



2019 Legislative Update

WEBINAR SERIES: INNOVATION IN PRACTICE

October 16, 2019

2:00PM – 3:00PM EST

Webinar Logistics



PowerPoint Presentation available on BATIC Website



Submit questions in Q&A box



Webinar will be available on BATIC website

BATIC Institute

IN-PERSON SERVICES

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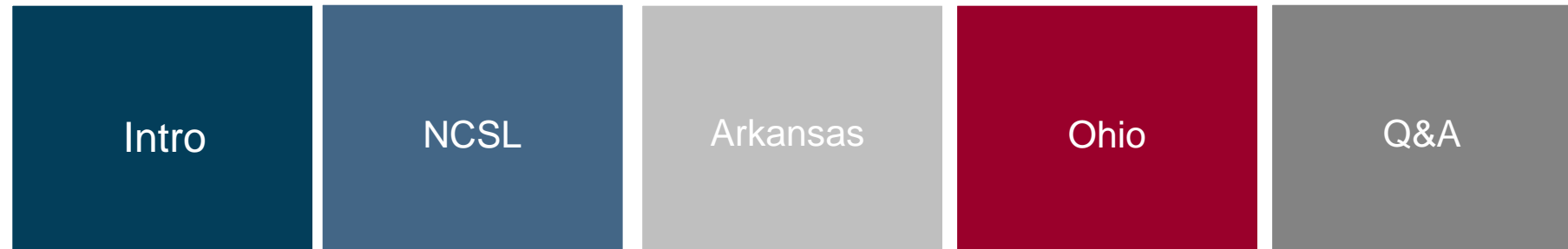
QUICK TURNAROUND RESEARCH

TRANSPORTATION FINANCE

- Bond Financing
- Federal Credit
- Public Private Partnerships
- Other Finance Tools

Visit our website at: <http://www.financingtransportation.org>

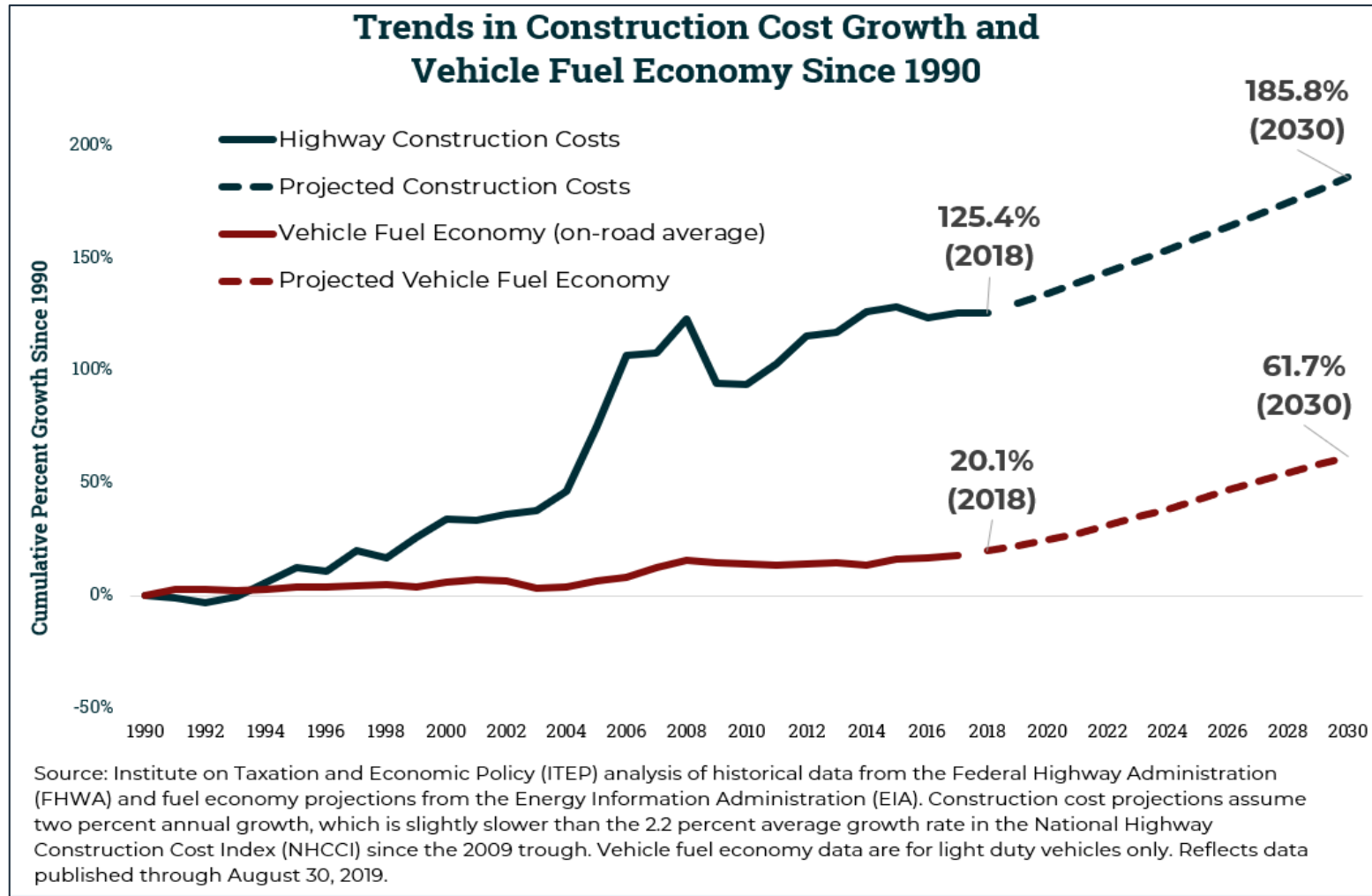
Webinar Overview



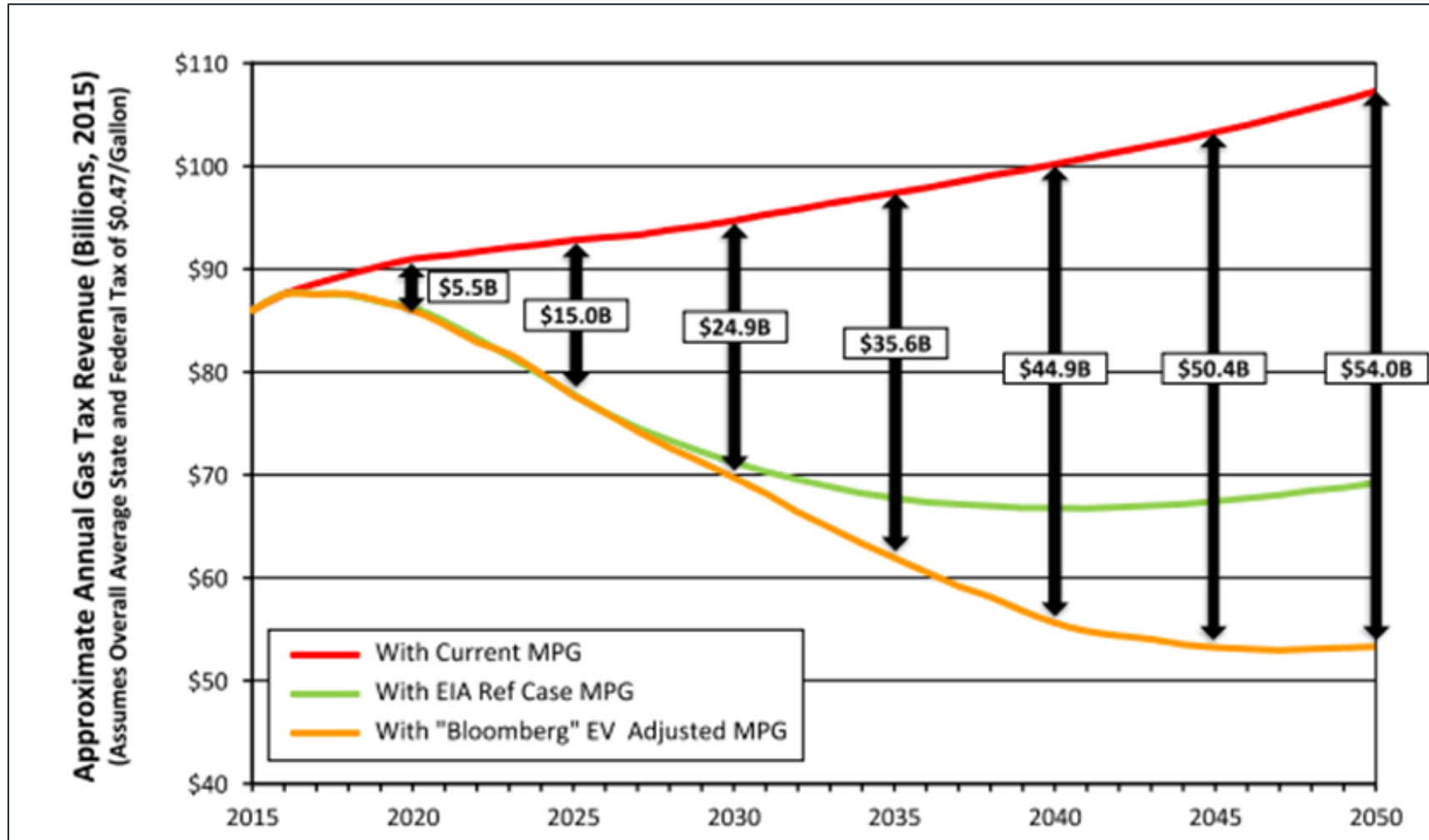
2019 Legislative Update

National Conference of State Legislatures (NCSL)

Trends in Construction Cost Growth and Vehicle Fuel Economy Since 1990



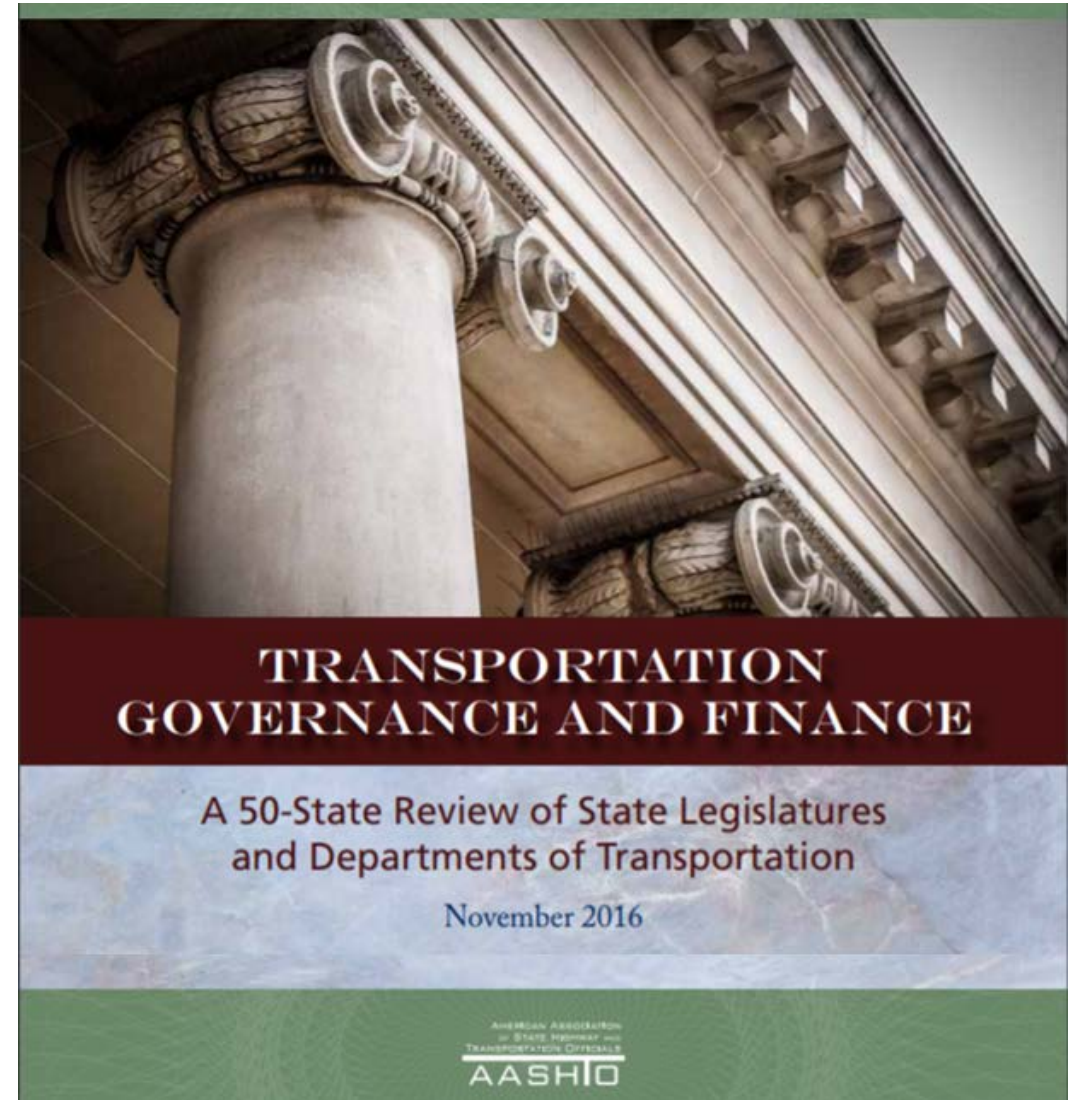
Future Gap in MFT Collections



Sources of State Funding

2016 Transportation Governance and Finance Report

Found **50+ funding
mechanisms** for
transportation

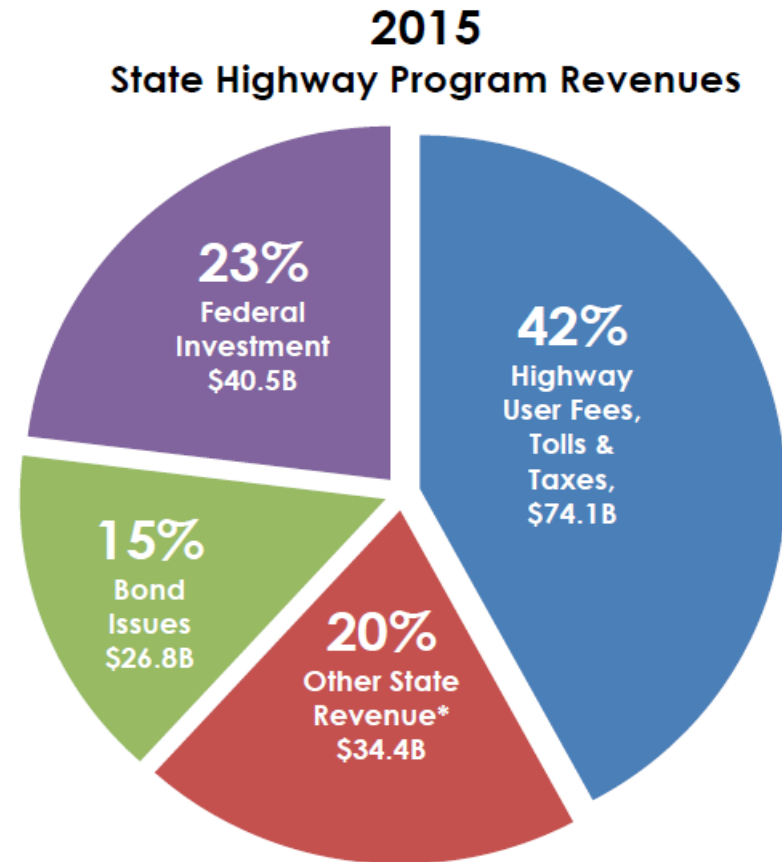
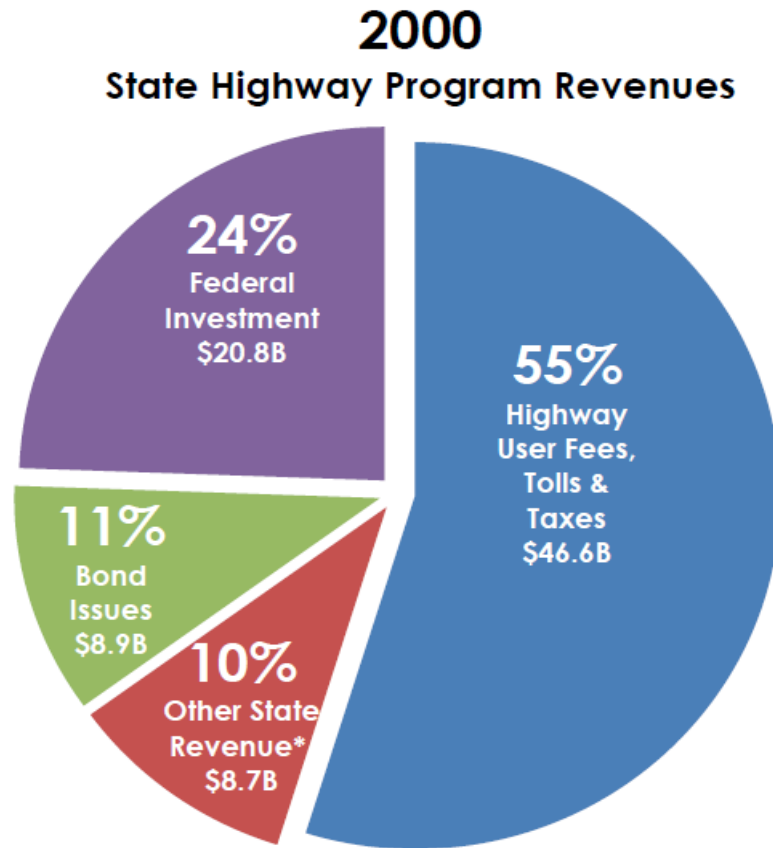


The report can be found at: http://www.financingtransportation.org/pdf/50_state_review_nov16.pdf.

54 Funding Sources

- ❑ Fuel Taxes
- ❑ Sales Taxes on Fuel
- ❑ Vehicle or Rental Car Sales Tax
- ❑ Vehicle Registration
- ❑ Weight Fees
- ❑ Traffic Camera Fees
- ❑ Tolls
- ❑ General Funds
- ❑ Interest Income
- ❑ Inspection Fees
- ❑ Advertising
- ❑ Impact Fees
- ❑ License or Permit Fees
- ❑ State Lottery
- ❑ Excise Taxes
- ❑ Board Funding Obligations
- ❑ Ad Valorem Taxes
- ❑ Sales Tax
- ❑ Congestion Pricing
- ❑ Oil Company Taxes
- ❑ Fares
- ❑ Documentary Stamp Revenue
- ❑ Logo Signing
- ❑ Situs Tax
- ❑ Rail Service Fees
- ❑ Toll Road Leases
- ❑ Use Tax
- ❑ Weight-distance Tax
- ❑ Fines
- ❑ Corporate Taxes
- ❑ Container Fees
- ❑ Land Sales
- ❑ Advertising Revenue
- ❑ Service Payments
- ❑ Contractor's Tax
- ❑ Oil Tax
- ❑ Rail Regulation Fees
- ❑ Investment Income
- ❑ Trail-mile Tax
- ❑ Surcharge Fees
- ❑ Payroll Tax
- ❑ Right-of-way
- ❑ Service Concessions
- ❑ Loan Repayment
- ❑ Loan Fees
- ❑ Private Contributions
- ❑ Tobacco Tax
- ❑ Mass-Transit Tax
- ❑ VMT Fees
- ❑ Highway Litter Control Fund
- ❑ Mineral Royalties
- ❑ Short-term Lease/Borrowing
- ❑ Public space Revenue
- ❑ Parking Meters

State Highway & Bridge Program Revenue Mix Has Changed



*Other state revenues include the state General Fund, sales taxes, local government reimbursement and other imposts.

Source: Federal Aid Highway Statistics

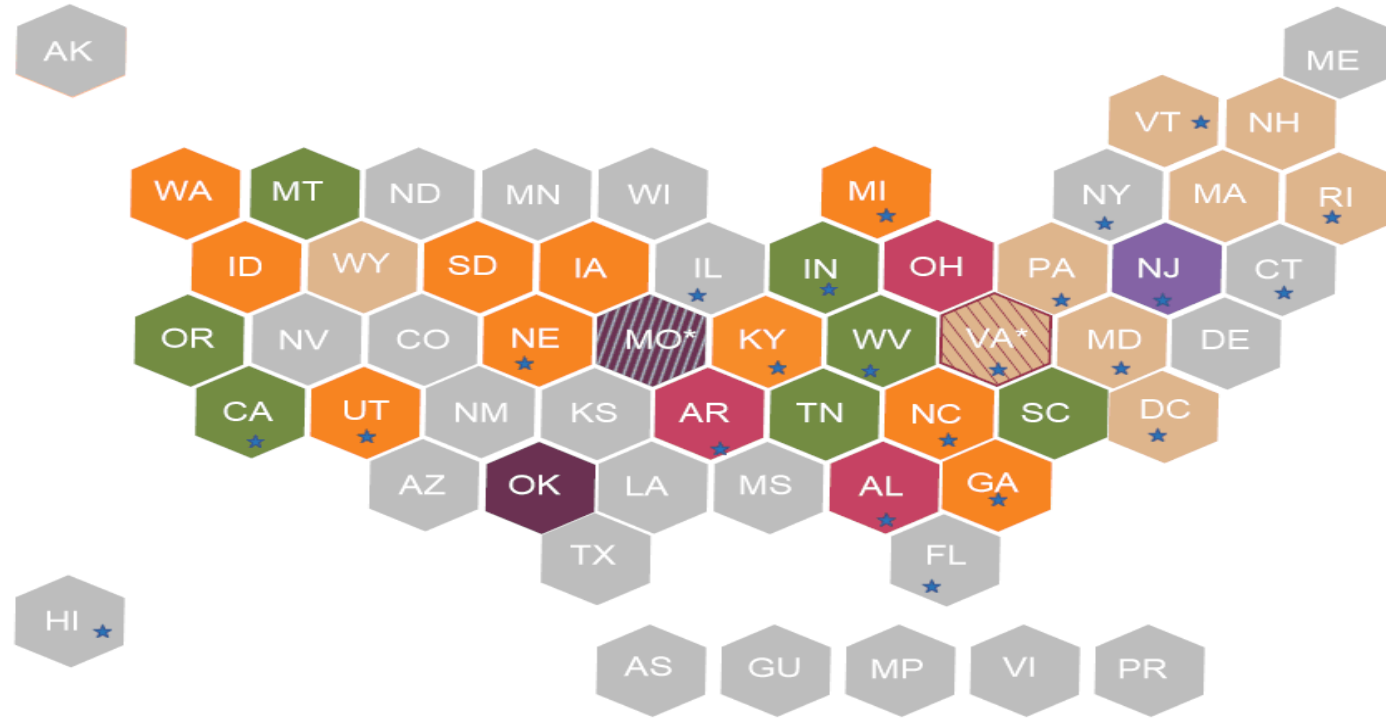
Legislative Topics

- Gas Tax
- Traditional and Alternative Vehicle Registration Fees
- Road Use Charges
- Tolling
- Miscellaneous

Gas Tax

State Actions

- Since 2013, 30 states & D.C. have increased their gas tax.
- 22 states & D.C. have indexed or variable-rate gas taxes.
- MO (2018) increase subject to voter approval failed.
- OK (2018) did not increase transportation funding, but freed up general fund \$\$ for education.



★ Variable-Rate MFTs ★
2019 Gas Tax Increase
2018 Gas Tax Increase
2017 Gas Tax Increase
2016 Gas Tax Increase
2015 Gas Tax Increase
2013 & 2014 Gas Tax Increase
No Increase

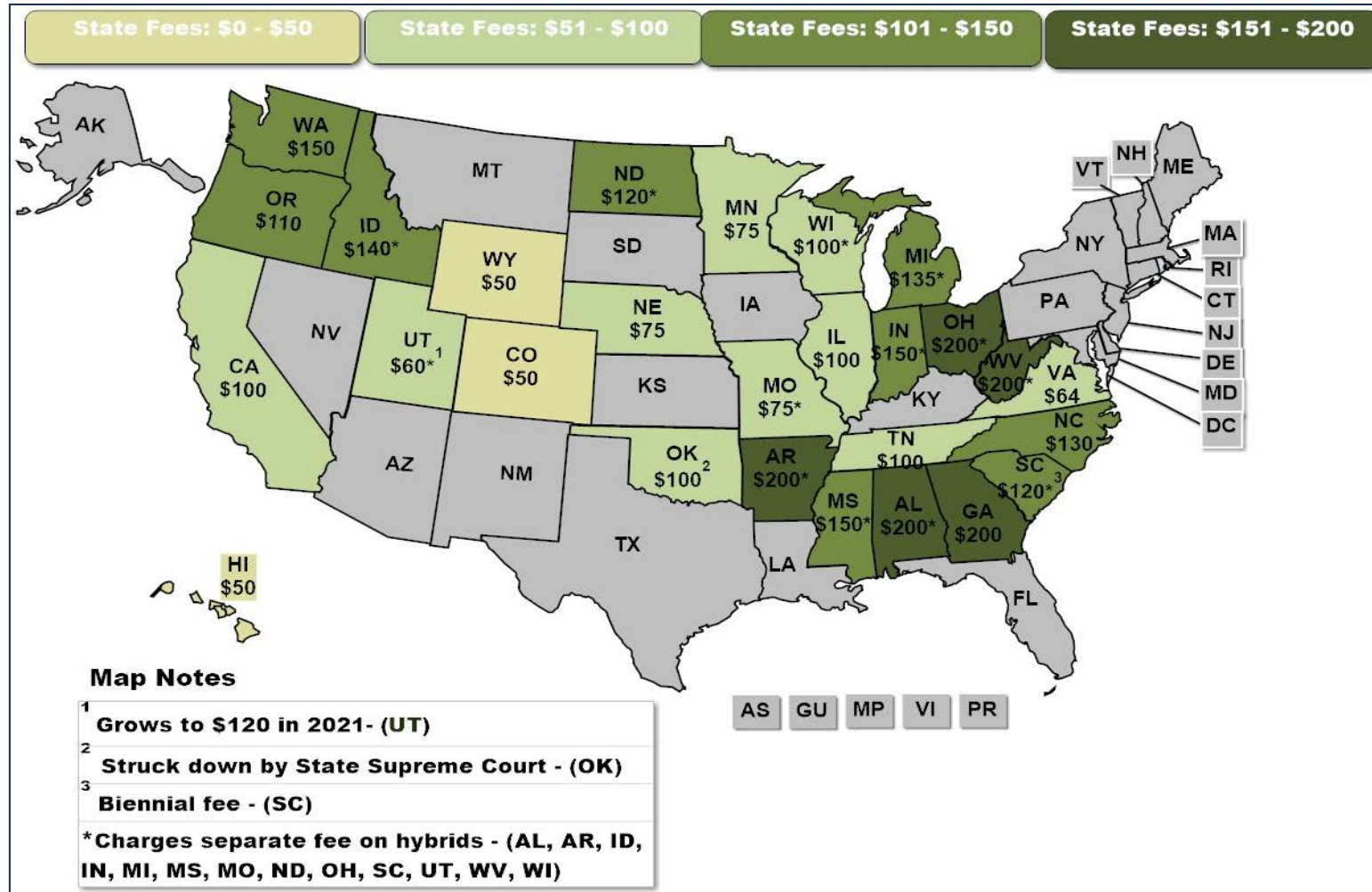
*The Missouri Legislature increased gas taxes in 2018, but Missouri voters rebuked the 10-cent gas tax increase.

*Virginia increased gas taxes statewide in 2013 and along the I-81 corridor in 2019.

State-level Gas Taxes

State	Gas Tax Increase	Description
Alabama HB 2	10 cents per gallon (cpg) (over 3 years)	<ul style="list-style-type: none"> ➤ 10/1/23: fuel tax indexed to the National Highway Construction Cost every other year ➤ 7/1/23: license tax and registration fee will increase by \$3 every fourth year
Arkansas SB336	3 cpg (6 cpg diesel)	<ul style="list-style-type: none"> ➤ This tax is in addition to existing taxes on gasoline and diesel fuel, and will be calculated annually based on wholesale price of fuel for the previous year
Illinois SB1939	19 cpg (38 cpg)	<ul style="list-style-type: none"> ➤ 2020: gas tax annually adjusted to changes in CPI ➤ Certain counties can now raise existing local gas taxes <ul style="list-style-type: none"> ➤ Lake, Will Counties can implement their own local gas taxes up to 8 cpg
Ohio HB 62	10.5 cpg (19 cpg diesel)	<ul style="list-style-type: none"> ➤ Gas and diesel taxes will rise to 38.5 cpg and 47 cpg respectively
Virginia SB 1716	7 cpg increase	<ul style="list-style-type: none"> ➤ Establishes an I-81 Committee to prioritize and recommend improvements ➤ Raises gas prices by approximately 7 cpg along the I-81 corridor <ul style="list-style-type: none"> ➤ Local 2.1% tax on the average wholesale price of fuel along I-81 corridor ➤ 7/1/21: diesel tax will rise to 2.03% of the statewide average wholesale price per gallon ➤ Distributes revenues to the I-81 Improvement Fund, Northern Virginia Transportation Authority Fund and the Common Wealth Transportation Board

Electric Vehicle Fees



2019 Alternative Fuel Vehicle Registration Fees

State	Description
Alabama HB 2	<ul style="list-style-type: none"> ➤ Electric vehicle fee of \$200 ➤ Plug-in hybrid electric vehicle fee of \$100
Arkansas SB 336	<ul style="list-style-type: none"> ➤ Electric vehicle fee of \$200 ➤ Hybrid electric vehicle fee of \$100
Hawaii SB 409	<ul style="list-style-type: none"> ➤ Registration surcharge of \$50 for electric vehicles and alternative fuel vehicles
Illinois SB 1939	<ul style="list-style-type: none"> ➤ Electric vehicles additional annual fee of \$100 will be assessed in lieu of the payment of fuel taxes, effective January 1, 2020
North Dakota SB 2061	<ul style="list-style-type: none"> ➤ Electric vehicle fee of \$120 ➤ Plug-in hybrid electric vehicle of \$50 ➤ Electric motorcycle fee of \$20
Wyoming HB 166	<ul style="list-style-type: none"> ➤ Increases plug-in registered and licensed electric vehicle fees by \$150

2019 Traditional Vehicle Registration Fees

State	Description
Connecticut HB 7424	<ul style="list-style-type: none"> ➤ Increases passenger vehicle registration fees by \$5
Illinois SB 1939	<ul style="list-style-type: none"> ➤ Increases passenger vehicle registration fees by \$50, and farm and commercial vehicle weight taxes by \$100
Nevada AB 320	<ul style="list-style-type: none"> ➤ For commercial vehicles over 80,000 lbs. and up to 129,000 lbs., creates a new registration fee of \$1,360, plus \$20 for each 1,000 lbs., up to \$2,340
Virginia SB 1716	<ul style="list-style-type: none"> ➤ Additional registration fees of \$6, \$7, \$9 and \$10 for vehicles weight classes over 10,001 lbs.
Wisconsin AB 56	<ul style="list-style-type: none"> ➤ Increases passenger vehicle registration fees by \$10 and titles fees by \$95

RUC-Related Legislation

State & Bill	Description
Maine LD 945	<ul style="list-style-type: none"> ➤ Blue Ribbon Commission to study transportation funding issues, including a vehicle miles traveled (VMT) Pilot Program
Nevada AB 483 & SCR 3	<ul style="list-style-type: none"> ➤ AB 483: directs the DMV to conduct a pilot program to collect data on annual VMT, type of vehicle and fuel system, and report every 6 months to legislature ➤ SCR 3: Interim legislative study committee to submit final report and recommended legislation by 2/2/20 to explore alternative solutions for transportation funding, citing an increase in EV's
New Mexico HM 77	<ul style="list-style-type: none"> ➤ Requests DOT actively participate in the Western RUC Consortium and propose legislation to implement a mileage-based user fee system

RUC-Related Legislation

State & Bill	Description
<p>Oregon HB 2881</p>	<ul style="list-style-type: none"> ➤ Increases minimum fuel economy to 20 miles-per-gallon (MPG) to participate in RUC program ➤ Exempts vehicles achieving at least 40 MPG from additional registration fees ➤ Removes cap on vehicles that may participate ➤ Sets the per-mile rate at 5% of the per-gallon license tax (currently 1.7 cents per mile) ➤ DOT to consult with vehicle dealers to encourage customers' participation in the RUC program ➤ Provides for reconciliation when the amount of fuel taxes paid by a person for a reporting period is less than or exceeds per-mile charges owed
<p>Utah SB 72</p>	<ul style="list-style-type: none"> ➤ Establishes a RUC program beginning 1/1/20 ➤ Alternative fuel vehicle owners may opt-in to the RUC program at their annual registration renewal and avoid paying the alternative fuel vehicle fee
<p>Washington HB 1160</p>	<ul style="list-style-type: none"> ➤ Final report on RUC pilot is due to the legislature by 1/1/20 ➤ Recommendations must consider impacts to low-income households, vulnerable population, and displaced communities ➤ Transportation commission to seek federal funds for RUC, update recommended RUC operational concepts and business case presented to RUC steering committee to reflect: <ul style="list-style-type: none"> ➤ Range of scenarios regarding fleet electrification and use of shared vehicles ➤ Phasing plan for implementation of RUC

2019 Tolling Legislation

State & Bill	Status	Description
New York SB 1509	<i>Passed</i>	➤ Variable-priced tolling, commonly known as “congestion pricing,” for vehicles entering Manhattan’s Central Business District below 61st St
Washington SB 5825	<i>Passed</i>	➤ Authorizes tolling on highway corridors, which include I-405, State Route 167 and Puget Sound Gateway
Oregon SB 652	<i>Considered</i>	➤ Directed the Oregon DOT to implement tolling to raise revenues for completion of major projects on Interstate 5 and Interstate 205
Wyoming Interstate 80 Tolling	<i>Considered</i>	➤ In summer 2019, an interim committee studied tolling on Interstate 80 to consider during the 2020 legislative session
Connecticut SB 102	<i>Failed</i>	➤ Authorized tolling on major highways

Florida Toll Road Projects

- [SB 7068 \(2019 Fl. Laws, Ch. 43\)](#)
 - Multi-Use Corridors of Regional Economic Significance Program.
 - Southwest-Central Florida Connector.
 - Suncoast Connector.
 - Northern Turnpike Connector.
 - Task Forces convened for each corridor to evaluate design features, wildlife habitats, land acquisition and uses and construction mitigation.
 - Construction to start by January 2023 and finish by January 2030.
 - \$70 million in funding dedicated over 2 years by eliminating general fund transfers the transfer of vehicle registration fees to the General Fund.
 - Fiscal 2020: \$12.5 million.
 - Fiscal 2021: \$57.5 million.

2019 Miscellaneous Funding Legislation

State	Description
Colorado SB 262 and HB 1257	<ul style="list-style-type: none"> ➤ SB 262: \$100 million for road and highway repairs ➤ HB 257: Proposition CC, on November 2019 ballot, would allow the state to retain excess revenue, with 1/3 of excess revenue dedicated to transportation
Maine LD 1850	<ul style="list-style-type: none"> ➤ \$105 million bonding measure subject to voter approval in November 2019
Missouri SCR 14	<ul style="list-style-type: none"> ➤ \$301 million in state bonding to repair or replace 215 bridges ➤ Bonding contingent upon an Infrastructure for Rebuilding America (INFRA) grant from U.S. DOT to build a new I-70 Missouri River Bridge at Rocheport, which was awarded 7/22/19
West Virginia SB 1016 , HB 119 , HB 154 , SB 1019 , and HB 155	<ul style="list-style-type: none"> ➤ \$104.2 million to supplement highway maintenance funding in FY 2019 and FY 2020

Arkansas' Transportation Revenue Package

Scott E. Bennett, P.E.

Director

Act 416

Motor Fuel Tax

\$ 58 Million

Electric and Hybrid Vehicle Registration Fees

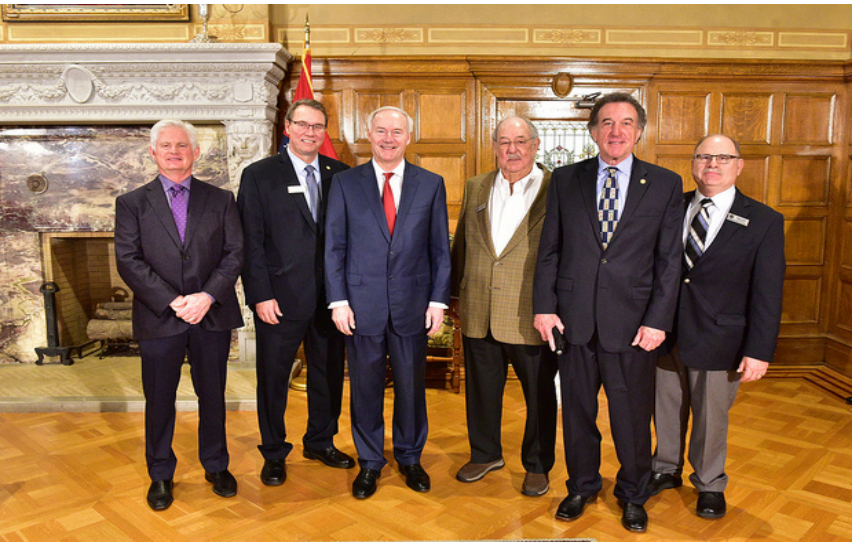
\$ 2 Million

Casino Revenue

\$ 35 Million

Total to ARDOT

\$ 95 Million



House Joint Resolution 1018

Proposed Constitutional Amendment

- To Be Voted On In General Election – November 2020
- ½-Cent Sales Tax Permanent After 2023
- Continues To Provide **\$205 Million** To ARDOT Annually
- Continues To Provide **\$43 Million** To Cities Annually
- Continues To Provide **\$43 Million** To Counties Annually

Governor's Long-Term Highway Funding Plan

Plan Summary

Act 416 of 2019

\$ 95 Million

(Immediate Funding dedicated to System Preservation)

Proposed Amendment

\$205 Million

(Funding for System Preservation plus Capital Projects beginning in SFY 2024)

Total to ARDOT

\$300 Million

Governor's Long-Term Highway Funding Plan

Annual Revenue Available

If the Constitutional Amendment passes,
Annual Revenue Expected to be Available
Beginning in SFY 2024 (July 2023):

Act 416 of 2019	\$ 95 Million
Proposed Amendment	\$ 205 Million
Current Construction Program	<u>\$ 440 Million</u>
Total Available SFY 2024	\$ 740 Million

Governor's Long-Term Highway Funding Plan

Commission-Adopted Plan

• Pavement Preservation	\$ 3.0 Billion
• Bridge Improvements and Preservation	\$ 1.1 Billion
• Interstate Maintenance	\$ 1.0 Billion
• Safety Improvements	\$ 0.5 Billion
• Capital and Congestion Relief (CAP-2)	\$ 1.8 Billion
10-Year Total	\$ 7.4 Billion

Realities of the Long-Term Highway Funding Plan

Beauty and Benefit

76% of revenue spent on system preservation

Discuss and Debate

24% of revenue spent on capital projects

Impact of Failure

30% revenue reduction for cities / counties

2023 vs. 2024 if Vote Fails

Turnback to Cities

2023 - \$156 million

2024 - \$113 million

Nearly a 30% Reduction



Turnback to Counties

2023 - \$156 million

2024 - \$113 million

Nearly a 30% Reduction

Moving Forward: The Roads & Bridges Coalition



Business matters.



Ohio's Transportation Bill (Revenue package)

Sara Downs, Chief Financial Officer

October 2019



ODOT's MISSION

To provide easy movement of people and goods from place to place, we will:

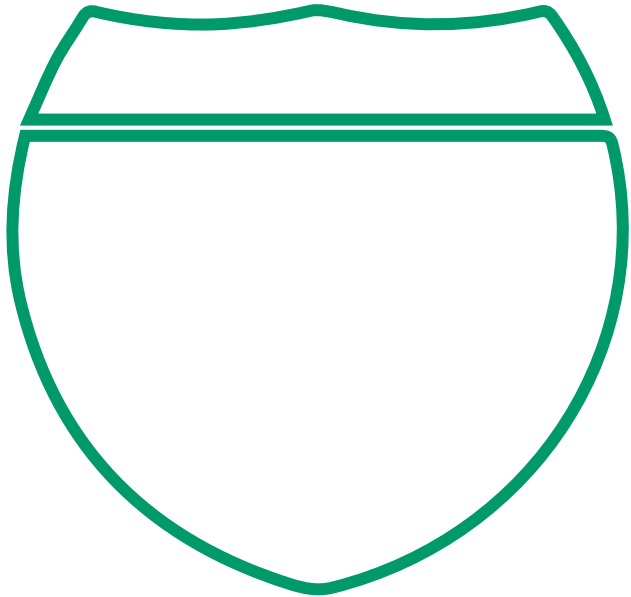
Take care of what we have;

Make our system work better;

Improve safety;

Enhance capacity.

4TH



2ND



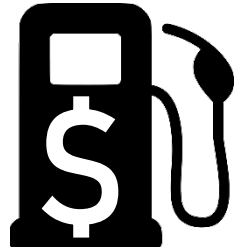
6TH



System Owners

Owner	Vehicle Miles Traveled (Millions)	Lane Miles	# of Bridges	Sq. Ft. Deck (Millions)
State	132,428,604 (42%)	35,238 (14%)	14,141 (33%)	106,654,095 (72%)
Municipal	130,702,038 (41%)	78,984 (32%)	2,543 (6%)	7,877,380 (5%)
County	33,531,035 (11%)	58,372 (23%)	26,110 (61%)	33,726,070 (23%)
Township	21,697,460 (7%)	77,544 (31%)	-	-

Revenue



- Last gas tax legislation in 2003
- Revenue is worth 50% less than 2003
- Consumption increases by <1% per year
- Inflation increase averages 3% per year

House Bill 62 Estimated Distributions

Estimated Gas Tax Revenues			
SFY 2020		SFY 2021	
Original 28cpg	HB 62 28cpg + 10.5cpg Gas/19cpg Diesel	Original 28cpg	HB 62 28cpg + 10.5cpg Gas/19cpg Diesel
\$1,776,732,044	\$2,605,162,283	\$1,797,814,990	\$2,632,361,922

Municipalities			
\$249,223,456	\$405,075,622	\$252,372,910	\$409,565,376

Townships			
\$124,955,531	\$208,637,039	\$126,523,070	\$210,935,670

Counties			
\$214,473,056	\$349,099,622	\$217,199,010	\$353,000,876

Ohio Department of Transportation (ODOT)			
\$1,188,080,000	\$1,642,350,000	\$1,201,720,000	\$1,658,860,000



Asset Management

1



State-of-the-Art
Technology

2



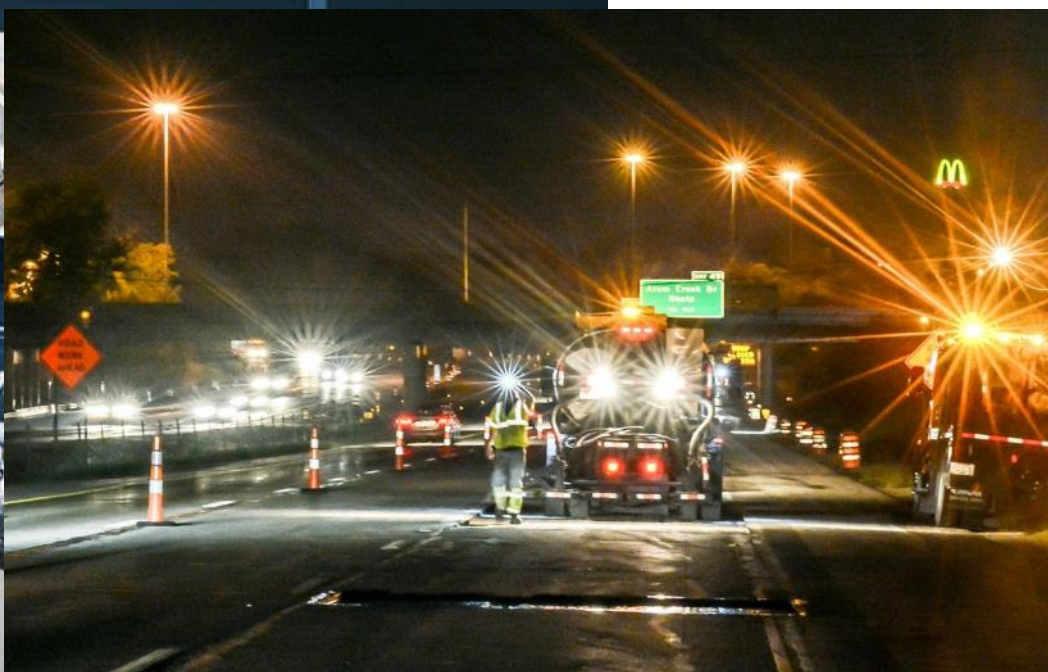
Aggressive Preservation
Treatments

3



More Collaboration

Major Projects



Priority Safety Locations

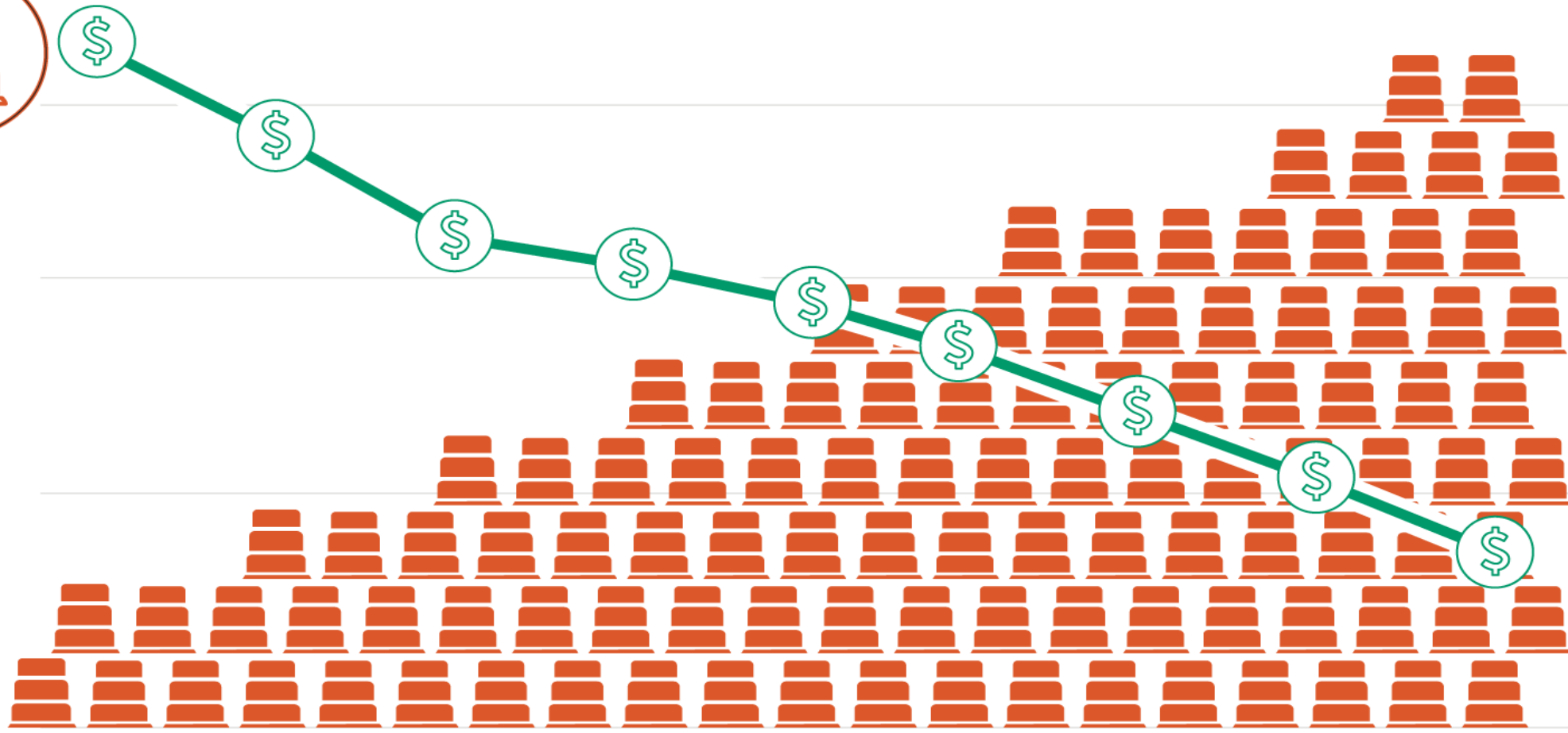
Urban Intersections		
County	Location	Intersection Name
Lucas	LUC-SR-2R	SR-2 (Airport Hwy) at CR-501 (Byrne Rd)
Franklin	FRA-SR-161R	SR-161 (E Dublin-Granville Rd) at CR-75 (Cleveland Ave)
Franklin	FRA-SR-317R	SR-317 (S Hamilton Rd) at CR-15 (E Livingston Ave)
Franklin	FRA-SR-16R	SR-16 (E Broad St) at CR-177 (N James Rd)
Franklin	FRA-SR-161R	SR-161 (E Dublin-Granville Rd) at MR-1300L (Maple Canyon Ave)
Lucas	LUC-US-20R	US-20 (Reynolds Rd) at SR-2 (Airport Hwy)
Hamilton	HAM-US-27R	US-27R (Colerain Ave) at CR-625 (Virginia Ave)
Franklin	FRA-SR-16R	SR-16 (E Broad St) at CR-6 (Reynoldsburg-New Alban Rd)
Lucas	LUC-US-20R	US-20 (Reynolds Rd) at CR-30 (Hill Ave)
Lucas	LUC-SR-184R	SR-184R (Alexis Rd) at CR-500 (Lewis Ave)
Cuyahoga	CUY-US-422R	US-422 (Ontario St) at SR-8
Franklin	FRA-SR-16R	SR-16 (E Broad St) at CR-104 (Mc Naughten Rd)
Cuyahoga	CUY-US-422R	US-422 (Kinsman Rd) at SR-8
Cuyahoga	CUY-SR-43R	SR-43R (Miles Rd) at CR-8 (Lee Rd)

Rural Intersections		
County	Location	Intersection Name
Belmont	BEL-SR-147R	SR-147 (E Main St) at SR-800 (N Chestnut St)
Licking	LIC-US-62R	US-62 (W Coshocton St) at SR-37 (S Main St)
Preble	PRE-SR-177R	SR-177 at CR-30 (Oxford-Germantown Rd)
Mahoning	MAH-SR-7R	SR-7 (Market St) at SR-164 (South Ave)
Delaware	DEL-SR-61R	SR-61 at SR-656
Fairfield	FAI-US-33R	US-33 at CR-20 (Pickerington Rd)
Medina	MED-US-42R	US-42 (Pearl Rd) at CR-70 (Fenn Rd)
Brown	BRO-US-68R	US-68 (N High St) at MR-278 (Sterling Run Blvd)
Ashland	ASD-US-30R	US-30 at SR-603
Delaware	DEL-US-36R	US-36 (Delaware-Sunbury Rd) at SR-37
Geauga	GEA-US-422R	US-422 (Main Market Rd) at SR-88 (Madison Rd)
Geauga	GEA-SR-86R	SR-86 (Plank Rd) at SR-166 (Rock Creek Rd)
Geauga	GEA-US-322R	US-322 (Mayfield Rd) at CR-12 (Sperry Rd)
Belmont	BEL-US-40R	US-40 (National Rd) at SR-331 (Bannock Rd)
Geauga	GEA-SR-87R	SR-87 (Kinsman Rd) at SR-306 (Chillicothe Rd)
Brown	BRO-SR-32R	SR-32 (Appalachian Hwy) at TR-126 (Brooks Malott Rd)

Operational Savings = More Projects



+ FUNDS FOR PROJECTS



- OPERATIONAL COSTS



Let's hear from you



Wrap-Up

**Thank you for attending
today's webinar**

The BATIC Institute will post responses
to all questions received today on its website

The recorded webinar will also be available
on the BATIC Institute website:

www.financingtransportation.org

UPCOMING BATIC INSTITUTE OFFERINGS

Arkansas Peer Exchange

Little Rock, Arkansas
November 21-22, 2019

TBD

Webinar
December 2019

Update on Enacted State Public-Private Partnership Legislation

Webinar
November 2019