Transportation Funding in Utah

Today’s Realities
Tomorrow’s Options

OLRGC
Office of Legislative Research and General Counsel
Transportation Funding in Utah

- Where It Comes From
- Where It Goes
- Future Options
WHERE IT COMES FROM
User Fees

- Since 1961, the Utah Constitution has provided that the proceeds of any tax, fee, and other charges related to the operation of motor vehicles on public highways must be used for **highway purposes**, excluding:
  - Statutory refunds and adjustments
  - Costs of collection and administration
  - Driver education
  - Enforcement of motor vehicle and traffic laws

Source: Utah Constitution, Article 13, Section 5
### User Fees, cont.

- Motor Fuel Tax
- Special Fuel Tax

#### Vehicle Registration Fees
- Proportional registration (includes Highway use tax)
- Special transportation permits
- Motor vehicle control fees
- Safety inspection fee
- Temporary permit fees
FY 2012 User Fee Revenue (millions)

Total Revenue: $507,325,103

Source: Utah State Tax Commission, TC-23; UDOT, 2012 Annual Statistical Summary
Motor Fuel Tax

- Motor Fuel = gasoline and gasohol
- Rate: 24.5 cents per gallon (cpg)
- Last rate change was a 5.5 cpg increase in 1997

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
<th>Growth</th>
<th>Revenue per 1¢ of rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012</strong> (actual)</td>
<td>$252.9 m</td>
<td>0.2%</td>
<td>$10.3 m</td>
</tr>
<tr>
<td><strong>2013</strong> (projected)</td>
<td>$250.7 m</td>
<td>-0.9%</td>
<td>$10.2 m</td>
</tr>
</tbody>
</table>

Source: Utah Tax Commission, TC-23 (2012-13 Revenue Summary); Utah Code, Section 59-13-201
Special Fuel Tax

- Special Fuel = any fuel used to operate a motor vehicle on public highways that is not taxed as aviation or motor fuel. It includes diesel fuel.
- Rate: 24.5 cpg
- Last rate change was a 5.5 cpg increase in 1997

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
<th>Growth</th>
<th>Revenue per 1¢ of rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 (actual)</td>
<td>$104.1 m</td>
<td>0.2%</td>
<td>$4.2 m</td>
</tr>
<tr>
<td>2013 (projected)</td>
<td>$99.5 m</td>
<td>-0.5%</td>
<td>$4.1 m</td>
</tr>
</tbody>
</table>

Source: Utah Tax Commission, TC-23; Utah Code, Sections 59-13-201 and 301
Fuel Tax Revenues

Combined Fuel Tax Revenues

Taxable Gallons of Fuel Purchased in Utah

Between 1976 and 2012:
- 105% increase in total gallons
- 66% increase in motor fuel gallons
- 377% increase in special fuel gallons

Source: Utah Department of Transportation, “Annual Statistical Summary” (1979-2012); Utah State Tax Commission
Construction Cost Increases

Source: Utah Department of Transportation, Construction Cost Index Report for 4th Quarter, 2012; Bureau of Labor Statistics
Fuel efficiency of passenger vehicles purchased in the U.S. is improving, especially in the last seven years. Higher fuel economy means less fuel tax collected per vehicle mile traveled.
Vehicle Miles Traveled (VMT)

VMT growth outpaced the growth in taxable gallons of fuel purchased between 1976 and 2012:
- 206% increase in VMT
- 105% increase in taxable gallons of fuel purchased

Between 2006 and 2012:
- 1.3% increase in VMT
- 4.5% increase in taxable gallons of fuel purchased

Source: Utah Department of Transportation, “Annual Statistical Summary” (1979-2012); Utah State Tax Commission
Growth of Fuel Taxes and State Sales and Use Tax

- Fuel tax revenues grow slower, and are less volatile, than sales and use tax revenues. Between 2007 and 2012:
  - 15% drop in sales tax revenue
  - 3% drop in fuel tax revenue

Source: Utah Department of Transportation, “Annual Statistical Summary” (1979-2012); Utah State Tax Commission
Utah has the 24th lowest (27th highest) motor fuel tax rate among the 50 states.

Source: American Petroleum Institute, as of April 1, 2013 (http://www.api.org/statistics/fueltaxes/)
State Motor Fuel Tax Comparison

Surrounding States, US Average, and Utah

- Nevada, 33.1
- US Average, 30.6
- Idaho, 25.0
- Utah, 24.5
- Colorado, 22.0
- Arizona, 19.0
- New Mexico, 18.9
- Wyoming, 14.0

Source: American Petroleum Institute, as of April 1, 2013 (http://www.api.org/statistics/fueltaxes/)
State Special Fuel Tax Comparison

Ten Highest, US Average, Utah, and Ten Lowest State Motor Fuel Tax Rates

<table>
<thead>
<tr>
<th>State</th>
<th>State Tax Rate (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>51.2</td>
</tr>
<tr>
<td>Indiana</td>
<td>50.5</td>
</tr>
<tr>
<td>Hawaii</td>
<td>50.3</td>
</tr>
<tr>
<td>New York</td>
<td>50.3</td>
</tr>
<tr>
<td>Illinois</td>
<td>45.2</td>
</tr>
<tr>
<td>Michigan</td>
<td>39.3</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>39.2</td>
</tr>
<tr>
<td>North Carolina</td>
<td>37.8</td>
</tr>
<tr>
<td>Washington</td>
<td>37.5</td>
</tr>
<tr>
<td>US Average</td>
<td>30.2</td>
</tr>
<tr>
<td>Utah</td>
<td>24.5</td>
</tr>
<tr>
<td>Louisiana</td>
<td>20.0</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>19.6</td>
</tr>
<tr>
<td>Mississippi</td>
<td>18.8</td>
</tr>
<tr>
<td>Tennessee</td>
<td>18.4</td>
</tr>
<tr>
<td>New Jersey</td>
<td>17.5</td>
</tr>
<tr>
<td>Missouri</td>
<td>17.3</td>
</tr>
<tr>
<td>South Carolina</td>
<td>16.8</td>
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<tr>
<td>Wyoming</td>
<td>14.0</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>14.0</td>
</tr>
<tr>
<td>Alaska</td>
<td>8.0</td>
</tr>
</tbody>
</table>

Source: American Petroleum Institute, as of April 1, 2013 (http://www.api.org/statistics/fueltaxes/)

Utah: 23rd lowest (28th highest) special fuel tax rate among the 50 states (+ D.C.)
State Special Fuel Tax Comparison

Surrounding States and Utah

- , Nevada, 28.6
- , Arizona, 27.0
- , Idaho, 25.0
- , Utah, 24.5
- , New Mexico, 22.8
- , Colorado, 20.5
- , Wyoming, 14.0

Source: American Petroleum Institute, as of April 1, 2013 (http://www.api.org/statistics/fueltaxes/)
### Vehicle Registration Fees - - Revenues, 1976 - 2012

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 (actual)</td>
<td>$107.4 m</td>
<td>1.6%</td>
</tr>
<tr>
<td>2013 (projected)</td>
<td>$109.5 m</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Source: Utah Department of Transportation Annual Statistical Surveys, years 1979-2007; State Tax Commission, TC-23
Aviation Fuel Tax

- Imposed on all aviation fuel purchased in state
  - **9 cents** per gallon for a person other than a federally certificated air carrier
  - For a federally certificated air carrier:
    - **2.5 cents**, if purchased at Salt Lake International Airport
    - **4 cents**, if purchased somewhere other than the Salt Lake International Airport

Source: Utah Code, Sections 59-13-401; 2009 General Session SB 141 and HB 261
State Sales and Use Tax Earmarks

A specified portion of sales and use tax is transferred to one or more transportation funds

<table>
<thead>
<tr>
<th>Earmark Rate</th>
<th>FY Year Implemented</th>
<th>2012 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and use tax raised by 1/16% state rate</td>
<td>1998</td>
<td>$27M</td>
</tr>
<tr>
<td>Sales and use tax raised by 1/64% state rate</td>
<td>2000</td>
<td>$7M</td>
</tr>
<tr>
<td>8.3% of revenue collected from state sales and use tax</td>
<td>2007</td>
<td>$159M</td>
</tr>
<tr>
<td>$90 million lump sum</td>
<td>2008</td>
<td>$90M</td>
</tr>
<tr>
<td>Sales and use tax raised by .025% state rate</td>
<td>2009</td>
<td>$10M</td>
</tr>
<tr>
<td>Sales and use tax raised by .025% state rate</td>
<td>2009</td>
<td>$10M</td>
</tr>
<tr>
<td>Sales Tax Growth Diversion, 30%</td>
<td>2012</td>
<td>$80M*</td>
</tr>
</tbody>
</table>

*Estimate is based on figures in the 04/16/2013 TC-23

Source: Utah Code, Section 59-12-103; TC-23
Local Option Sales and Use Taxes and Fees

- Public Transit Basic (.25 or .30)*
- Public Transit Additional (.25)*
- Municipal Highways or Public Transit (.25 or .30)*
- County Option Transportation (.25)*
- County Option for Highways, Fixed Guideways, or Public Transit (.30)*
- Airport, Highway and Public Transit (from .10 to .25)*
- Supplemental State Sales and Use Tax (up to .30)*
- Local Option Highway Construction and Transportation Corridor Preservation Fee (up to $10)

Source: Utah Code, Title 59 Chapter 12 and Section 41-1a-1222.
*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax.
Uses of Local option sales and use taxes and fees include:
- Public transportation systems
- Public transportation service and operation
- Local highway projects
- Regionally significant highway projects
- State highway projects
- Airport Facility projects and services

Some taxes and fees have multiple specified uses
In some cases, cities and counties can specify how much revenue will be expended for each specified use
Federal Funding

- **Moving Ahead for Progress in the 21\textsuperscript{st} Century (MAP-21) Became law July 2012**
  - Provides $105 billion for surface transportation programs for fiscal years 2013 and 2014.
  - In Fiscal year 2013, $309.7 million was apportioned to Utah, most of it designated for use on the National Highway System, including the Interstate, any federal aid roads, and highway safety improvement.

- **Federal Highway Trust Fund (HTF)**
  - Revenue stream, the federal gas tax, no longer provides enough money to keep the fund solvent.
  - Since 2008, Congress has appropriated over $53 billion from the general fund, and from other revenue sources, to keep the fund solvent.
WHERE IT GOES
Transportation Funds

- Transportation Fund
- B and C Roads Account
- Centennial Highway Fund
- Transportation Investment Fund of 2005
- Critical Highway Needs Fund
- Marda Dillree Corridor Preservation Fund
- Local Transportation Corridor Preservation Fund
- Tollway Special Revenue Fund
- County of the First Class State Highway Projects Fund
- County of the Second Class State Highway Projects Fund
- Highway Projects within Counties Fund
- Transportation Infrastructure Loan Fund
- Aeronautics Restricted Account
Transportation Fund

- **Highway user revenue:**
  - Motor Fuel Tax
  - Special Fuel Tax
  - Vehicle Registration Fees
  - Proportional Registration Fees and other misc. fees

- **Other revenues:**
  - Sales and use tax revenue equal to an amount generated by a 1/16% tax rate
  - Sales and Use Tax revenue equal to an amount generated by a .025% tax rate (effective 01/01/09)
  - Voluntary contributions
  - Interest earned on account monies

Transportation Fund

- **Transportation Fund revenues used:**
  - Exclusively for highway purposes
  - As prioritized by the Transportation Commission
  - Primarily funds maintenance projects on state highways
  - .025% sales and use tax dedication is intended to address chokepoints in construction management
Highway user revenue is distributed as follows:

- 70% to UDOT
- 30% to cities and counties (B&C Road Fund)
  - 75/25 distribution before July 1, 2007
  - Funds are used under the direction of UDOT “as the Legislature shall provide”
  - Funds are distributed to cities and counties by formula based on length of road and pavement type
- Revenue is divided after agency transfers that are used for collection/administration and law enforcement ($11.6 million statutory cap on transfers)

Source: Utah Code, Sections 72-2-107 and 72-2-103; Utah Department of Transportation 2012 Annual Statistical Survey
Centennial Highway Fund

- Created in 1996
- Account monies are used to pay the costs of construction, major reconstruction, or major renovation to state and federal highways
- Projects are prioritized by the Transportation Commission
- List of projects is near completion
- Any remaining bonds for Centennial Highway Fund projects are paid from Transportation Investment Fund of 2005

Source: Utah Code, Section 72-2-118 and 72-2-124
Centennial Highway Fund

- Revenues:
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - All other revenue streams transferred to the Transportation Investment Fund of 2005 (effective 7/1/12)

Transportation Investment Fund of 2005

- Created in 2005
- Account monies used for:
  - Maintenance, construction, reconstruction, or renovation to state and federal highways prioritized for new transportation capacity
  - Principal, interest, and issuance costs of the $2.077 billion bond
  - Payment into the 2010 Salt Lake County Revenue Bond Sinking Fund the amount necessary to pay the debt service on $30 million of the revenue bonds issued by Salt Lake County
  - Principal, interest, and issuance costs of the $1.145 billion bond originally intended to be paid from the Critical Highway Access Needs Fund
  - Principal, interest, and issuance costs of the bonds intended to be paid from Centennial Highway Fund
- Projects are prioritized by the Transportation Commission using a written prioritization process for transportation capacity projects

Source: Utah Code, Section 72-2-124
Written prioritization process
- Applies to new capacity projects with a cost over $5,000,000
- Projects are assigned a rank based on factors
  - Safety Factors
  - Transportation Efficiency Factors
  - Other factors such as economic development
Transportation Investment Fund of 2005

- Revenues:
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - Designated portion of vehicle registration fees
  - Sales and use tax dedications
    - Sales and use tax revenue equal to an amount generated by a 1/64% tax rate
    - 8.3% of revenues collected from various state sales and use tax rates plus 30% of the growth in the amount of revenues collected in the current fiscal year that exceeds the amount collected from the sales and use taxes in the 2010-11 fiscal year (amount capped at 17% of the total sales and use tax)
    - $90,000,000 of the sales and use tax revenue
    - Sales and use tax revenue equal to an amount generated by a .025% tax rate
  - 5 cents per gallon of the motor fuel tax
  - Unspent monies from the Centennial Highway Fund (CHF) and Critical Highway Needs Fund (CHNF)

Source: Utah Code, Sections 41-1a-1201, 59-12-103, and 72-2-124
Critical Highway Needs Fund

- Created in 2007
- Account monies used for right-of-way acquisition, maintenance, construction, reconstruction, or renovation to state and federal highways identified by UDOT
- Projects are prioritized by the Transportation Commission
  - Eligible projects include:
    - A project that is a high priority due to high growth in the surrounding area
    - A project that addresses critical access needs that have a high impact due to commercial and energy development
    - A project that mitigates congestion
    - A project where local matching funds are available
    - A project that is a critical alternative route for priority Interstate 15 reconstruction projects

Source: Utah Code, Section 72-2-125
Critical Highway Needs Fund

- **Revenues:**
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - All other revenue streams transferred to the Transportation Investment Fund of 2005 (effective 7/1/12)

- **Bonds for highway projects may not exceed $1.145 billion**
  - Bond authorized at $1.2 billion and reduced by $55 million to $1.145 billion in 2013

Created in 1996 as a revolving loan fund
Transportation Commission authorizes the expenditure of monies to acquire real property for state, county, and municipal highway corridors
Fund moneys must be used for projects that:
- Preserve transportation corridors
- Promote long-term statewide transportation planning;
- Save on acquisition costs
- Promote the best interest of the state in a manner which minimizes impact on prime agricultural land

Source: Utah Code, Section 72-2-117
Marda Dillree Corridor Preservation Fund

Revenues:
- Voluntary contributions
- Appropriations made by the Legislature
- Interest earned on account monies
- 2.5% tax rate on all short-term leases and rentals of motor vehicles not exceeding 30 days
- Repayments to the fund
- Rents and sales of real property acquired with fund monies
- General obligation bond proceeds

Source: Utah Code, Sections 72-2-117 and 59-12-1201
Local Transportation Corridor Preservation Fund

- Created in 2005
- UDOT authorizes the expenditure of monies to acquire real property for state, county, and municipal highway corridors within the county where the fee is imposed
- Purposes:
  - Preserve transportation corridors
  - Promote long-term statewide transportation planning
  - Save on acquisition costs
  - Promote the best interest of the state in a manner which minimizes impact on prime agricultural land

Source: Utah Code, Section 72-2-117.5
Local Transportation Corridor Preservation Fund

- **Revenues:**
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - Repayments to the fund
  - Rents and sales of real property acquired with fund monies
  - General obligation bond proceeds
  - Up to $10 fee on motor vehicle registration within county
    - Salt Lake County keeps 30% of fee
  - Designated portion of County Option Sales and Use Tax for Transportation (up to .25% tax rate)*
  - Portion of the Airport, Highway and Public Transit Sales and Use Tax (.05% tax rate, effective 01/01/09)*

Source: Utah Code, Sections 72-2-117.5, 41-1a-1222, 59-12-2217, and 59-12-2218

*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax
Tollway Special Revenue Fund

- Created in 2006
- Used by UDOT, as authorized by the Transportation Commission, to establish and operate tollways and related facilities
- Revenues:
  - Voluntary contributions
  - Appropriations made by the Legislature
  - Interest earned on account monies
  - Tolls collected from the High Occupancy Toll Lane
  - Funds received through a tollway development agreement

Source: Utah Code, Sections 72-2-120 and 72-6-118
County of the First Class State Highway Projects Fund

- Created in 2001 (originally called Public Transportation System Tax Highway Fund)
- Used by UDOT for:
  - Right-of-way acquisition, new construction, major renovations, and improvements to state highways within a county of the first class
  - Debt service and issuance costs for bonds issued for various state and local highway projects within Salt Lake County
- Revenues:
  - Voluntary contributions
  - Interest earned on account monies
  - 50% of $10 local option fee on motor vehicle registration within Salt Lake County (until 7/1/13)
  - 20% of Public Transit Additional (.25% tax rate)*
  - Designated portion of County Option Sales and Use Tax for Transportation (.25% tax rate)*

Source: Utah Code, Sections 72-2-121, 72-2-124, 41-1a-1222, 59-12-2214, and 59-12-2217
*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax
County of the Second Class State Highway Projects Fund

- Created in 2008
- Used by UDOT for right-of-way acquisition, new construction, major renovations, and improvements to state highways within a county of the second class
- Revenues:
  - Voluntary contributions
  - Interest earned on account monies
  - Designated portion of the Airport, Highway and Public Transit Sales and Use Tax (up to .20% tax rate, effective 01/01/09)*

Source: Utah Code, Sections 72-2-121.2 and 59-12-2218
*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax
Highway Projects Within Counties Fund

- Created in 2003
- Used by:
  - UDOT for state highway projects within the county
  - County for local highway of regional significance projects
- Revenues:
  - Interest earned on account monies
  - Designated portion of County Option for Highways, Fixed Guideways, or Public Transit (.30% tax rate)*

Source: Utah Code, Sections 72-2-121.1 and 59-12-2216
*See Local Option Sales and Use Taxes for Transportation handout for more information on this tax
Transportation Infrastructure Loan Fund

- Created as a revolving loan fund
- Used by the department, as prioritized by the Transportation Commission, only to:
  - provide infrastructure loans or infrastructure assistance; and
  - pay the department for the costs of administering the fund, providing infrastructure loans or infrastructure assistance, monitoring transportation projects, and obtaining repayments of infrastructure loans or infrastructure assistance
- Revenues:
  - Appropriations to the fund by the Legislature
  - Federal money and grants deposited in the fund
  - Money transferred to the fund by the commission from other available money
  - State grants deposited in the fund
  - Contributions from public or private sources
  - Money collected from repayments

Source: Utah Code, Section 72-2-202
Aeronautics Restricted Account

- Administered by UDOT for:
  - Construction, improvement, operation and maintenance of publicly used airports
  - Operation of the Division of Aeronautics
  - Indebtedness incurred for purposes
  - Promotion of aeronautics in the state
  - Expenses and costs of UDOT in duty of regulating and supervising aeronautics in the state
  - The support of aerial search and rescue operations
- Funds may not be used to subsidize direct operating costs of travel for purposes other than those described above

Source: Utah Code, Section 59-13-402
## Aviation Fuel Tax Distribution

<table>
<thead>
<tr>
<th>Type of Air Carrier and Location of Purchase</th>
<th>Tax Allocation per Gallon to Airport</th>
<th>Tax Allocation per Gallon to Aeronautics Restricted Account</th>
<th>Total Tax Collected per Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federally Certificated Air Carrier at Salt Lake Int’l Airport</td>
<td>$.015</td>
<td>$.01</td>
<td>$.025</td>
</tr>
<tr>
<td>Federally Certificated Air Carrier other than at Salt Lake Int’l Airport</td>
<td>$.03</td>
<td>$.01</td>
<td>$.04</td>
</tr>
<tr>
<td>Non-federally Certificated Air Carrier at Salt Lake Int’l Airport</td>
<td>$.00</td>
<td>$.09</td>
<td>$.09</td>
</tr>
<tr>
<td>Non-federally Certificated Air Carrier other than at Salt Lake Int’l Airport</td>
<td>$.03</td>
<td>$.06</td>
<td>$.09</td>
</tr>
</tbody>
</table>

Source: Utah Code, Section 59-13-402
Future Options

- Variable Registration Fees
- Variable Fuel Tax Options
- Vehicle Miles Travelled Tax
Variable Registration Fees
Registration Fee by Minimum Charge

Registration Fee by Maximum Charge

Source: Office of Legislative Research and General Counsel; Analysis of data from the National Conference of State Legislatures', AAA's Digest of Motor Laws, 2011, and State Motor Vehicle websites'.

[Bar chart and data table]

-$0 | $50 | $100 | $150 | $200 | $250 | $300

Minimum | Maximum

Maryland | $120 | $120
Illinois | $110 | $110
Wisconsin | $100 | $100
Texas | $90 | $90
Alaska | $80 | $80
North Dakota | $70 | $70
Washington | $60 | $60
Utah | $50 | $50
Oregon | $40 | $40
Virginia | $30 | $30
Delaware | $20 | $20
Connecticut | $10 | $10
Pennsylvania | $0 | $0
New Jersey | $0 | $0
Kansas | $0 | $0
Nevada | $0 | $0
Maine | $0 | $0
Ohio | $0 | $0
Michigan | $0 | $0
New Hampshire | $0 | $0
South Dakota | $0 | $0
West Virginia | $0 | $0
Montana | $0 | $0
North Carolina | $0 | $0
Vermont | $0 | $0
New Mexico | $0 | $0
Oklahoma | $0 | $0
Massachusetts | $0 | $0
Tennessee | $0 | $0
Idaho | $0 | $0
Alabama | $0 | $0
Missouri | $0 | $0
Indiana | $0 | $0
Kentucky | $0 | $0
Louisiana | $0 | $0
South Carolina | $0 | $0
Georgia | $0 | $0
Florida | $0 | $0
Arkansas | $0 | $0
Hawaii | $0 | $0
Nebraska | $0 | $0
New York | $0 | $0
Mississippi | $0 | $0

[Bar chart and data table]
Variable Registration Fees
Assessed by Weight

- Class System (Utah)
- Per-Pound System

- Arkansas
- Colorado
- Florida
- Hawaii
- Iowa
- Kansas
- Maryland
- New Hampshire

- New Jersey
- North Dakota
- New York
- Rhode Island
- Texas
- Utah (14-1a-1206)
- Virginia
- Washington

Source: Office of Legislative Research and General Counsel; Analysis of data from the National Conference of State Legislatures'; AAA's Digest of Motor Laws, 2011, and State Motor Vehicle websites.'
Variable Registration Fees
Assessed by Vehicle Emissions

• Class System
• Benchmark System

• United Kingdom
• France
• Spain
• Switzerland
Variable Registration Fees
Other Methods

- **Vehicle Type**
  - California
  - Vermont (by fuel type)

- **Engine size**
  - Arkansas (motorcycles)

- **Horse Power**
  - Missouri

- **Years Registered**
  - Oklahoma
  - North Dakota

- **Driver Age**
  - South Carolina
  - South Dakota

- **Vehicle Age**
  - Iowa
  - Idaho
  - Montana
  - New Jersey
Variable-Rate Fuel Taxes
Based on Economic Indicators

- Replaces traditional gas tax
- Possible Index Variables
  - Consumer price index
  - Inflation
  - Price of gasoline
Variable-Rate Fuel Taxes
Based on Price of Gasoline

- Inverted strategy
- Indexed strategy
Variable-Rate Fuel Taxes
Based on DOT Needs

- Ensures DOT is funded
- Annual estimates for long-term capitol improvements
- Calculate needed revenues
- Set tax rate accordingly
Variable-Rate Fuel Taxes
Local Option Tax

- Option given to municipalities and/or counties
- Scope:
  - Cents per gallon
  - % of sale
  - Other methods discussed

- Florida
- Georgia
- Illinois
- New York
Vehicle-Miles Travelled Tax

- Electronic Monitoring
  - GPS Tracking Device
  - On-board computer
- Odometer Self-Reporting

- Oregon
- Illinois (Trucks Only)
- Germany (Trucks Only)
- Austria (Trucks Only)
- Slovakia (Trucks Only)
- Switzerland (Trucks Only)
Questions?