
<sup>^</sup>U.S. Energy Information Administration (EIA) Annual Energy Outlook (AEO) 2013; Reference Case Tables A7 & A11. Accessed at:

<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

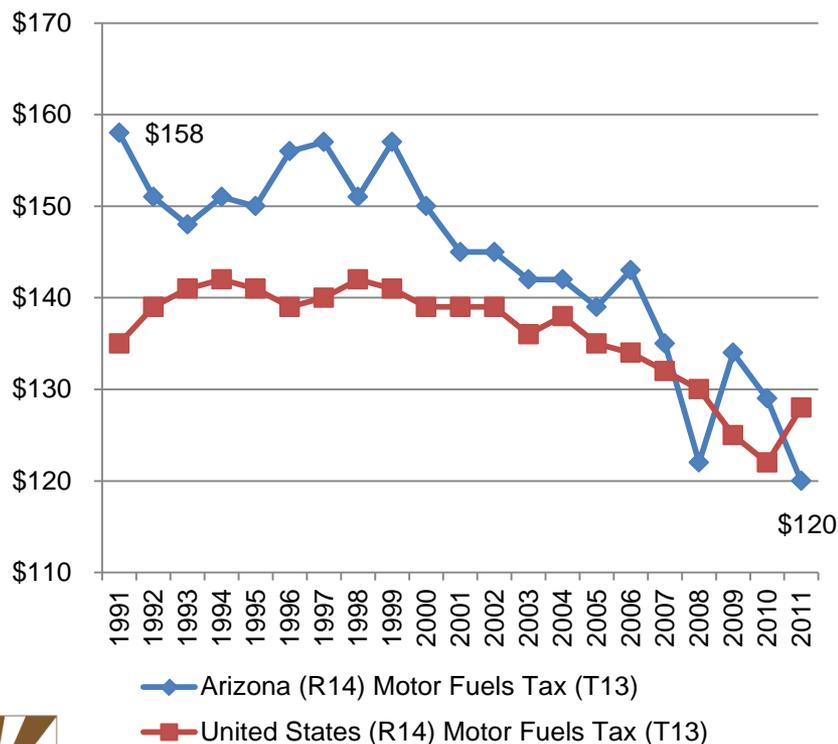


\*ADOT FY15 Projections

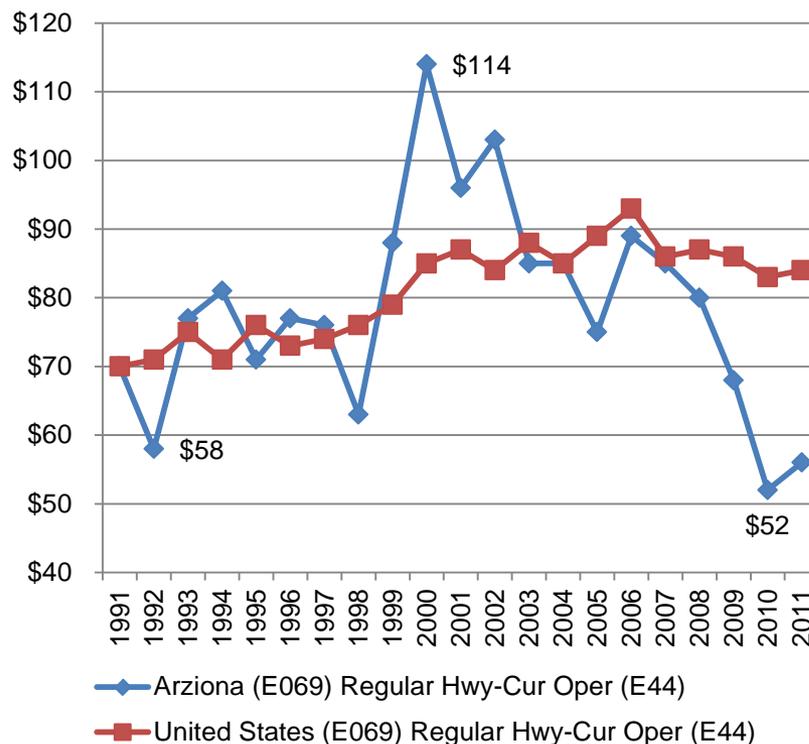


# Motor Fuel Tax Revenue & Expenditures

## 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

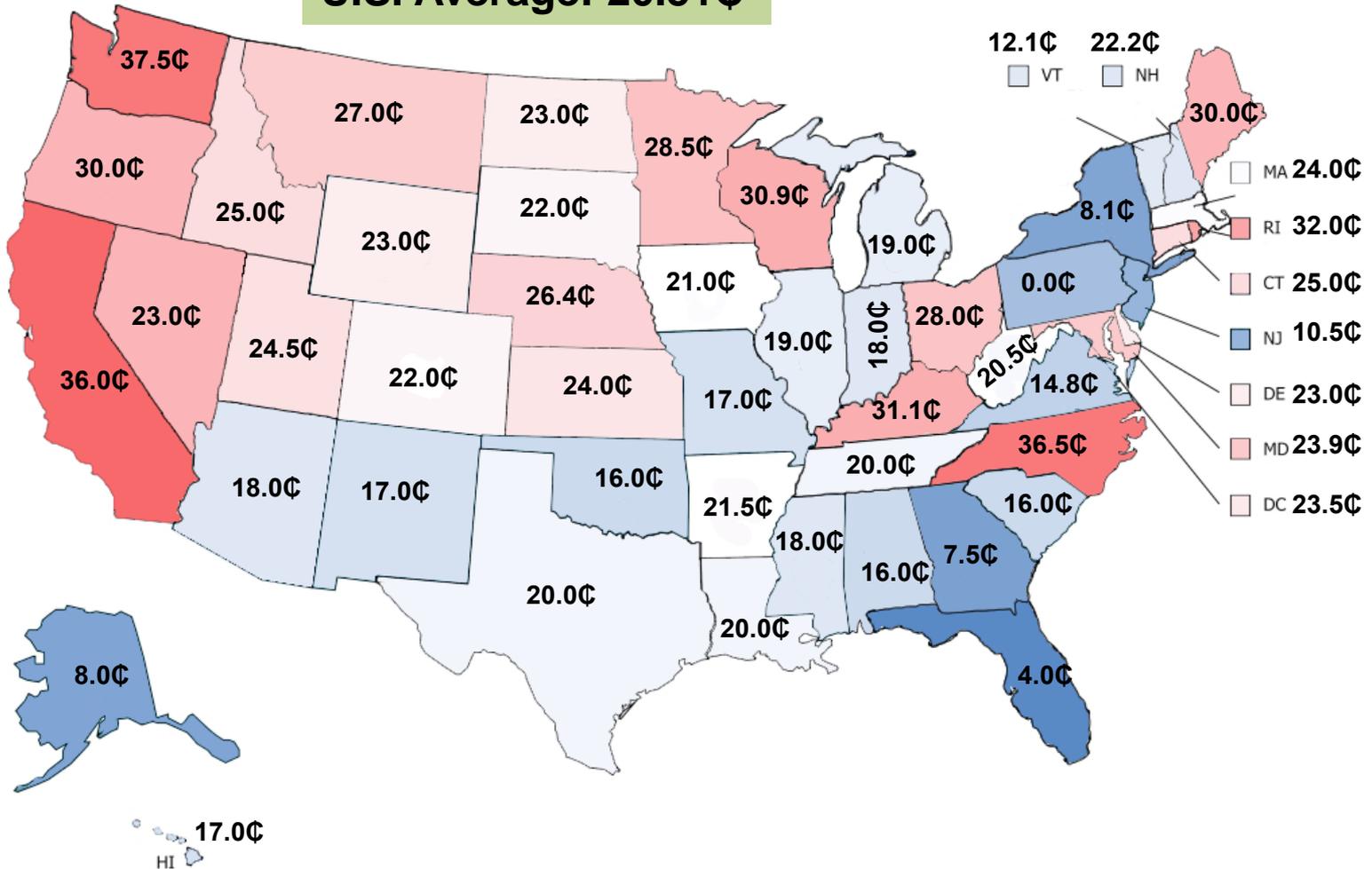
**U.S. Average: 20.51¢**

## 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

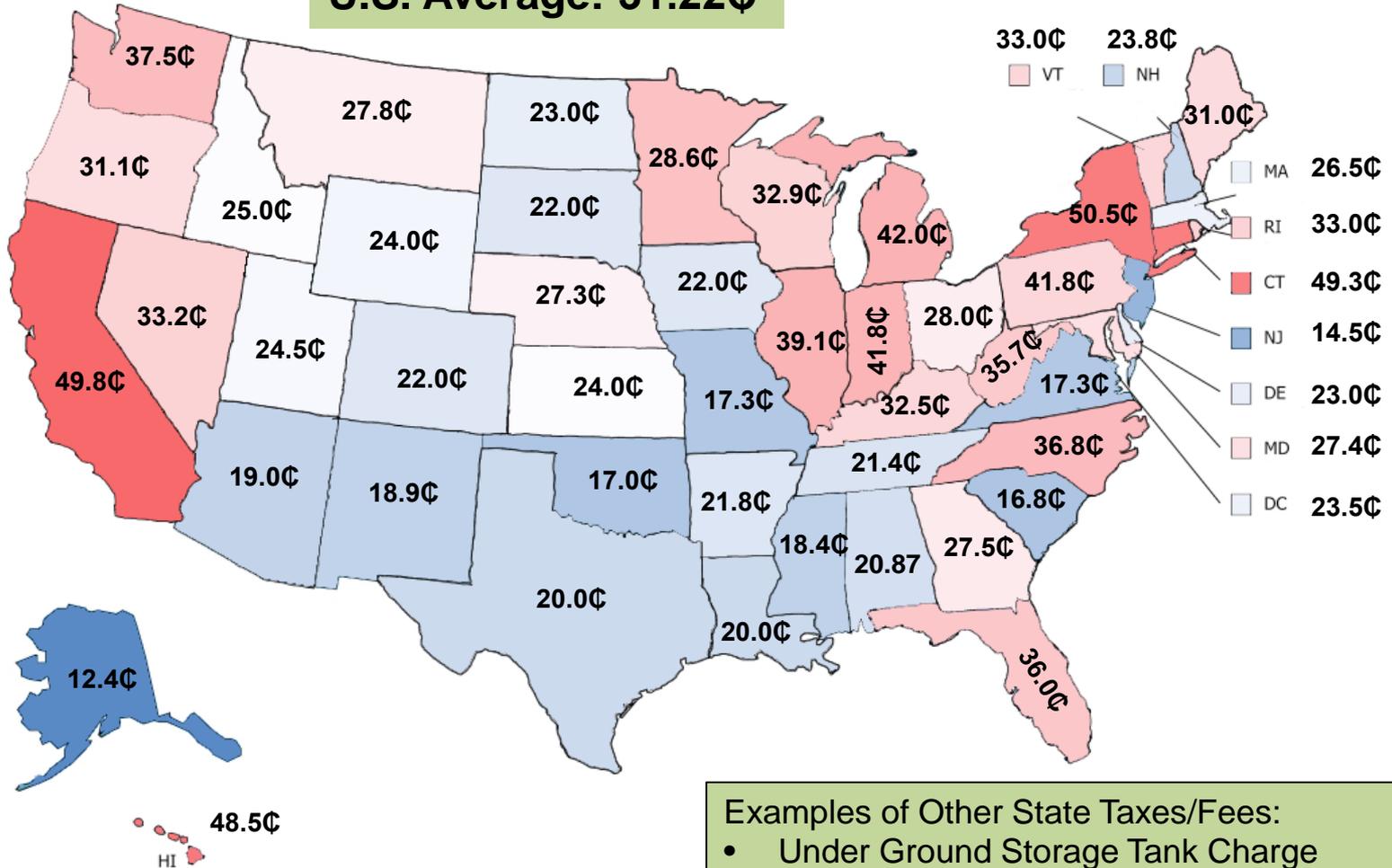
**U.S. Average: 31.22¢**

## 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:

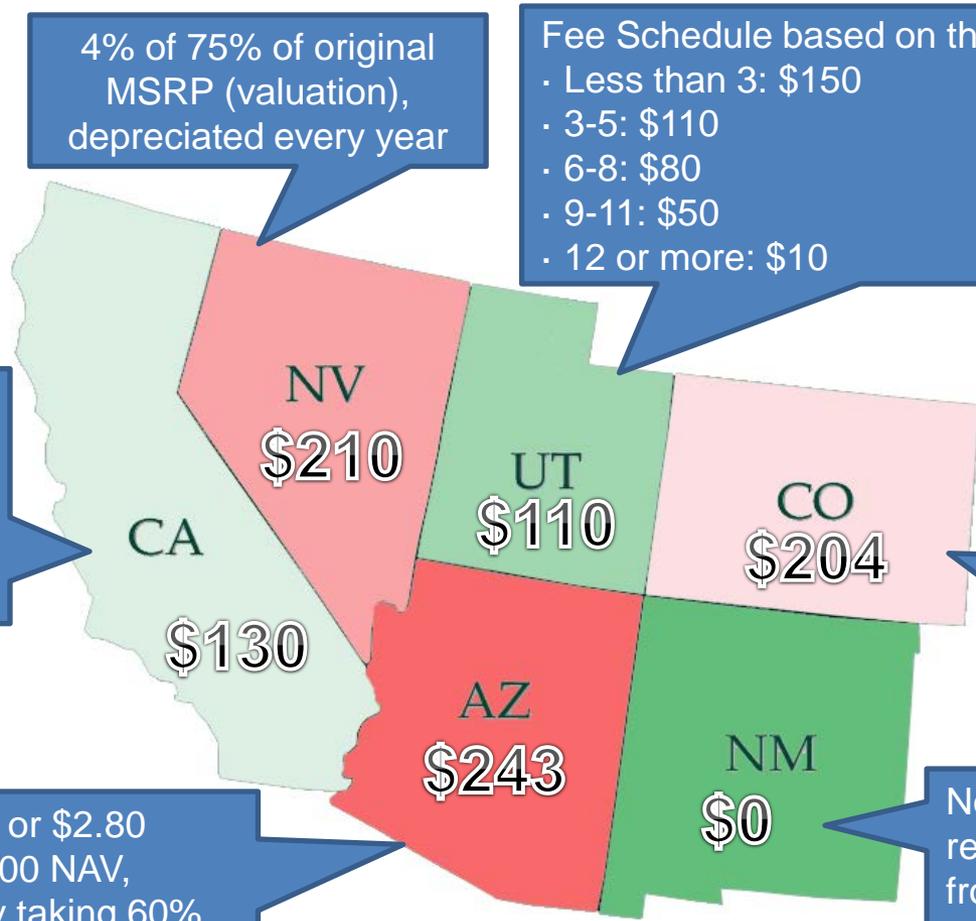
- Less than 3: \$150
- 3-5: \$110
- 6-8: \$80
- 9-11: \$50
- 12 or more: \$10

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



# Revenue Raising Options (cont.)

Revenue Raising Options	Examples
<ul style="list-style-type: none"><li>• Institute a Value Capture Revenue model (assessing parcels receive a benefit from a project)</li></ul>	<ul style="list-style-type: none"><li>• Connecticut State law allows for an assessment district for Value Capture Revenue</li></ul>
<ul style="list-style-type: none"><li>• Vehicle-Miles Traveled (VMT) fees (tax the miles traveled based on weight)</li></ul>	<ul style="list-style-type: none"><li>• 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</li></ul>
<ul style="list-style-type: none"><li>• Sales Tax (tax the total purchase price)</li></ul>	<ul style="list-style-type: none"><li>• Virginia passed legislation that eliminates the gas tax and replaces it with a sales tax increase of 0.3% dedicated to transportation</li></ul>

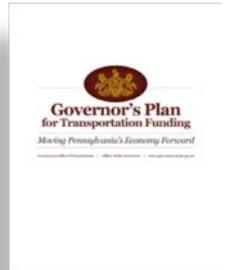




# Pennsylvania Example (cont.)

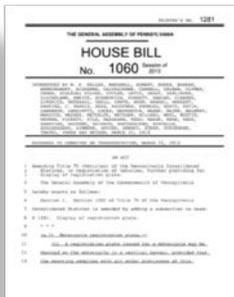
## FEB 2013 – Governor Corbett releases his Plan for Transportation Funding

- 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

