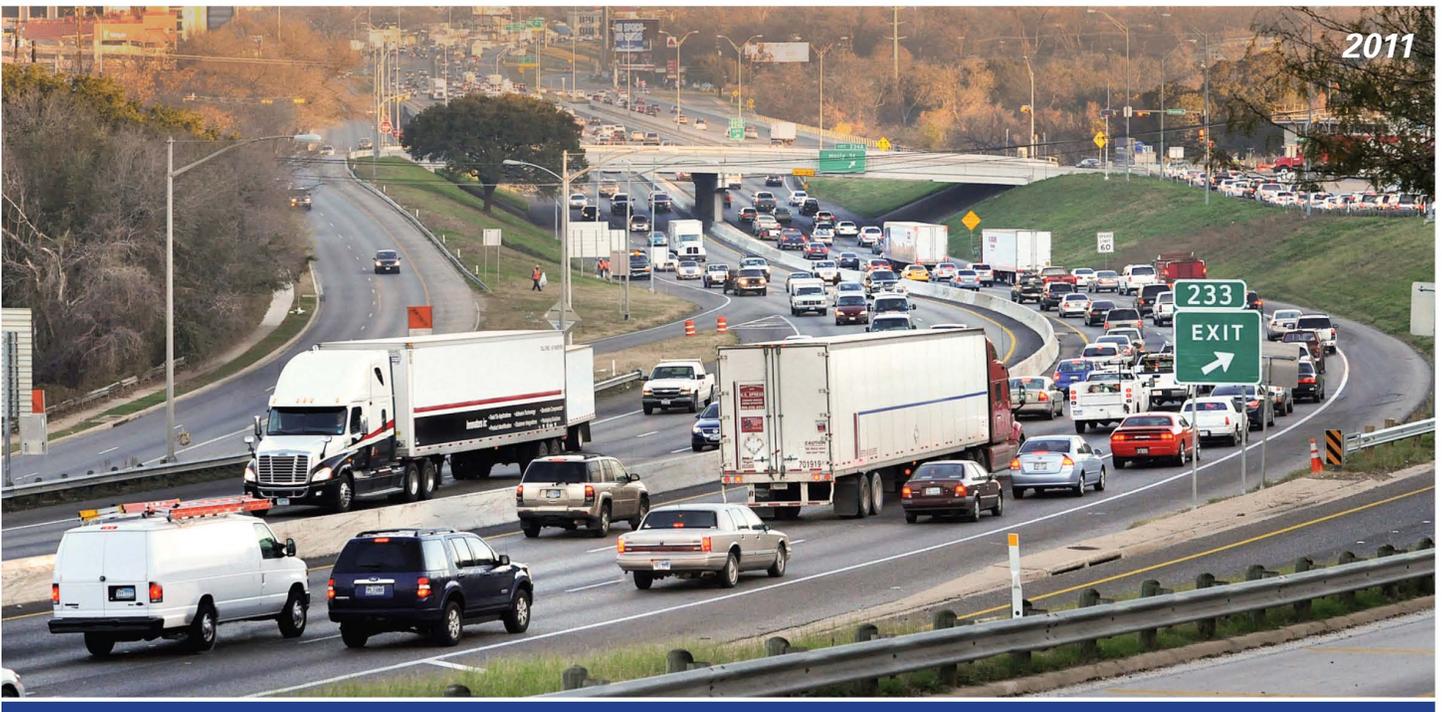


Mobility Investment Priorities Project

State Funding Initiatives Summary

2008-2012



Establishing Mobility Investment Priorities
Under TxDOT Rider 42:
State Transportation Funding Initiatives (2008-2012)

Prepared for
Texas Transportation Commission
And
83rd Texas Legislature

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Mobility Investment Priorities Project
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OVERVIEW AND PURPOSE

Many states face transportation funding shortfalls. According to a National Conference on State Legislatures (NCSL) survey conducted in March 2011, states faced aggregate general fund budget gaps of at least \$84 billion during enactment of their fiscal year 2011 budgets. Facing decreased motor fuel tax revenues, growing budget deficits, and a growing need for mobility enhancements and infrastructure maintenance, many states have sought to increase revenue through a wide variety of taxes and fees.¹

This summary provides: (1) context on support for federal transportation funding options, and (2) a list of recent state initiatives pursued to increase revenue directly for constructing new transportation infrastructure. A list of initiatives both enacted and proposed (that is, not enacted) by a state legislature and/or through a statewide ballot referendum are included for the period from January 1, 2008 to December 1, 2012.

FEDERAL TRANSPORTATION FUNDING AND PUBLIC OPINION

Transportation professionals have long warned the public about the long-term costs of doing less than needed to repair and rehabilitate the nation's transportation infrastructure. Increasing numbers of public officials are asking their constituents to support increased investment in transportation infrastructure. According to a recent Conference of Mayors survey, 89 percent of city mayors indicated that they would support a federal gas tax increase if a greater share of the funding went to local and bridge infrastructure. Regardless of how new investment will be spent, almost all (98 percent) mayors surveyed indicated that safe, reliable transportation was vital to economic growth and prosperity for their city.²

Perhaps the best indicator for national support at the federal level for transportation funding options is a set of polls conducted by the Mineta Transportation Institute. This study was conducted over a three-year period (2010 to 2012) that tested national support for federal gas, sales, and mileage taxes that would raise revenue for transportation purposes. An average of 1,518 U.S. adults responded to the survey. Exhibit 1 provides detailed information on the poll data.^{3, 4}

¹ 2011 Transport Report, Federal Transportation News and Briefs, March 11, 2011.

<http://www.ncsl.org/documents/transportation/TRN-March2011.pdf>

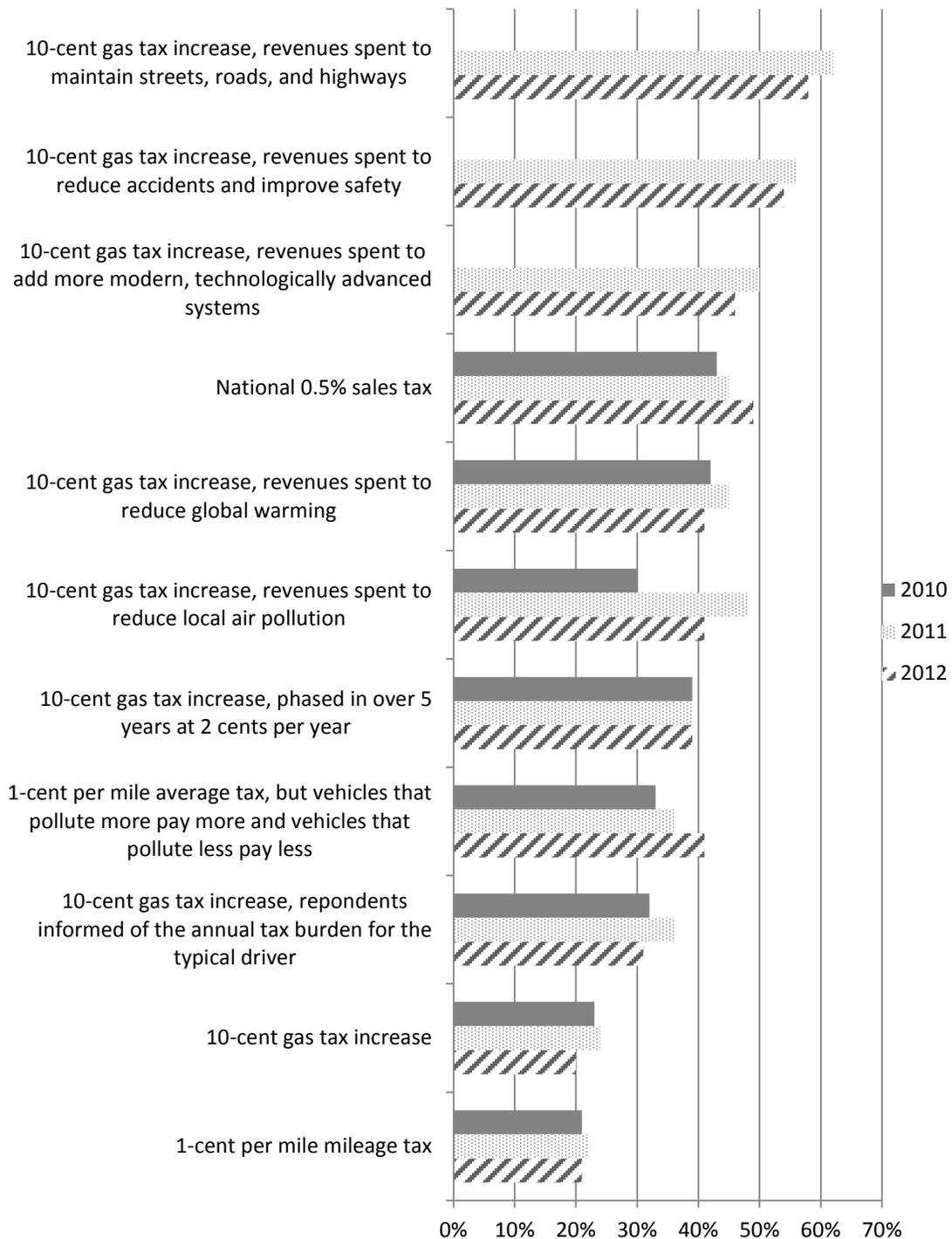
² Metropolitan Transportation Infrastructure Survey, U.S. Conference of Mayors, May 2011.

<http://www.usmayors.org/transportationsurvey/documents/survey.pdf>

³ Asha Weinstein Agrawal, Ph.D., Hilary Nixon, Ph.D., and Vinay Murthy, *What do Americans Think About Federal Tax Options to Support Public Transit, Highways, and Local Streets and Roads? Results from Year 3 of a National Survey*. June 2012. <http://transweb.sjsu.edu/PDFs/research/1128-american-survey-federal-taxes-public-transit-highways-streets-roads-brief.pdf>

⁴ For the full sample, which included both land-line and cell-phone numbers, the margin of error was (+ or -) 2.5 percentage points at the 95% confidence level.

Exhibit 1: Percent of Polled U.S. Residents Supporting Various Tax Increase Options, 2010 to 2012⁵



⁵ Asha Weinstein Agrawal, Ph.D., Hilary Nixon, Ph.D., and Vinay Murthy, *What do Americans Think About Federal Tax Options to Support Public Transit, Highways, and Local Streets and Roads? Results from Year 3 of a National Survey*. June 2012. <http://transweb.sjsu.edu/PDFs/research/1128-american-survey-federal-taxes-public-transit-highways-streets-roads-brief.pdf>

Perhaps not surprisingly to most transportation poll experts, most transportation tax increases don't have majority support, though majority support for a 10-cent gas tax increase is seen if revenues are spent to maintain streets and highways. Furthermore, linking tax increases to improved safety or maintenance purposes is particularly effective at increasing public support among virtually all demographic groups.

Finally, support levels varied considerably by what kind of tax would be levied. When taxes are described with no other information than just the tax type, a sales tax tends to be more popular than either a gas tax increase or a new mileage tax. No matter which option that is pursued, it is evident that support grows when tax options are clearly communicated and presented to the public **and** when revenues are dedicated to a specific project.

These poll findings led the Mineta Transportation Institute to offer several policy recommendations.

- Support for higher gas taxes or a new mileage tax can be increased by careful program design.
- Policy makers looking to increase support for transportation taxes should stress the environmental, safety, and maintenance benefits of transportation.
- Linking transit with environmental benefits may be a particularly successful way to increase support for transit systems.

INVESTMENT STRATEGIES PURSUED BY OTHER STATES—ENACTED LEGISLATION

Exhibit 2. Recent Revenue Enhancement Strategies Enacted by Other States (2008 to 2012)

MODE	STRATEGY	ACTION	ENACTED LEGISLATION (2008 to 2012)
HIGHWAYS	State Motor Fuel Tax	Increase state gas tax	Connecticut , District of Columbia , Minnesota , New Jersey , Oregon , Rhode Island , Vermont
		Index tax	Vermont
		Reform motor fuel tax collection process	Alabama
		Local option motor fuel tax	Nevada , West Virginia
		Freeze tax (prevent from falling)	Kentucky
	Taxes and Fees on Motor Vehicles	Increase motor vehicle registration fee	Colorado , Florida , Hawaii , Iowa , Kansas , Nevada , New York , North Dakota , South Dakota , Oregon , Utah , Vermont
		Increase other vehicle-related taxes and fees	Arizona , Connecticut , Idaho , Illinois , Iowa , Louisiana , Minnesota , Nevada , New York , Oregon , Rhode Island , Vermont , Washington
	Diversion Recapture	More funds from transportation sources to transportation purposes	Colorado , Idaho , Louisiana , Minnesota , Nebraska , Oklahoma , Utah
	Sales and Use Tax	Statewide sales tax	Arkansas , California , Indiana
		Local governments to levy sales tax for transportation	Georgia , Minnesota , West Virginia
	Freight/ Motor Carrier Tax	Increase tax	Connecticut
	Tolling	Index tolls to CPI	Florida
		Impose on trucks only	Connecticut
		Authorize tolling on some facilities only	Ohio , Texas , Washington
		Create, authorize, and/or designate authority to a state or local agency to collect tolls	Georgia , New Mexico , Ohio , Texas , Washington
	Infrastructure Bank/ Transportation Fund	Create or broaden authority	Virginia
	Alternative Fuel Tax Options	Impose fee on electric vehicles	Oregon
Payroll Tax	Increase tax	New York	
Public-Private Partnerships (P3)	Broaden state or local agency authority to enter into PPPs	Alabama , Arizona , California , Connecticut , Florida , Georgia , Idaho , Illinois , Indiana , Massachusetts , Michigan , Missouri , Nevada , North Carolina , Ohio , Texas , West Virginia	
	PPP agreements for certain projects only	Indiana , Texas	
TRANSIT	Transit Funding	Various strategies to increase funding for transit options	Illinois
		Authorize local authority to increase sales tax	Connecticut , North Carolina
AVIATION	Airport Funding	Increase state motor fuel tax on airline fuel	Michigan
PORTS/ WATERWAYS	Port and Waterway Funding	Local port authority financing	Missouri
		Local port authority limited PPP agreements	Connecticut , Texas

INVESTMENT STRATEGIES STUDIED BY OTHER STATES—PROPOSED LEGISLATION

Exhibit 5. Recent Revenue Enhancement Strategies Proposed by Other States (2008 to 2012)

MODE	STRATEGY	ACTION	PROPOSED LEGISLATION (2008 to 2012)
HIGHWAYS	State Motor Fuel Tax	Increase Tax	Connecticut , Idaho , Illinois , Iowa , Kansas , Maine , Maryland , Michigan , Nebraska , Pennsylvania , South Dakota , Utah , Virginia , Wyoming
		Index Tax	Maryland , Nebraska , Texas , Virginia
		Increase Fuel Sales Tax	Massachusetts
		Reform Motor Fuel Tax Collection System	North Carolina
		Authorize Local Option Motor Fuel Tax	
	Taxes and Fees on Motor Vehicles	Increase Vehicle Registration Fee	California , Hawaii , Idaho , Virginia
		Increase Other Vehicle-Related Taxes and Fees	Florida , Maryland , Massachusetts , Michigan , Tennessee
	Diversion Recapture	Appropriate more funds from transportation sources to transportation purposes	Alaska
	Sales and Use Tax	Increase Statewide Sales Tax	Georgia , Utah , Virginia
		Authorize local governments to Levy Sales Tax for Transportation	Georgia , Virginia
	Freight/Motor Carrier Tax or Fee	Increase	Idaho
	Tolling	Index Tolls to CPI	
		Impose on Trucks Only	
		Authorize Tolling on Some Non-Tolled Facilities	Hawaii
		Create, Authorize, and/or designate authority to a state or local agency to collect tolls	Alabama , Arizona , Kentucky , Missouri
	Infrastructure Bank/Transportation Fund	Create or Broaden Authority	Alaska , California , Hawaii , Kentucky , Massachusetts , Nebraska , New Hampshire
	Vehicle Miles Traveled Fee	Impose VMT Tax on electric vehicles or commission study on its use	Arizona , Indiana , Massachusetts , Michigan , Mississippi , Montana , Oregon , Washington
	Payroll/Income Tax	Increase	Indiana
	Public-Private Partnerships (P3)	Broadens or Expands State or Local Agency Authority to Enter into PPPs	Alabama , Hawaii , Ohio
		Commission study to explore benefits and costs of PPPs	Texas
Authorize PPP Agreements for certain projects only		Michigan	
TRANSIT	Transit Funding	Authorize various strategies to increase funding for transit options	Maryland , Wisconsin
		Authorize/Broaden Authority for States to Enter into PPPs	
		Authorize Local Authority to Increase Sales Tax	
AVIATION	Airport Funding	Increase State Motor Fuel Tax on Airline Fuel	
PORTS/WATERWAYS	Port and Waterway Funding	Authorize Local Port Authority Financing District	

Listed on the next several pages are *enacted* statewide initiatives pursued within the past five years to increase investment for transportation:⁶

- **Alabama:** In 2011, legislation was enacted to revise the motor fuel tax collection system. This move will help decrease motor fuel tax evasions and increase revenue.⁷ That same year, legislation was also approved that established new license fees for gasoline and motor fuel businesses. In 2009, legislation authorized the Alabama Toll Road Authority to enter into agreements for design-build contracts, leases, licenses, franchises, concessions, or other agreements.⁸
- **Arizona:** Legislation was enacted during the 2010 Special Session that increases abandoned vehicle fees by \$50 to \$200, depending on the location of the vehicle. This will generate an estimated \$12.1 million in additional revenue for FY 2011.⁹ In 2009, legislation was approved that would allow the DOT to enter into various types of agreements for a private partner to design, build, operate, maintain or manage a transportation facility.¹⁰
- **Arkansas:** In 2012, legislators proposed a constitutional amendment to raise the state sales tax by one-half cent for ten years to fund a bond program to finance the construction of elements of a statewide four-lane highway system and other key widening projects.¹¹ This act went before the voters in November 2012 for final approval where it passed by a margin of 58% to 42%.¹² See the Case Studies for Building Public Support for Transportation Section later in this report for more information. In 2011, lawmakers authorized regional mobility authorities to enter into public-private partnerships for rail, waterway, and trail projects.¹³
- **California:** In 2011, the Assembly allowed certain state and local transportation entities, if authorized by the California Transportation Commission to use a design-build process for contracting on transportation projects.¹⁴ In 2009, the Assembly approved a temporary increase in the rate of the General Fund portion of the state Sales and Use Tax by 1% (from the current rate of 5% to a rate of 6%). This increased, temporarily, the rate of the vehicle license fee from the current rate of 0.65% to a rate of 1.15%, except for commercial vehicles with a gross weight of 10,000 pounds or more. Both measures expired on June 30, 2012.¹⁵

⁶ Chart from previous page adapted from "Findings and Analysis" Texas Transportation Funding Challenge, Dye Management Group, Inc., 2009 and "Paying Our Way" A New Framework for Transportation Finance, National Surface Transportation Infrastructure Financing Commission, 2009; "A Guide to Transportation Funding Options", University Transportation Center for Mobility, TTI, 2009.

⁷ Alabama H. 319 (2011)

⁸ Alabama H. 217 (2009)

⁹ Arizona State General Fund Revenue Summary, FY 2010. <<http://www.azleg.gov/jlbc/11app/384.pdf>>

¹⁰ Arizona H. 2396 (2009)

¹¹ Lyon, John. "House Speaker's Highway Bill Advances." Arkansas News Bureau, Mar. 10, 2011.

¹² Arkansas Secretary of State, General Election Results for Issue 1.

<http://results.enr.clarityelections.com/AR/42843/113233/en/md.html?cid=3675>

¹³ Arkansas H. 1842 (2011)

¹⁴ California S. 4b (2009)

¹⁵ California AB 3c (Extraordinary Session) (2009)

- **Colorado:** In 2009, state lawmakers passed a comprehensive transportation funding bill which raised vehicle registration fees for most cars by \$31 in 2010 and by \$41 in 2011.¹⁶ In 2010, state lawmakers scaled back a tax credit for alternative fuel vehicles in an attempt to ensure that all vehicles, even alternative fuel vehicles, pay their fair share for using the roadways.¹⁷
- **Connecticut:** In 2011, lawmakers approved a 3-cent gas tax increase.¹⁸ In 2011, the legislature authorized PPPs for the design, development, operation or maintenance of transportation systems including ports, transit-oriented development and related infrastructure.¹⁹ Also in 2011, lawmakers approved requiring the installation of E-Z Pass toll stations on interstate highways to collect toll charges exclusively from large cargo trucks passing through the state.²⁰ In 2010, legislators approved an increase in motor vehicle fines from \$35 to \$50 and established a new \$100 fee for people with a suspended license who apply for a special work or education driving permit.²¹ In 2008, lawmakers approved allowing gasoline retailers the ability to offer discounts on fuel based on the method of payment. This move increased total fuel sales and revenue.²²
- **District of Columbia:** In 2009, district leaders approved an increase in the gasoline tax from \$0.20 per gallon to \$0.235 per gallon.²³
- **Florida:** Legislation allowed toll rates to be indexed to the Consumer Price Index in 2009. Lawmakers also set a goal of procuring up to 25 percent of construction projects through design-build contracts.²⁴
- **Georgia:** In 2009, lawmakers abolished the State Road and Tollway Authority and created the State Transportation Agency and the State Transportation Authority. This legislation allows the authority to collect and enforce tolls. Legislation also proposed the construction of a public-private streetcar project initiative.²⁵ That same year, lawmakers authorized transportation districts to impose a one-cent sales tax to fund transportation projects. The sales-tax increase must be approved by voters in the district. The districts then created a list of road and transportation projects that need improvement.²⁶ In July 2012, 3 of the 12 districts passed the referendum (the Central Savannah River Area, the River Valley, and the Heart of Georgia Altamaha).²⁷ See the Case Studies for Building Public Support for Transportation Section later in this report for more information.

¹⁶ Colorado S. 108 (2009)

¹⁷ Colorado H. 1196 (2010)

¹⁸ Connecticut S. 1007

¹⁹ Connecticut H. 6801B (2011)

²⁰ Connecticut h. 5949 (2011)

²¹ [Connecticut H. 5545 \(2010\)](#)

²² Connecticut S. 1000 (2008)

²³ District of Columbia B 443 (2009)

²⁴ Florida H. 1021 (2009)

²⁵ Georgia S. 200 (2009)

²⁶ Georgia S. 39 (2009)

²⁷ <http://results.enr.clarityelections.com/GA/40378/95366/en/summary.html#>

- **Hawaii:** Lawmakers approved raising vehicle registration fees from \$25 to \$45. Lawmakers chose to deposit \$40 from each annual motor vehicle registration fee into the state highway fund and \$5 into the emergency medical services special fund.²⁸
- **Idaho:** In 2010, Idaho amended and added to existing law to provide for design-build and construction manager and general contractor contracts on state highway projects including items related to bids and advertising for sealed bids, preferred contracting methods, construction budget limits, contract awarding criteria, procedures for evaluating proposals, the creation of an evaluation committee, and the conflicts of interest involving a contract.²⁹ In 2009, state lawmakers raised fees on Division of Motor Vehicles services, removed the 2.5 cents per gallon tax exemption on ethanol, and granted more funding authority to highways by removing spending on the Idaho State Police and redirecting gas tax revenue away from the Department of Parks and Recreation.³⁰ In 2009, lawmakers approved raising fees for Division of Motor Vehicles (DMV) services including, but not limited to, issuing driver licenses; title transfers; furnishing copies of driver's license records, title or registration records; replacing registration stickers; and issuance of assigned or replacement vehicle identification numbers.³¹
- **Illinois:** In 2010, lawmakers approved permitting the DOT, pursuant to a competitive request for qualifications, to enter into public-private agreements to develop, construct, manage, or operate the Illiana Expressway.³² In 2009, lawmakers were successful at raising vehicle title fees from \$65 to \$105 and increasing vehicle transfer fees from \$15 to \$30.³³ In 2008, lawmakers approved a long-term mass transit funding bill that provides free transportation to Illinois seniors. This legislation provides \$494 million in new and recurring funding to Chicago Metro Area transit agencies, and another \$50 million to transit agencies outside of the Chicago area. The funding is provided through a .25% increase in the sales tax in the Chicago Metro Area.³⁴
- **Indiana:** In 2011, Indiana approved legislation that removed certain provisions requiring legislative approval or review by the budget committee for public-private agreements, toll roads, and tollways. This legislation also removes the July 1, 2015 expiration date regarding the removal of the requirement recognizing the location of certain tollways, converting part of I-69 to a tollway, issuing requests for proposals and entering into PPP agreements for certain highway projects.³⁵ In 2008, the retail sales and use tax on gasoline was raised one percent.³⁶
- **Iowa:** In 2008, lawmakers approved a bill that increased the motor vehicle and trailer registration fees and title fees based on the value of the vehicle. The bill imposes a 5 percent

²⁸ Hawaii S. 1328 (2011)

²⁹ Idaho H. 600 (2010)

³⁰ *Tax Measures Help Balance State Budgets: A Common and Reasonable Response to Shortfalls*, Center for Budget and Policy Priorities, July 9, 2009. <<http://www.cbpp.org/cms/index.cfm?fa=view&id=2815>>

³¹ Idaho H. 334 (2009)

³² Illinois S. 3659 (2010)

³³ *Actions & Proposals to Balance the FY 2010 Budget: Motor Fuel and Vehicle Taxes/Fees*, National Conference on State Legislators, 2009. <<http://www.ncsl.org/?tabid=17250>>

³⁴ Illinois H. 656 (2008)

³⁵ Indiana S. 473 (2011)

³⁶ Indiana H. 1008 (2008)

registration fee penalty for failing to register a vehicle after two months. Finally, this bill imposes a 5% registration fee penalty for failing to register a motor vehicle after two months, which also increases by 5% each month.³⁷

- **Kansas:** In 2008, legislation was passed that increased motor vehicle registration fees by \$4.³⁸ In 2010, lawmakers approved legislation that established the Transportation Works for Kansas Program (TWORKS). This bill called for increasing registration fees for smaller vehicles (generally, less than 12,000 lbs.), trailers, and buses by \$20; increased registration fees for trucks 54,000 lbs. and smaller by \$100; and, increased registration fees for trucks larger than 54,000 lbs. by \$135.³⁹ (See the Case Studies for Building Public Support for Transportation section).
- **Kentucky:** In 2009, state lawmakers approved freezing the state gasoline tax by 22.5 cents per gallon; it was set to fall by four cents on April 1, 2009.⁴⁰
- **Louisiana:** Lawmakers in 2008 enacted legislation to dedicate more transportation-related vehicle sales and tax revenue toward transportation. SB 11 required that by 2013, 100 percent of vehicle sales and lease tax revenue should be dedicated toward transportation.⁴¹ In 2012, legislators passed a bill that requested the Louisiana Department of Transportation and Development to study the feasibility of authorizing the collection of tolls to complete I-49.⁴²
- **Massachusetts:** In 2009, lawmakers authorized the Board of Directors of the DOT to solicit proposals and enter into contracts for design-build-finance-operate-maintain or design-build-operate-maintain services with a responsible and responsive offer or submitting the proposal that is most advantageous to the department through the sale, lease, operation and maintenance of a transportation facility within the Commonwealth.⁴³
- **Michigan:** In 2012, voters rejected a measure that would have required voters to approve any new bridge or tunnel from Michigan to Canada. This move paves the way for construction to begin on a new bridge called the New International Trade Crossing (NITC) that would link Michigan with Canada. This project will be funded through financing provided by both the United States and Canada. Revenue will be collected through tolls.⁴⁴ Michigan leaders are pursuing the construction of the New International Trade Crossing Bridge. U.S. Federal officials have agreed to provide an additional \$1.6 billion for the project.⁴⁵ In 2010, lawmakers enacted new rules authorizing certain public and private entity partnerships for transportation.⁴⁶ In

³⁷ Iowa SF 2420 (2008).

³⁸ Kansas H. 2542 (2008)

³⁹ Kansas H. 2650 (2010)

⁴⁰ Kentucky H. 371 (2008).

⁴¹ Louisiana S. 11 (2008).

⁴² Louisiana S. 38 (2012)

⁴³ Massachusetts S. 2087 (2009)

⁴⁴ The Economist: *They Aren't Building That*, Sept. 29, 2012. <http://www.economist.com/node/21563756>

⁴⁵ Baruah, Sandy. Michigan can build on a new bridge deal, Crain's Detroit Business, Apr. 24, 2011.

<http://www.crainsdetroit.com/article/20110424/FREE/304249983/michigan-can-build-on-new-bridge-deal>

⁴⁶ Michigan H. 5461 (2010)

2008, lawmakers raised the state aviation motor fuels tax 3 cents per gallon on all airline fuel for, among other things, acquiring, developing, and operating airports in the state.⁴⁷

- **Minnesota:** In 2008, state lawmakers approved a five-cent per gallon tax increase; the funds were dedicated to bridge maintenance. This legislation also granted the seven-county Minneapolis/St. Paul metro area authority to raise the sales tax in order to pay for transportation needs. Finally, this legislation increased fees on the lease and rental of vehicles from 3 percent to 5 percent of the sales price of the vehicle.⁴⁸ That same year, lawmakers also repealed the state low-income motor fuels tax. Removing this tax credit was expected to bring in an additional \$30.1 million annually for transportation.⁴⁹
- **Mississippi:** In 2010, SB 3181 authorized more than \$300 million in bonds to finance highways, bridges, and other transportation projects. This bill also created a commission of the governor, treasurer, and attorney general charged with approving transportation bonds that are issued.⁵⁰
- **Missouri:** In 2010, state lawmakers enacted legislation that allowed port authority boards to establish port improvement districts to fund projects with voter-approved sales or property taxes.⁵¹ In 2009, state lawmakers expanded public-private partnerships by allowing any pipeline, ferry, river boat, airport, railroad, or mass transit facility to be financed, developed, and operated between the state highway transportation commission and a private partner.⁵²
- **Nebraska:** In 2011, legislators approved a half-cent earmark of existing sales tax revenue for road funding in 2013. This legislation also authorized bonding for priority road projects.⁵³ In 2009, lawmakers raised fees on personalized license plates by \$10 and directed the proceeds to the highway trust fund.⁵⁴ In 2008, lawmakers approved a 5% tax (up from 2.5%) on the average wholesale price of gasoline.⁵⁵
- **Nevada:** In 2011, lawmakers authorized the Transportation Commission to enter into one or more public-private partnerships (PPPs) to design, construct, develop, finance, operate or maintain the demonstration project.⁵⁶ Legislation was approved in 2008 that changed the vehicle depreciation schedule, resulting in \$42.8 million in additional revenue. In 2008, the minimum vehicle registration tax was increased from \$6 to \$16, increasing revenues by about \$94 million for FY 2010.⁵⁷ In 2009, legislation was enacted that allows the Washoe County Board of Commissioners to enact a gasoline tax increase of 2.05 cents per gallon.⁵⁸

⁴⁷Michigan H. 5582 (2008)

⁴⁸Minnesota S.F. 2521

⁴⁹*FY 2010 Actions & Proposals to Balance the FY 2010 Budget: Motor Fuel and Vehicle Taxes/Fees*, National Conference on State Legislators, 2009. <http://www.ncsl.org/?tabid=17250>

⁵⁰Mississippi S. 3181 (2010)

⁵¹Missouri S. 578 (2010)

⁵²Missouri H. 683 (2009)

⁵³Nebraska LB 84 (2011)

⁵⁴Nebraska LB 110 (2009)

⁵⁵Nebraska LB 846 (2009)

⁵⁶Nevada S. 506 (2011)

⁵⁷*Tax Measures Help Balance State Budgets: A Common and Reasonable Response to Shortfalls*, Center for Budget and Policy Priorities, July 9, 2009. <<http://www.cbpp.org/cms/index.cfm?fa=view&id=2815>>

⁵⁸Nevada S. 201 (2009)

- **New Hampshire:** In 2012, legislators approved the establishment of a commission to study the taxation of alternative fuel and electric-powered motor vehicles for the purpose of funding improvements to the state's highways and bridges.⁵⁹
- **New Jersey:** In 2010, legislators approved a bill to increase the motor fuels tax. This move was expected to generate an additional \$18 million.⁶⁰
- **New Mexico:** In 2009, New Mexico legislators passed the Infrastructure Development Act. This legislation authorized the creation of local infrastructure development zones. These zonal boards work to implement an approved service plan and can issue bonds, levy property taxes, charge tolls, and enter into debt obligations.⁶¹ The state also enacted legislation that allows the use of design-build project delivery for transportation projects funded in part by the American Recovery and Reinvestment Act.^{62,63}
- **New York:** In 2009, lawmakers imposed an additional fee of \$1 for every six months a person holds a license or learner's permit, a supplemental \$25 fee annually on vehicles registered in a metropolitan commuter district. In addition, lawmakers raised a 0.34 percent additional payroll mobility tax in some districts. Legislation also imposed a 50-cent surcharge on taxi trips in the metro commuter districts and created an additional 5 percent sales tax on auto rentals in the metro commuter districts. In 2009, legislators increased the auto rental tax from 5 to 6 percent.
- **North Carolina:** In 2009, legislation was approved that allows the Department of Transportation to enter into a contract with a private developer to accomplish the engineering, design, or construction of improvements to the State highway system.⁶⁴ That same year, lawmakers approved allowing the Triangle counties (Raleigh, Durham, and Chapel Hill) to pay for transit improvements with a half-cent sales tax increase. Durham County voters approved this sales tax increase in 2011⁶⁵, followed by Orange County in 2012.^{66,67}
- **North Dakota:** In 2009, lawmakers raised vehicle registration fees by \$3.⁶⁸
- **Ohio:** In 2011, lawmakers authorized the state department of transportation to enter into public-private partnerships (PPPs) based on solicited and unsolicited proposals from private entities relating to transportation facilities.⁶⁹ In 2009, lawmakers authorized legislation that

⁵⁹ New Hampshire H. 1144

⁶⁰ *Actions & Proposals to Balance the FY 2011 Budget: Motor Fuel and Vehicle Taxes/Fees*, National Conference on State Legislators, 2009. <
<http://www.ncsl.org/IssuesResearch/BudgetTax/FY2011ActionsandProposalstoBalancetheBudge/tabid/19653/Default.aspx>>

⁶¹ New Mexico H. 552 (2009)

⁶² New Mexico H. 345

⁶³ *Transportation Funding Legislation Search Database, National Conference on State Legislators, 2009.*
 <<http://www.ncsl.org/?tabid=13597>>

⁶⁴ North Carolina S. 648 (2009)

⁶⁵ Triangle Business News, Triangle Counties Approve Transit Sales Tax,
<http://www.bizjournals.com/triangle/news/2012/12/14/triangle-transit-approves-sales-tax.html>

⁶⁶ Childress, Greg. Times-News, Orange County Approves Transit Sales Tax, Nov. 7, 2012.
<http://www.thetimesnews.com/news/region-state/orange-county-approves-transit-sales-tax-1.45102>

⁶⁷ North Carolina H. 148 (2009)

⁶⁸ North Dakota S. 2012 (2009)

⁶⁹ Ohio H. 114 (2011)

allows the Department of Transportation to construct and operate toll projects at locations first approved by the Director of Transportation and subsequently approved by the Ohio Transportation Finance Commission, which the act creates.⁷⁰

- **Oklahoma:** In 2012, lawmakers approved legislation that increased in three increments the percentage of those fees collected under the Oklahoma Vehicle License and Registration Act that is allocated to the County Improvements for Roads and Bridges Fund, reaching 20 percent for the year beginning July 1, 2014 and all subsequent years.⁷¹
- **Oregon:** In 2011, lawmakers approved legislation requiring persons operating electric motor vehicles and plug-in hybrid electric motor vehicles to pay vehicle road usage charge.⁷² In 2009, state lawmakers approved a six-cent motor fuels tax increase to fund a \$1 billion transportation spending package.^{73, 74} In 2009 the Oregon legislature approved several vehicle ownership fee increases to fund transportation. For example, vehicle title fees were increased from \$55 to \$77. Vehicle registration fees were increased \$32 over two years.⁷⁵
- **Rhode Island:** In 2011, state lawmakers imposed additional vehicle registration surcharges and driver's license fees to support a new fund established to pay for transportation infrastructure.⁷⁶ In 2009, the state budget raised the state gasoline tax from \$0.30 to \$0.32 per gallon.⁷⁷
- **South Dakota:** In 2012, lawmakers approved raising vehicle registration fees in two stages. Registration fees would rise from \$42 to \$51 per year in 2011 then to \$60 in 2013. The bill also raised registration fees for motor homes, travel trailers and motorcycles.⁷⁸
- **Texas:** In 2011, lawmakers approved legislation known as the Texas DOT Sunset bill, which (among other things) limits TxDOT's Public-Private Partnership authority to certain projects.⁷⁹ In 2011, lawmakers also approved legislation that would allow toll projects to be owned by a local toll project entity in perpetuity.⁸⁰ In 2011, lawmakers approved legislation that would allow public-private partnerships for a ferry, mass transit, vehicle parking or port facility. This excludes financing, design, construction, maintenance or operation of a highway on the state highway system.⁸¹ In 2011, lawmakers enacted legislation that authorized the DOT to enter into design-build contracts with a construction cost estimate of \$50 million or more. In 2010, Texas State House Speaker Joe Straus appointed a committee to (among other things) consider the “air,

⁷⁰ Ohio H. 2 (2009)

⁷¹ Oklahoma H. 2249 (2012)

⁷² Oregon H. 2001 (2011)

⁷³ *Jobs and Transportation Act 2009*, Oregon Office of the Governor, State of Oregon, 2009.

<http://governor.oregon.gov/Gov/docs/Jobs_Transp_Act_2009.pdf?ga=t>

⁷⁴ *Tax Measures Help Balance State Budgets: A Common and Reasonable Response to Shortfalls*, Center for Budget and Policy Priorities, July 9, 2009. <<http://www.cbpp.org/cms/index.cfm?fa=view&id=2815>>

⁷⁵ Pinomesa, Jose, “Cost of Owning a Vehicle in Oregon to Soar”, Oregon Business Report, Sept. 17, 2009.

<http://oregonbusinessreport.com/2009/09/cost-of-owning-a-vehicle-in-oregon-to-soar/>

⁷⁶ Rhode Island H. 5894 (2011)

⁷⁷ Rhode Island H. 5983 (2009)

⁷⁸ South Dakota H. 1192 (2011)

⁷⁹ Texas S. 1420 (2011)

⁸⁰ Texas S. 19 (2011)

⁸¹ Texas S. 1048 (2011)

ground, and rail transportation needs of rural Texas and analyze the effect on economic development."⁸² Recommendations from this committee can be found here:

<http://texas2030committee.tamu.edu/>

- **Utah:** In 2011, lawmakers approved shifting 30% of the growth in sales-tax revenue (based on Fiscal Year 2011) from the General Fund to the Centennial Highway Fund or the Transportation Investment Fund of 2005. The shift is about \$60 million per year beginning in FY 2013.⁸³ In 2009, legislators increased the motor vehicle registration fee by \$20, which is projected to generate about \$53 million per year.⁸⁴
- **Vermont:** In 2009, lawmakers approved comprehensive legislation that did the following: tied the gasoline tax to the rate of inflation starting in 2012; created a transportation infrastructure bond fund; raised the gasoline tax by 5 cents; gave the treasurer the authority to issue bonds for transportation infrastructure purposes.⁸⁵ In 2009, vehicle registration fees were increased from \$60 to \$65, generating an estimated \$1.7 million.⁸⁶
- **Virginia:** In 2011, lawmakers created the Virginia Transportation Infrastructure Bank to fund transportation projects. Legislation required that up to 20 percent of funds in this newly created infrastructure bank was to be used to make grants or interest rate subsidies to localities for transportation projects, and the remainder was to be used to make loans to private or public entities for transportation projects.⁸⁷
- **Washington:** In 2011, lawmakers passed a bill that allowed the King County Council to implement a \$20 per vehicle local option fee levied only in King County. The King County Council was responsible for deciding how the fee would be imposed.⁸⁸ In 2009, lawmakers enacted a law that increases the \$50 document fee charged with new vehicle purchases to \$150 starting July 1, 2009 (expires in five years).⁸⁹ In 2009, lawmakers approved legislation that would impose tolls on the existing State Route (SR) 520. The tolling authority is allowed to increase the toll rates as necessary to reflect inflation and meet the payments on the bonds.⁹⁰
- **West Virginia:** In 2010, lawmakers approved legislation that grants counties the authority to impose, administer, collect and enforce payment of voter-approved user fees to pay for or finance the cost of transportation projects within their counties.⁹¹ In 2009, legislation was enacted that expanded design-build construction and financing options and authorized the

⁸² Texas Legislature, Interim Committee Charges (2010)

⁸³ Utah S. 229 (2011)

⁸⁴ *Tax Measures Help Balance State Budgets: A Common and Reasonable Response to Shortfalls*, Center for Budget and Policy Priorities, July 9, 2009. <<http://www.cbpp.org/cms/index.cfm?fa=view&id=2815>>

⁸⁵ Vermont H. 438 (2009)

⁸⁶ News Releases, Change to one vehicle registration sticker and DMV fee increases go into effect July 1st, July 19, 2009. <http://www.vermont.gov/portal/government/article.php?news=1132>

⁸⁷ Virginia S. 1446 (2011)

⁸⁸ Washington S. 5251 (2011)

⁸⁹ *FY 2010 Actions & Proposals to Balance the FY 2010 Budget: Motor Fuel and Vehicle Taxes/Fees*, National Conference on State Legislators, 2009. <http://www.ncsl.org/?tabid=17250>

⁹⁰ Washington H. 2211 (2009)

⁹¹ West Virginia S. 352 (2010)

continuance of three pilot projects, and further authorizes up to ten design-build projects. Over three years, \$150 million was authorized to fund these projects.⁹²

⁹² West Virginia S. 352 (2010)

Listed on the next several pages are *proposed* statewide initiatives that were pursued within the past five years to increase investment for transportation.⁹³ These were not passed, not signed into law by the Governor, and/or not approved by voters.

- **Alabama:** In 2010, legislation was proposed that would have granted county commissioners the authority to call for a referendum to levy an excise tax on motor fuel not to exceed five cents per gallon for previously specified county road projects. Alabama SB 229 required that such an excise tax could only be authorized for a period of up to five years unless a subsequent local referendum was called asking that the levy be renewed. This bill was not enacted into law.⁹⁴ In 2010, lawmakers proposed legislation that would use funds derived from fees and taxes from the use and operation of motor vehicles and motor vehicle fuels for public transportation.⁹⁵
- **Alaska:** In 2011, legislation was introduced to define the Alaska Transportation Infrastructure Fund (ATIF), how it would be funded and where the funds would be spent.⁹⁶ In 2010, lawmakers considered legislation that would authorize the transfer of \$1 billion from the General Fund to the Alaska Transportation Infrastructure Fund. This bill was not enacted into law.⁹⁷ In 2010, state lawmakers considered legislation that would have allowed for the expiration of a repeal of the motor fuels tax. This bill would have raised an additional \$40 million for transportation investment. This bill was not enacted into law.
- **Arizona:** In 2008, lawmakers proposed allowing for the establishment of tolling authorities to construct, finance, operate and maintain public highways and tollways. (A municipality can form a tolling authority, but has to hold a public hearing to do so).⁹⁸ In 2011 and 2012, lawmakers proposed providing for a vehicle mileage tax of one cent per mile driven by electric vehicles on highways in the state. This legislation would also provide for an increase in the tax rate based on the GDP price deflator.⁹⁹
- **Arkansas:** In 2009, state legislators created a Blue Ribbon Committee on Highway Finance to explore possible revenue and financing alternatives and to recommend and secure \$300 million a year in new funding.¹⁰⁰
- **California:** In 2011 a bill was introduced in the California legislature to initiate a pilot program to harness roadway vibration and convert it to energy. Electricity stored in roadside batteries could power traffic signs and signals, or be sold directly to utility companies for additional revenue. A 0.6 mile single-lane stretch of roadway can generate up to 44 megawatts of

⁹³ Chart from previous page adapted from "Findings and Analysis" Texas Transportation Funding Challenge, Dye Management Group, Inc., 2009 and "Paying Our Way" A New Framework for Transportation Finance, National Surface Transportation Infrastructure Financing Commission, 2009; "A Guide to Transportation Funding Options", University Transportation Center for Mobility, TTI, 2009.

⁹⁴ Alabama S. 229 (2010).

⁹⁵ Alabama H. 116 (2010)

⁹⁶ Alaska H. 30 (2011)

⁹⁷ Alaska H. 229 (2010).

⁹⁸ Arizona S. 1420 (2008)

⁹⁹ Arizona H. 2603 (2011)

¹⁰⁰ Arkansas H. 1551 (2009)

electricity in a year, enough to power 30,800 homes.¹⁰¹ In 2008, legislation was proposed that would allow the Metropolitan Transportation Commission to charge an additional \$1 for registration fees for vehicles under its jurisdiction for implementing congestion management strategies within its region. This bill was vetoed by the Governor.¹⁰² In 2008, legislation was proposed to create the California Transportation Financing Authority. The Authority would assist other transportation agencies to obtain financing by issuing bonds backed by specific resources in order to finance certain transportation projects. In order to do this, the bill authorizes the Authority to allow agencies to charge tolls for the transportation facilities constructed.

- **Colorado:** Legislation was introduced that would have allowed the Colorado Tolling Enterprise Board to designate any part on I-70 between the Eisenhower Tunnel and Floyd Hill a toll highway.¹⁰³
- **Connecticut:** In 2009, legislators proposed raising the state motor fuels tax five cents to \$0.30 cents per gallon. This bill did not pass.¹⁰⁴ In 2012, legislators proposed a bill that would have required the Department of Economic and Community Development, in consultation with the Department of Transportation, to conduct a study on the possibility of entering into public-private partnerships to (1) construct a tunnel from a point to be determined in the southern part of the state to Long Island, and to (2) construct an upper level on I-95 in Fairfield County that would include tolls.
- **Florida:** In 2012, legislators attempted to create the "State Revenue Enhancement Act of 2012." This would have allowed the Department of Economic Opportunity to sell naming rights and lease space for commercial advertising to be displayed on any state-owned transportation facility or property, including, but not limited to, the Florida Turnpike and other roads and highways, highway lanes, on-ramps and off-ramps, road rights-of-way, toll facilities, buildings, barriers, parks, rest areas and railways. This legislation would have required each name or advertising display to be approved by the Florida Turnpike Enterprise or the Department of Transportation before installation. Revenue would have been allocated as follows: 80 percent to the State Transportation Trust Fund, 10 percent to the Department of Economic Opportunity, and 10 percent to district school boards for driver education programs.¹⁰⁵ In 2009, legislation was proposed that would raise license fees for motor vehicles, mopeds, motorcycles, mobile homes, trucks and tractors by an average of \$5. This bill did not pass.¹⁰⁶
- **Georgia:** In 2010, legislation was proposed to divide the state into 12 separate regions and each region would then vote on a one-cent state sales tax increase to fund transportation projects.

¹⁰¹ CNet Reviews, California Highways could be a source of green energy, Apr. 26, 2011.
http://reviews.cnet.com/8301-13746_7-20057632-48.html

¹⁰² California S. 1731 (2008)

¹⁰³ Colorado S. 213 (2011)

¹⁰⁴ Connecticut S. 999 (2009)

¹⁰⁵ Florida, H. 185 (2012)

¹⁰⁶ Florida H. 869 (2009)

This bill failed.¹⁰⁷ In 2008, legislation was also proposed to raise the sales tax statewide by 1 percent to fund transportation projects; this bill also failed.¹⁰⁸ However, subsequent legislation passed in 2011 and appeared before voters in the 2012 elections where it passed in only three of the 12 regions.

- **Hawaii:** In 2011, lawmakers considered raising vehicle registration fees from \$25 to \$45. This bill was passed out of Committee but was not scheduled for a vote.¹⁰⁹ Lawmakers also considered, but did not pass, legislation that would increase the state motor fuels tax by 10 cents. In 2011, lawmakers considered legislation that would have established the land transportation modernization special fund.¹¹⁰ In 2009, lawmakers proposed raising the state fuel tax 10 cents to 27 cents per gallon of gasoline and raising the vehicle registration fees to \$45. This bill did not pass.¹¹¹ Legislation was also introduced that would allow the Department of Transportation to enter into public-private partnerships for the transport of people or goods via one or more modes of transport, whether involving highways, boats, vessels, inter-modal or multi-modal systems, or any other mode of transportation.¹¹² In 2008, legislation was introduced that would have authorized the construction of a reversible high-occupancy toll (HOT) lane on Oahu. The reversible HOT lane would also incorporate an in-town bus rapid transit that would connect the University of Hawaii at Manoa and downtown Honolulu.¹¹³ In 2012, legislators defeated a bill that would have increased the vehicle weight tax and repealed the state fuel tax.¹¹⁴
- **Idaho:** Legislation was introduced that would have increased registration fees for trucks weighing no more than 8,000 pounds, all commercial vehicles, noncommercial vehicles, and on all farm vehicles. This law would have also raised the gasoline tax from 25 cents to 28 cents per gallon.¹¹⁵
- **Illinois:** In 2009, lawmakers proposed an eight-cent increase in the state's 19-cent a gallon motor fuel tax. The bill did not pass.¹¹⁶
- **Indiana:** In 2011, legislation was introduced that would have imposed an annual electric motor vehicle highway maintenance fee of \$100 on each electric motor vehicle registered in the state.¹¹⁷ In 2009, legislation was proposed that would have allowed counties to create regional transportation districts and charge either .25% or .05% on the adjusted gross income of county taxpayers.¹¹⁸ In 2012, a bill was introduced that would have authorized the department of transportation and the board of a regional transportation authority to develop a pilot program to explore alternatives to the motor fuel tax for funding the state highway system. The pilot may

¹⁰⁷ Georgia H. 1218 (2010).

¹⁰⁸ Georgia H. 1139 (2008).

¹⁰⁹ Hawaii H. 1101 (2011) ; Hawaii S. 1311 (2011)

¹¹⁰ Hawaii S. 1131 (2011)

¹¹¹ Hawaii S. 1611 (2009)

¹¹² Hawaii H. 139 (2009)

¹¹³ Hawaii H. 3003 (2008)

¹¹⁴ Hawaii, S. 2346 (2012)

¹¹⁵ Idaho H. 689 (2008)

¹¹⁶ Illinois H. 1 (2009)

¹¹⁷ Indiana H. 1243 (2011)

¹¹⁸ Indiana H. 1660 (2009)

include a program that tests technology and methods for: (1) identifying motor vehicles; (2) collecting and reporting the number of miles traveled by a particular vehicle; and (3) receiving payments from participants in the pilot program.¹¹⁹

- **Iowa:** In 2012, legislators proposed a bill that, among other things, would have increased the fee for new registration of vehicles from five percent to six percent of the purchase price of the vehicle, and for leased vehicles, from five percent to six percent of the leased price of the vehicle. It would also have increased annual registration fees for hybrid vehicles and mixed-fuel vehicles by \$50, and increased annual registration fees for alternative fuel vehicles, fuel cell vehicles, and plug-in electric vehicles by \$100, for vehicle registration years beginning on or after January 1, 2013. In addition, this legislation would have increased the state fuel tax from \$0.20 per gallon in fiscal year 2012/13 to \$0.24 per gallon in FY2013/14 and to \$0.28 per gallon starting in FY2014. Finally, this legislation would have indexed the state diesel tax from \$0.225 in FY2012/13 to \$0.265 in FY2013/14 and \$0.305 starting in FY2014. However, biodiesel and biodiesel blended fuel would have continued to be taxed at \$0.225 per gallon under this proposal.¹²⁰ Also, in 2012, legislators considered a bill that would have increased the excise tax on motor fuel and diesel by up to five cents per gallon beginning Jan. 1, 2013, and by up to an additional five cents beginning Jan. 1, 2014.¹²¹ In 2008, a bill was introduced that would have increased the state motor fuels tax by four cents in 2009 and another four cents in 2010. This bill was introduced and referred to the House Transportation Committee. This bill was not enacted into law.¹²²
- **Kansas:** In 2010, lawmakers introduced a bill that would have also increased motor fuel tax rates by four cents starting on January 1, 2013 and an additional three cents starting January 1, 2014.¹²³ In 2012, legislators introduced a bill that would have imposed an electricity highway fee on electricity sold at motor vehicle recharge locations. The amount of the fee would be comparable to the motor fuel tax and would be determined by the Department of Transportation and approved by the Kansas Corporation Commission. Revenues were allocated to motor vehicle fuel tax refunds, the State Highway Fund, the Special City and County Highway Fund, and the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund. The bill was amended and was passed but only directed the department of transportation to organize a discussion with the public and all interested stakeholders about the long-term feasibility of relying on the motor fuel tax as the primary mechanism of funding the state's highway maintenance and construction program and as the major contributor of state aid to local government transportation budgets. The bill required a report of findings and policy recommendations to the governor and the legislature by Jan. 1, 2014.¹²⁴

¹¹⁹ Indiana H. 1356 (2012)

¹²⁰ Iowa H. 547 (2012)

¹²¹ Iowa S. 2224 (2012)

¹²² Iowa SSB 1182 (2008)

¹²³ Kansas s. 498 (2010)

¹²⁴ Kansas H. 2455 (2012)

- **Kentucky:** Lawmakers proposed establishing the Kentucky Public Transportation Infrastructure Authority. This proposed authority would have had the power to evaluate potential projects; require that projects be proposed by a local government and approved by the department; permit tolling, establish requirements for level of tolling, etc.¹²⁵
- **Maine:** In 2009, legislation would have called for adding a \$0.05 surcharge on to the gasoline tax for two years beginning July 1, 2009.¹²⁶
- **Maryland:** In 2012, lawmakers proposed an additional motor fuel tax (sales and use tax equivalent rate) on all fuels except aviation gasoline and turbine fuel, based on the retail price of gasoline. This legislation would have imposed a two percent tax rate in FY 2013, which would have increased by two percent each year beginning in FY 2014, up to a maximum rate of six percent.¹²⁷ In 2011, lawmakers considered legislation that would have authorized the State Highway Administration to sell or lease to a private entity the naming rights for all or part of a State highway.¹²⁸ In 2011, lawmakers proposed distributing 25% of the funds from the sales and use tax on gasoline in Montgomery County to the Mass Transit Facility Revenue Account of the Transportation Trust Fund. The transfer would be paid for through the increase in the fuel sales and use tax increase based quarterly on the average of the selling price during the previous quarter.¹²⁹ Lawmakers proposed in 2011 to amend the Maryland Constitution to include the Transportation Trust Fund and establish rules for its operation and funding.¹³⁰ In 2010, lawmakers proposed legislation that would raise the motor fuels tax rate from 23.5 cents to 33.5 cents beginning in 2013. After 2013, the motor fuels tax would be indexed to the Construction Cost Index. This legislation failed to be considered for a general floor vote.¹³¹ Lawmakers in 2010 proposed, but did not pass, legislation that would increase the motor fuel tax by two cents per gallon each year from 2011 to 2014. Also, in 2012 a bill was introduced that would have increased the state motor fuel tax rate for all fuels except aviation gasoline and turbine fuel by 15 cents per gallon, phased in over three years. Beginning July 1, 2015, legislation would have indexed these tax rates to the Construction Cost Index (CCI) and limited the increase due to indexing to two cents per gallon in each fiscal year.¹³²
- **Massachusetts:** In 2011, lawmakers considered creating a pilot project to study the challenges of implementing a vehicle-miles traveled fee.¹³³ In 2011, lawmakers considered legislation that would have increased registration fees for all motor vehicles by as much as \$30 by 2013. The bill would have also allowed the registrar of motor vehicles to further raise any other passenger or commercial motor vehicle fees.¹³⁴ Legislation was also proposed in 2010 that would have raised

¹²⁵ Kentucky S. 15 (2009)

¹²⁶ Maine H. 1042 (2009)

¹²⁷ Maryland H. 1302 (2012)

¹²⁸ Maryland H. 1186 (2011)

¹²⁹ Maryland S. 451 (2011)

¹³⁰ Maryland S. 714 (2011)

¹³¹ Maryland S. 714 (2011)

¹³² Maryland H. 1388 (2012)

¹³³ Massachusetts H. 2660 (2011)

¹³⁴ Massachusetts S. 2660 (2011)

the vehicle inspection fee from \$29 to \$35. This legislation failed.¹³⁵ In 2010, Governor Deval Patrick proposed increasing the gas tax by 19 cents while the Legislature proposed increasing the state tax rate on fuel by 1.25 percent. Neither bill passed.¹³⁶

- **Michigan:** In 2011, lawmakers proposed creating a governmental authority for new international trade crossings. This bill would have authorized procurement, design, finance, construction, maintenance, operation, improvement and repair of new international bridges and approaches.¹³⁷ In 2010, lawmakers introduced legislation that would increase the motor fuels tax from 19 cents per gallon to 21 in 2010 and then 27 cents in 2013. This bill failed in Committee.¹³⁸ In 2010, legislation was proposed that would have increased the tax paid by licensed motor carriers from 15 to 19 cents per gallon and would have eliminated a lower tax rate of 12 cents per gallon for diesel fuel that contains at least 5 percent biodiesel. This bill failed.¹³⁹ Legislation in 2008 would have allowed counties to have a measure on the ballot in order to raise vehicle registration fees not more than 20 percent. This bill failed.¹⁴⁰
- **Minnesota:** In 2012, legislators proposed requiring toll revenue collected from high-occupancy toll (HOV) facilities to be used only for transportation capital improvements within the MnPASS system (and would have repealed an existing requirement that allowed some of these funds to be used for transit improvements).¹⁴¹
- **Missouri:** Legislation was introduced that would have authorized the DOT to construct, maintain and operate toll facilities on the state highway system. The DOT would be authorized to issue state toll facility revenue bonds to finance toll facility projects authorized by the General Assembly.¹⁴²
- **Mississippi:** In 2011, legislation was proposed that would have defined an electric vehicle, imposed an annual tax on electric vehicles in addition to any other taxes for which the vehicle is liable, provide that the tax shall be paid to the county tax collector at the same time and in the same manner as the annual highway privilege tax is paid and provide that the amount of the tax shall be equal to one-half cent per mile for the number of miles that the electric vehicle has traveled during the preceding year.¹⁴³
- **Montana:** In 2011, legislation was proposed to authorize public-private partnerships for transportation, water, or wastewater, public buildings, or any other public facility. This bill was read in the Senate but was not passed.¹⁴⁴

¹³⁵ Massachusetts S. 2051 (2010)

¹³⁶ *FY 2010 Actions & Proposals to Balance the FY 2010 Budget: Motor Fuel and Vehicle Taxes/Fees*, National Conference on State Legislators, 2009. <http://www.ncsl.org/?tabid=17250>

¹³⁷ Maine S. 410 (2011)

¹³⁸ Michigan H. 5769 (2010)

¹³⁹ Michigan S. 862 (2010)

¹⁴⁰ Michigan S. 6325 (2008).

¹⁴¹ Minnesota S 2597 (2012)

¹⁴² Missouri S. 585 (2010).

¹⁴³ Mississippi H. 796 (2011)

¹⁴⁴ Montana H. 563 (2011)

- **Nebraska:** Legislation was proposed in 2011 that would have raised the current 7.5 cents per gallon motor fuels tax to 11 cents in October 2011 and hiked again in October 2012 to 15 cents per gallon. This bill was not enacted into law.¹⁴⁵ In 2010, legislation was proposed that would have increased the motor fuel tax by five cents. This bill failed.¹⁴⁶
- **New Hampshire:** In 2011, legislation was proposed to create a State Infrastructure Bank.¹⁴⁷ Legislation was proposed in 2009 that would have increase the state motor fuel tax to \$0.19 per gallon beginning July 1, 2010. This bill would have also allowed the Commissioner of Safety to increase the tax every year thereafter to account for inflation. This bill failed.¹⁴⁸ Also introduced in 2009, HB 628 would have created a new sales and use tax for personal property over \$9,999, where ten percent of the revenue collected from the tax would have to be deposited in a special mass transit fund to be used to establish, improve, or expand public transportation services. This bill failed in the House.¹⁴⁹ Legislation was introduced in 2010 that would have raised the state gasoline tax from \$0.18 a gallon to \$0.23 a gallon beginning July 1, 2009; from \$0.23 per gallon to \$0.28 per gallon beginning May 1, 2010; and, to \$0.33 per gallon beginning May 1, 2011. This bill failed in Committee.¹⁵⁰
- **New Jersey:** In 2012, lawmakers introduced a bill that would have directed the New Jersey Turnpike Authority to study and report on potential opportunities for generating revenue by providing additional services -- including but not limited to business, commercial or retail services -- at rest areas and service plazas along the New Jersey Turnpike and the Garden State Parkway.¹⁵¹ The bill is *pending* at the time of this writing (November, 28, 2012).
- **New York:** In 2008, legislation was proposed that would have authorized the City of New York to develop and implement a plan to deal with congestion through pricing and other means within certain zones in the city. This bill failed.¹⁵²
- **North Carolina:** In 2009, lawmakers proposed establishing a motor fuel tax rate floor at 12.4 cents per gallon. The motor fuel tax had previously been set to fall by two cents in 2009. This bill failed.¹⁵³
- **Ohio:** Lawmakers proposed legislation that would have created 24 transportation innovation authorities throughout the state that will allow the public and private sectors to partner on the construction and operation of transportation projects such as rail, road or interchanges. This bill did not pass.¹⁵⁴

¹⁴⁵ Nebraska LB 504 (2011)

¹⁴⁶ Nebraska LB 796 (2010)

¹⁴⁷ New Hampshire S. 159 (2011)

¹⁴⁸ New Hampshire S. 125 (2009)

¹⁴⁹ New Hampshire H. 628 (2009)

¹⁵⁰ [New Hampshire H. 644 \(2010\)](#)

¹⁵¹ New Jersey A. 1279 (2012)

¹⁵² *Transportation Funding Legislation Search Database*, National Conference on State Legislators, 2009.

<<http://www.ncsl.org/?tabid=13597>>

¹⁵³ North Carolina S. 200 (2009)

¹⁵⁴ Ohio H. 166 (2010)

- **Oklahoma:** From 2008 to 2011, no strategies for raising revenue for transportation were seriously considered. In 2005, voters overwhelmingly rejected a measure that would have raised a motor fuels tax on gasoline by five cents and diesel by eight cents.¹⁵⁵
- **Oregon:** In 2011, Legislation that would have created a vehicle miles traveled tax for hybrid vehicles was proposed but was not enacted into law.¹⁵⁶ That same year, legislation proposed that would have established a tax on motor vehicle rentals (2.5 percent of the total rental value). Revenue would have been sent directly to the State Highway Fund. However, this legislation was not enacted into law.¹⁵⁷ Finally, legislation was proposed that would have authorized the issuance of lottery bonds for transportation projects. However, this legislation was not enacted into law.
- **Pennsylvania:** Governor Rendell proposed a gasoline tax increase of 3.25-cents per gallon, raising the state gas tax from 31.25 cents to 34.5 cents, raising an additional \$200 million for new transportation infrastructure projects. This proposal was not considered by the legislature.¹⁵⁸ In 2012, legislators passed a measure that would have required counties to submit to voters in the 2013 primary election a referendum question allowing the county to levy one percent sales and use tax for a period of 10 years, for the purpose of funding transportation infrastructure projects. Of these funds, 25 percent was to be allocated to the state department of transportation for transportation infrastructure projects in the county in which the tax was generated, and the remaining 75 percent to the county. Of the county's share, 20 percent must be allocated to a municipal grant program to be used by municipalities for transportation infrastructure projects. This bill is *pending* as it must also pass the legislature in 2013.¹⁵⁹
- **South Carolina:** In 2008, HB 4549 would have shifted revenue generated from the sales tax on cars to the DOT for building and fixing roads in the state. The shift would have been phased in over a four-year period.¹⁶⁰
- **South Dakota:** In 2009, legislation was proposed to increase the motor fuel tax in two stages: from \$0.22 per gallon to \$0.27 per gallon on May 1, 2010; from \$0.27 per gallon to \$0.32 per gallon on May 1, 2012. This bill would have also increased the excise tax on motor fuel from three percent to three and one-half percent. This bill failed.¹⁶¹
- **Tennessee:** In 2010, a proposal from the governor to increase the driver's license fee from \$19.50 for five years (\$3.90 annually) to \$46.00 for eight years (\$5.75 annually) was not approved by lawmakers. This fee increase was expected to generate \$22 million in proceeds.¹⁶²

¹⁵⁵ Atkins, Chris. "Oklahoma Voters say 'No Thanks' to Gas Tax Increase", Tax Foundation, Sept. 15, 2005. <http://www.taxfoundation.org/blog/show/1062.html>

¹⁵⁶ Oregon H. 2328 (2011)

¹⁵⁷ Oregon H. 2545(2011)

¹⁵⁸ Mauricello, Tracie. "Rendell wants gas tax hike," Pittsburgh Post-Gazette, July 20, 2010. <<http://www.post-gazette.com/pg/10201/1073904-147.stm>>

¹⁵⁹ Pennsylvania H. 2598 (2012)

¹⁶⁰ South Carolina H. 4549 (2008)

¹⁶¹ South Dakota S. 1 (2009)

¹⁶² *FY 2010 Actions & Proposals to Balance the FY 2010 Budget: Motor Fuel and Vehicle Taxes/Fees*, National Conference on State Legislators, 2009. <http://www.ncsl.org/?tabid=17250>

- **Texas:** In 2011, legislation was proposed that would have developed a pilot program to test the framework for collecting a vehicle mileage fee for electric vehicles. In 2011, legislation was introduced that would allow counties to call an election to raise transportation-related funds. In 2011, legislation was proposed that would allow counties to call an election to raise transportation-related funds and would have permitted counties to raise revenue through: a county fuel tax, a local option mobility improvement fee, a new resident impact fee, a fee for license renewals, among others.¹⁶³ In 2011, legislation was introduced that would have allowed for the conversion of a non-tolled state highway or segment to a toll project.¹⁶⁴ In 2009, legislation was introduced that would have tied the gasoline tax to the producer price index, with the requirement that the gasoline tax could not increase or decrease more than five percent in one year.^{165,166} In 2009, legislation was proposed that would have created an agency specifically meant for supporting and advising governmental entities on the use of public-private partnerships.¹⁶⁷
- **Utah:** Lawmakers proposed, but did not pass, a 2012 bill that would have raised the gasoline tax by 0.75 cents every two years beginning in 2013.¹⁶⁸ In 2011, lawmakers also proposed imposing a fee on hybrid and electric cars so that they can “pay their fair share” of roadway use.¹⁶⁹
- **Virginia:** In 2012, legislation was proposed that would have provided additional funding for transportation by (i) imposing a motor fuels sales tax rate of four percent, phased in over four years, for highway maintenance, (ii) increasing the state sales tax in Northern Virginia by 0.5 percent for transportation projects in Northern Virginia, and (iii) increasing the recordation tax in Northern Virginia at a rate of \$0.40 per \$100 valuation. This legislation failed to advance out of Committee.¹⁷⁰ In 2012, lawmakers rejected legislation that would have increased the motor fuels tax rate by \$0.10 per gallon and dedicated the additional revenue to the operation, maintenance, improvement and expansion of the state's transportation system.¹⁷¹ They also rejected a bill that would have provided additional funding for transportation by imposing on fuel distributors a "transportation infrastructure user fee" of four percent of the sales price of fuel, phased in over four years and indexed each year thereafter to the U.S. Department of Labor's Producer Price Index for Highway and Street Construction. It also would have established a 0.5 percent state sales tax, a 0.5 percent state use tax, and a "regional congestion relief fee" in Northern Virginia for transportation projects in the region.¹⁷² Further, lawmakers also rejected a bill that would have provided transportation funding and administration in Hampton Roads, Northern Virginia, the Richmond Highway Construction District, and the

¹⁶³ Texas H. 3092 (2011)

¹⁶⁴ Texas H. 3789 (2011)

¹⁶⁵ Texas S. 217 (2009)

¹⁶⁶ Texas H. 1669 (2011)

¹⁶⁷ Texas H. 1815 (2009)

¹⁶⁸ Utah S. 239 (2011)

¹⁶⁹ Adams, Andrew, “Lawmakers Consider Fee for Hybrid and Electric Cars”, Deseret News, May 3, 2011.

¹⁷⁰ Virginia H. 1892 (2011)

¹⁷¹ Virginia H. 393 (2012)

¹⁷² Virginia H. 422 (2012)

Staunton Highway Construction District. The amount of funding was based on (1) for Northern Virginia, a portion of the growth in certain state tax revenues generated or facilitated by certain airports; (2) for Hampton Roads, a portion of the growth in certain state tax revenues generated or facilitated by the marine terminals in Hampton Roads; (3) for the Staunton Highway Construction District, a portion of the growth in certain state tax revenues generated or facilitated by the Inland Port at Front Royal; and, (4) for the Richmond Highway Construction District, a portion of the growth in certain state tax revenues generated or facilitated by the Port of Richmond.¹⁷³ Also in 2012, lawmakers rejected a bill that would have created the FareShare Road Relief Act. This act would have imposed a Virginia Pump Toll ("FareShare"), in the amount of \$0.50 on each use of a retail motor fuels pump and an additional \$0.50 when purchasing 35 or more gallons; \$1.00 on each 12-gallon sale of gasoline (other than for resale) from a transport truck or tank wagon and on each 60-gallon sale of diesel fuel (other than for resale) from a transport truck or tank wagon; an amount to be determined by the Commissioner of the Department of Motor Vehicles on the bulk purchase of clean fuel other than electricity at a rate equivalent to \$1.00 times the volume of clean fuel required to fill the average size fuel tank to three-quarters full. In 2011, lawmakers proposed, but did not pass, legislation that would have increased the motor vehicle sales and use tax by one-half percent and the motor vehicle rental tax by one percent. These funds would have been directed to the Rail Enhancement Fund, the state Transportation Trust Fund, and the Highway Maintenance and Operating Fund.¹⁷⁴ In 2008, legislation was proposed that would have increased the state's sales and use tax to 4.5 percent. The additional revenue would have solely been used for transportation purposes. This bill did not pass.¹⁷⁵ That same year, legislation was proposed that would allow counties to tax food and beverage without a referendum, with revenue generated from the tax to be used solely for transportation purposes. This bill also failed.¹⁷⁶ Legislation was also proposed that would fund statewide and regional transportation by increasing registration fees by \$10 and by establishing a statewide 1 percent sales tax. This legislation also failed.¹⁷⁷ In 2008, lawmakers also proposed, but did not pass, legislation authorizing a 6-cent per gallon motor fuel tax increase in increments of 1 cent per gallon for the next six years. This bill would have also increased the state retail sales and use tax by 0.25 percent, increase the motor vehicles sales and use tax by 0.5 percent, and increase the retail sales tax in Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park counties by 0.5 percent.¹⁷⁸ Legislators also proposed adding \$100 to driver's license fees for residents of the Northern Virginia Transportation Authority for funding capital projects in the region in 2008. This bill would have increased the fee imposed on all vehicles registered and inspected in certain counties by \$20. This bill would have also allowed a county that has a population over 500,000

¹⁷³ Virginia H. 723 (2012)

¹⁷⁴ Virginia S. 1242 (2011)

¹⁷⁵ Virginia H. 6012 (2008)

¹⁷⁶ Virginia H. 6017 (2008)

¹⁷⁷ Virginia H. 6026 (2008)

¹⁷⁸ Virginia S. 6009 (2008)

or any city contiguous to such an adjacent county or city, or any city with a population of at least 265,000 to raise the local income tax by 0.25 percent for transportation purposes. This legislation failed.¹⁷⁹ Finally, legislators that same year proposed, but did not pass, a bill that would have increased the motor vehicle titling tax by 0.75 percent. This bill would have also created a recapture index on the 17-cent per gallon gasoline tax over the next nine years;¹⁸⁰ and \$0.50 on each sale of clean fuel at an electric vehicle charging service facility.¹⁸¹

- **Washington:** This year, Washington State lawmakers considered a tax that would place a \$100 fee on electric cars. This bill was not passed in a floor vote.¹⁸² In 2012, lawmakers also failed to pass a bill that would have made several fee increases, including vehicle dealer documentary service and license fees; license plate fees; title fees; and other DMV fees.¹⁸³ Lawmakers in 2008 proposed, but did not pass, legislation that would have increased the tax on motor vehicles by an amount based on the vehicle's EPA fuel economy rating in order to offset their effect on global warming. For instance, vehicles with an EPA Fuel Economy Rating of 10 or fewer MPG have to pay an additional \$240, while a vehicle getting 49 or more MPG have to pay an additional \$40.¹⁸⁴
- **Wisconsin:** In 2010, legislation was proposed that would have authorized a 0.5 percent sales tax increase in Milwaukee County for transit related purposes. This bill did not pass.¹⁸⁵
- **Wyoming:** Earlier this year, lawmakers considered increasing the state gas tax by ten cents, from 14 cents to 24 cents over the next three years. This move would have generated an additional \$73 million per year for transportation funding.^{186,187} This bill failed on the house floor.

¹⁷⁹ Virginia H. 6042 (2008)

¹⁸⁰ Virginia S. 6010 (2008)

¹⁸¹ Virginia H. 802 (2012)

¹⁸² Washington S. 5251 (2011)

¹⁸³ Washington S. 6455 (2012)

¹⁸⁴ Washington S. 6923

¹⁸⁵ Wisconsin A. 723 (2010)

¹⁸⁶ Wyoming H. 22 (2011)

¹⁸⁷ Barron, Joan. "Wyoming Gas Tax Hike Clears Committee", Trib.com, Jan. 19, 2011. http://trib.com/news/state-and-regional/govt-and-politics/article_a0ec5685-93c2-590a-a8ff-7353d7da8dd4.html

CASE STUDIES FOR BUILDING PUBLIC SUPPORT FOR TRANSPORTATION

Over the last few years, states across the U.S. have sought varying strategies for increasing revenue for transportation. See below for specific examples of public awareness programs aimed at building public support for transportation investment.

Georgia Transportation Funding Campaign

On July 31, 2012, Georgians voted on a one-cent sales tax to invest in a list of transportation projects in 12 districts created by legislation authorized in 2010. If approved by voters within one of the 12 districts, that region would have implemented a one-percent sales tax increase for the list of projects. However, the Transportation Special Purpose Local Option Sales Tax (T-SPLOST) referendum was defeated in all but three of the 12 regions (the referendum passed in the Central Savannah River Area, the River Valley, and the Heart of Georgia Alabama region). While these three regions will collectively receive a total of \$2.1 billion in additional revenue to fund new transportation infrastructure projects, the overall failure left the future viability of transportation funding increases in question.

There's much speculation for why such an innovative transportation funding initiative failed. Some cite the poor selection of transportation projects by the Regional Planning Commissions that helped unlikely coalitions (such as a mix of the Georgia anti-tax groups, the NAACP, and the Sierra Club) to successfully rally opposition. Others suggest the 12 regions created were too large and not localized enough to build support. Some groups such as the anti-tax Atlanta Tea Party argued the case hadn't been made that government should be trusted to spend new tax revenues wisely, and that there was a clear lack of consensus on the projects that were selected or that the "bang for the buck" was too low.^{188,189} This may have been compounded by the fact that \$1 billion of the \$6 billion fund would have been allocated by local governments, much of it not specified during the pre-election period.¹⁹⁰ An Atlanta Journal-Constitution exit poll confirmed this assumption: 91 percent of those who voted against the T-SPLOST referendum said they distrusted the government to spend the funds wisely or to discontinue the tax when they promised. Finally, it's possible that such an initiative could have been more successful if it appeared on Nov. 6th ballot, when turnout of groups that tend to support tax increases is higher.¹⁹¹

Polling experts familiar with the T-SPLOST referendum outcome say that shortcomings in the communication strategy used played a significant role in the failed vote. Chris Allison, a writer and marketing strategist based in Atlanta, suggested that T-SPLOST's project list "only raised more

¹⁸⁸ Hart, Ariel. Atlanta Journal-Constitution. *Voters Reject Transportation Tax*, Jul. 31, 2012.

<http://www.ajc.com/news/news/state-regional-govt-politics/voters-reject-transportation-tax/nQXfq/>

¹⁸⁹ Hart, Ariel. Atlanta Journal-Constitution, *Does T-SPLOST pave way to metro Atlanta's economic future?* Jul. 8, 2012. <http://www.ajc.com/news/news/local/does-t-splost-pave-way-to-metro-atlantas-economic-/nQW6L/>

¹⁹⁰ Hart, Ariel and Paige Cornwell. Atlanta Journal-Constitution, *Public 'in the dark' on T-SPLOST \$1B*, Jun. 17, 2012. <http://www.ajc.com/news/news/state-regional-govt-politics/public-in-the-dark-on-t-splost-1b/nQWZR/>

¹⁹¹ Hart, Ariel. Atlanta Journal-Constitution. *Government distrust sank tax*, Aug. 2, 2012.

<http://www.ajc.com/news/news/local/government-distrust-sank-tax/nQXg7/>

questions” than provided answers. Without any clearly presented rationale for why projects were selected, voters were left questioning why some projects were selected over others. “This problem was compounded in the Atlanta region, where many of the people behind the list of projects were not considered traffic experts,” Mr. Allison wrote in his blog about the largely failed T-SPLOST vote. Poor rationale for project selection, the inability to address foreseeable objections clearly and effectively, and the omission of important details could have played a role in the failed T-SPLOST vote.¹⁹²

The District Department of Transportation (DC) Streetcar Plan

In 2009, the Washington D.C. Department of Transportation (DDOT) resurrected a discarded plan to build streetcar lines. To build support, DDOT created an “action agenda” that set clear goals and guidelines for a streetcar system. This communications tool created a common point of reference for all politicians to understand the department’s priorities. As a result, construction of the first streetcar line in D.C. is underway.¹⁹³

Kansas T-Works Program

Facing a growing need to gain support for “smart” infrastructure spending, the Kansas Legislature directed the Kansas Department of Transportation to create the Transportation Works for Kansas Program, or TWORKS. TWORKS is an \$8.2 billion, 10-year multimodal transportation program designed to preserve highway infrastructure and provide multimodal economic development opportunities across the state.

- Transportation officials first polled over 900 local leaders, construction companies, and consultants and then established working groups throughout the state.
- KDOT team leaders developed criteria for how future transportation funds should be spent.
- Under these criteria, potential transportation projects were “ranked” using a weighted formula that included an engineering analysis component, an economic impact component and recommendations from local officials.

Many transportation officials in Kansas credit the public participation component with convincing the state Legislature to approve a two-fifths cent sales tax increase to fund transportation improvements within the state.¹⁹⁴

Washington State Transportation Commission Initiative

In 2011, Washington State embarked on an ambitious effort to determine state transportation needs and public support to fund those improvements. In January 2013, the Commission will be launching a

¹⁹² Nebo, Why T-SPLOST Failed: A Marketing Blunder, <http://www.neboagency.com/blog/author/chris/>

¹⁹³ The Dirt. *Increasing Public Transport Use with Smart Campaigns*, Jun. 30, 2011.

¹⁹⁴ Kansas Department of Transportation, *TWORKS: Transportation Works for Kansas*, 2011. Accessed at http://www.tredis.com/images/stories/pdf-docs/panel_workshop/transportation%20planning%20workshop%20-%20kdot.pdf

test online discussion forum where participants can post ideas and comments as well as “vote” on posted ideas on transportation topics such as funding, transit, ferries, tolling, etc. This new way of obtaining input from citizens, referred to as the “Voice of Washington State,” will be fully launched for public use in June 2013.¹⁹⁵

2011 Washington State Transportation Commission Transportation Survey

In June 2011, the Washington State Transportation Commission conducted a poll to determine citizen attitudes about investing in transportation.¹⁹⁶ Some of the issues this poll addressed include:

- The level that citizens would be willing to tax/fee themselves to meet the state forecasted transportation needs
- Public’s general priorities for transportation investment
- What local projects are citizens interested in paying for?
- What statewide projects are citizens interested in paying for?
- Public’s perceived balance between funding for maintenance of existing roads and construction of new transportation projects.
- Basic understanding of how transportation projects are funded.
- Understanding the magnitude of the funding challenges for transportation projects.
- Understanding the urgency of accomplishing key transportation projects.
- Understanding what the Washington gas tax supports.
- How citizens would split funds between city/county/state projects.
- How citizens would allocate the available transportation funds to both current and future major projects
- Awareness and attitudes of the funding of Washington State Ferries (WSF) via the state gas tax.
- Given a set of limited revenue (tax/fee) sources how would citizens suggest legislators structure the funding/tax package?
- Attitudes towards tolling to pay for transportation projects

From this survey, several key findings emerged:

- Most residents do not see the transportation system’s needs or funding situation as immediately critical, however they still feel it is urgent to maintain an effective transportation system now and in the future.
- Even though most residents are not convinced that the immediate need is critical, a strong majority are still willing to consider raising “some transportation taxes & fees.” However, only 3 of the 9 specific revenue sources tested – electric vehicle fee, emissions fee, and tolling – receive majority support as ways to fund increased transportation investment.

¹⁹⁵ Voice of Washington, <http://www.voiceofwashingtonstate.org/>

¹⁹⁶ EMC Research and Washington State Transportation Commission, *2011 Statewide Transportation Survey*, http://www.infrastructureusa.org/wp-content/uploads/2011/11/2011_1129_surveykeyfindings.pdf

- Information about the urgency of the need is not effective in increasing support for new revenue. Describing the benefits of increased investment does increase support.
- Residents across the state place a high importance on maintenance and preservation and there are also clear regional priorities – e.g. transit, year round roads, and ferries.
- Tolling has majority support across the state – including Variable Tolls and Express Toll Lanes – and a majority favor using toll revenue to fund improvements within a travel corridor rather than just on the specific facility.
- Increased state funding for transit and passenger rail has strong support in most of the state.
- There is strong support for state funding of the ferry system, although initial support is primarily driven by strong numbers in the areas that rely on the ferry system.

Arkansas Amendment to Fund Surface Transportation

The state of Arkansas passed a constitutional amendment on the November 2012 general election ballot which is expected to raise \$1.3 billion over the 10-year life of the tax. This amendment proposed “a temporary one-half percent (.5%) sales and use tax for state highways and bridges, county roads, bridges other surface transportation, and city streets...” The state highway improvements listed on the ballot included construction and improvements to: four-lane roadways, bridges, tunnels, engineering and rights-of-way. The amendment included a provision that 10 percent of the funds will be allocated to cities for their use. The taxes will be levied on all tangible personal property and services with exclusions for food, food ingredients and medical expenses.¹⁹⁷

Colorado Pikes Peak Rural Transportation Authority

The Pikes Peak Rural Transportation Authority, established in 2004 by voters, was given the authority to levy a one-cent sales and use tax in El Paso County to be used for specific capital projects, maintenance projects, and metro transit improvements to be divided 55%, 35%, and 10% respectively. Because of this tax, the PPRTA has been able to complete half of their “A-List” projects.¹⁹⁸

The PPRTA was considered again in November 2012 to extend the tax increase for another 10 years, and passed by 72% of votes. The tax will renew in 2015 and will last through 2024, and create \$60 million in revenue¹⁹⁹. The extension of the penny sales tax will continue to help fund 150 transportation projects.²⁰⁰

¹⁹⁷ State of Arkansas, 88th General Assembly, Regular Session, 2011. “An Amendment to Provide Additional Funding for State Highways, County Roads, City Streets, Bridges, and other Surface Transportation” Accessed Dec. 5, 2012

[http://www.sos.arkansas.gov/elections/Documents/2012%20Proposed%20Initiatives%20and%20Referenda/Proposed_Constitutional_Amendment_1_\(HJR1001\).pdf](http://www.sos.arkansas.gov/elections/Documents/2012%20Proposed%20Initiatives%20and%20Referenda/Proposed_Constitutional_Amendment_1_(HJR1001).pdf)

¹⁹⁸ Pikes Peak Rural Transportation Authority. Last updated June 30, 2011. Accessed Dec. 5, 2012

<http://www.pprta.com/>

¹⁹⁹ American Road and Transportation Builders Association. 2012 Ballot Initiatives Report. Accessed Dec. 5, 2012

<http://www.artba.org/mediafiles/2012-ballot-results.pdf>

²⁰⁰ Stephens, Bob. Nov.6, 2011. Accessed Dec. 5, 2012 <http://www.gazette.com/articles/tax-146885-voters-percent.html>

North Carolina Transit Improvements

Orange County, North Carolina has approved a half-cent sales tax that will help fund public transportation projects generating \$5 million a year in revenue.²⁰¹ This includes a new and enhanced bus service, and express bus lane, an Amtrak station, and a proposed light rail connection.²⁰²

Houston's General Mobility Program

The General Mobility Program (GMP) in Houston, Texas has been a part of the Houston Metro program since 1988. The program was re-approved by voters in 2003 to improve regional mobility and decrease traffic congestion²⁰³. The GMP is funded by a 25% allocation from Houston METRO's one-cent sales tax revenue. These funds contribute to the construction and maintenance of:

- Streets and roadways
- Bridges and grade separation
- Traffic-control signals
- Sidewalks and bike trails
- Streetlights
- Drainage improvements related to transportation²⁰⁴

The GMP allocation was again approved in November of 2012, allowing the program to continue through 2025.

California Funding Measures^{205,206}

During the November 2012 election there were seven local transportation funding measures presented to California voters through ballot initiatives. Funding measures were passed in Capitola, Napa County, Paso Robles, and Salinas.

- Capitola: Measure O will increase the sales tax by a quarter-cent. The revenue will be used to pay for disaster relief and to maintain general county services, including public safety and street improvements. The measure was passed 50.8% to 49.2% and it is expected to generate \$900,000 annually.

²⁰¹ Childress, Gregory. Nov. 7, 2012 "Orange County approves transit sales tax" Accessed Dec. 5, 2012 http://www.heraldsun.com/view/full_story/20734271/article-Orange-County-approves-transit-sales-tax?

²⁰² Orange County Transit and ½-cent sales tax transit referendum. Last modified Oct. 24, 2012. Accessed Dec. 5, 2012 http://orangecountync.gov/planning/TransitPlan_TaxRef.asp

²⁰³ General Mobility. METRO. Accessed Dec. 5, 2012 <http://www.ridemetro.org/AboutUs/GeneralMobillity.aspx>

²⁰⁴ The METRO 2012 GMP Referendum. 2012. Accessed Dec. 5, 2012 <http://cost.tsu.edu/PDF/Announcements/SPO%20COMTO%20METRO%20Referendum%20Flyer.pdf>

²⁰⁵ Center for Transportation Excellence. *Transportation Ballot Measures for California*. <http://www.cfte.org/elections/312/napa-county>

²⁰⁶ American Road and Transportation Builders Association. *2012 Ballot Initiatives Report*. <http://www.artba.org/mediafiles/2012-ballot-results.pdf>

- Napa County: A 25-year, half-cent sales tax that is to be exclusively used for street and sidewalk repair and maintenance. This is part of the renewal of the current sales tax for flood control projects. It was passed 74% to 26% and garnered \$282 million for the county.
- Paso Robles: Increased local sales tax rate from one percent to 1.5 percent. The measure passed 58.9% to 41.1% and is expected to raise approximately \$36 million over a 12-year period.
- Salinas: Voters permanently extended a half-cent sales tax increase in place since 2006. This measure keeps the city's current sales tax rate of 7.75% unchanged. It passed 75.3% to 24.7% and is expected to garner \$10 million annually.

In Alameda County and Los Angeles County, similar funding initiatives were introduced but failed to pass due to not being able to reach a 2/3 majority. In Alameda, the ballots failed to pass by 0.5% and in Los Angeles County by 1.3%.

South Carolina Transit Improvements

Dubbed the “transportation penny”, voters passed an increase of a one-cent sales tax to support road improvements, expand the bus service, increase bike lanes, and develop greenways in Richland County, South Carolina. The referendum first came up in 2010; however, it was not approved. In November 2012, 53.6% of voters voted ‘yes’ to the sales tax increase.

The one-cent increase will generate over \$1 billion through 2025 with over half of the funds allocated to roadway improvements, and 25% reserved for bus service expansion by the Central Midlands Regional Transit Authority. Sales tax increases will be implemented from one cent to two cents on the dollar on groceries with the exception of items purchased with food stamps, or state/local tax-exempt items.^{207,208}

Michigan to Support Metro Transit

Kalamazoo, Michigan once again overwhelmingly voted yes (63%) to renew the 0.6 mill property tax to support Metro Transit bus system operations in the city through 2015. The property tax (or millage) was first passed in 1986, and has been renewed each year since. It is one part of a larger strategy to fully integrate the transit system in Kalamazoo. The levy will generate just over \$1 million annually for three years. As an example of what a property owner may be taxed, one who owns a home at \$150,000 market-value would pay about \$45 per year in taxes to the metro transit system.²⁰⁹

The Kalamazoo County Transit Authority was established in 2005 to bring all of county transit under one roof. Residents of Kalamazoo County currently pay 0.4 mills for Metro Connect, a fixed route service for

²⁰⁷ American Road and Transportation Builders Association. *2012 Ballot Initiatives Report*.
<http://www.artba.org/mediafiles/2012-ballot-results.pdf>

²⁰⁸ Educational Facts about the Transportation Penny. 2012. Accessed Dec. 5, 2012
<http://www.richlandonline.com/TransportationPenny/Presentations/TransPennyFacts.pdf>

²⁰⁹ Metro Transit millage renewal in Kalamazoo passes with 63% of vote. Nov. 7, 2012. Last accessed Dec. 5, 2012
http://www.mlive.com/news/kalamazoo/index.ssf/2012/11/metro_transit.html

areas surrounding the city of Kalamazoo. Residents of the city of Kalamazoo pay 0.6 mills for Metro Transit to the KCTA. ²¹⁰

²¹⁰ New Kalamazoo County Transportation Authority plan may not go to public vote until 2013. Feb. 6, 2012. Last Accessed Dec. 5, 2012
http://www.mlive.com/news/kalamazoo/index.ssf/2012/02/new_kalamazoo_county_transit_a.html