



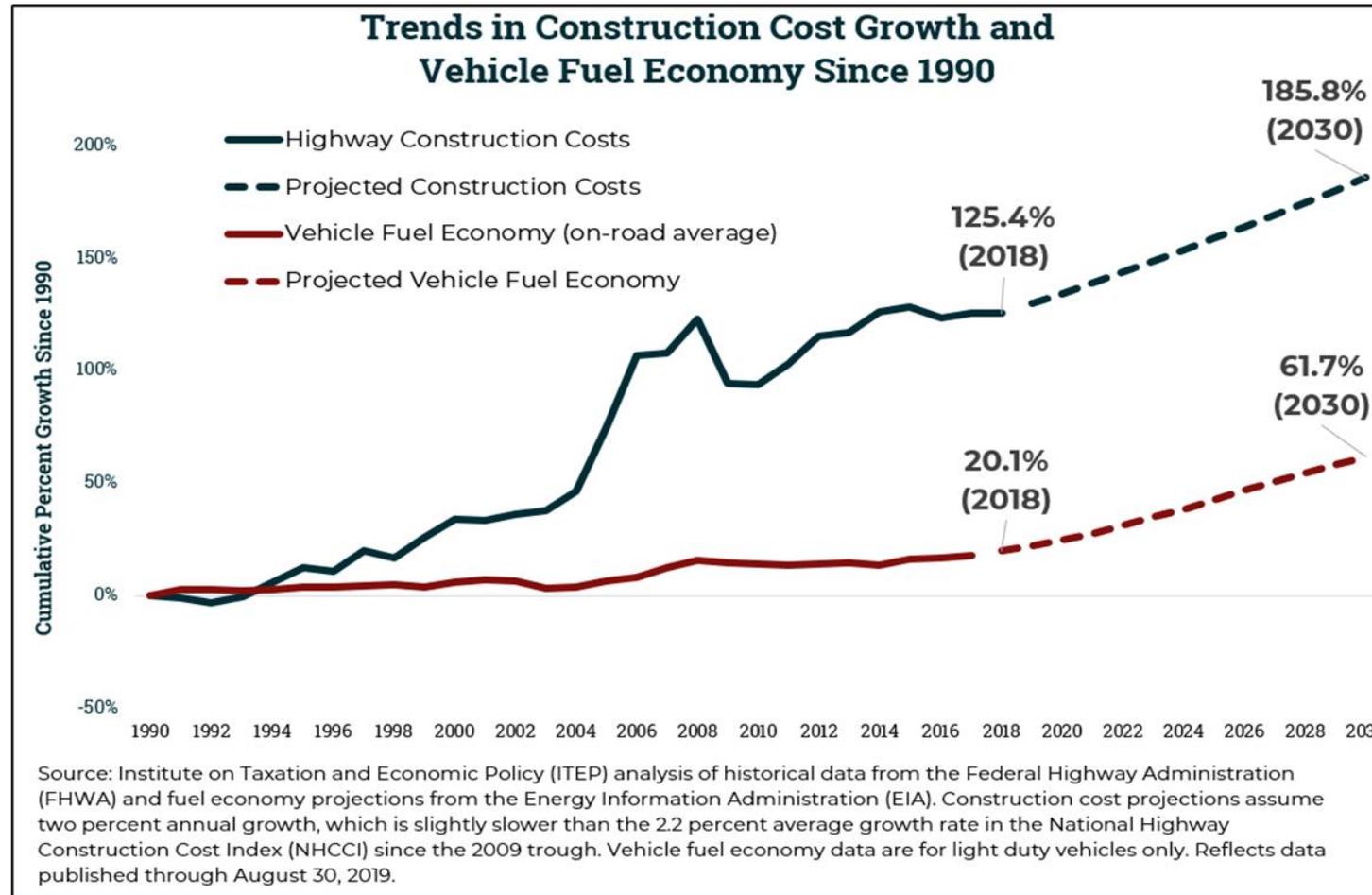
# State transportation funding trends

New Mexico Transportation Infrastructure Revenue Subcommittee

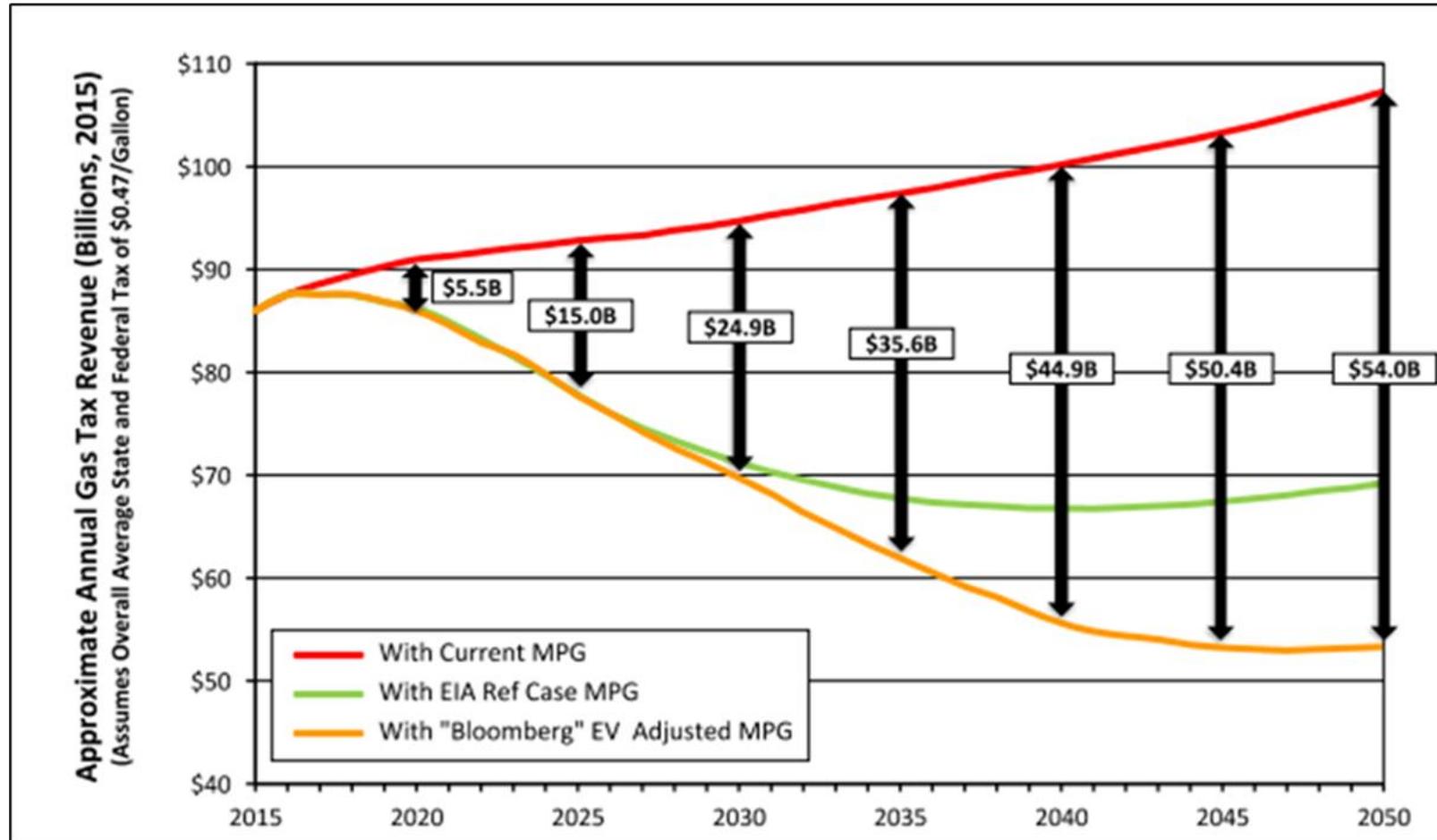
Douglas Shinkle, Transportation program director, NCSL

June 17, 2021

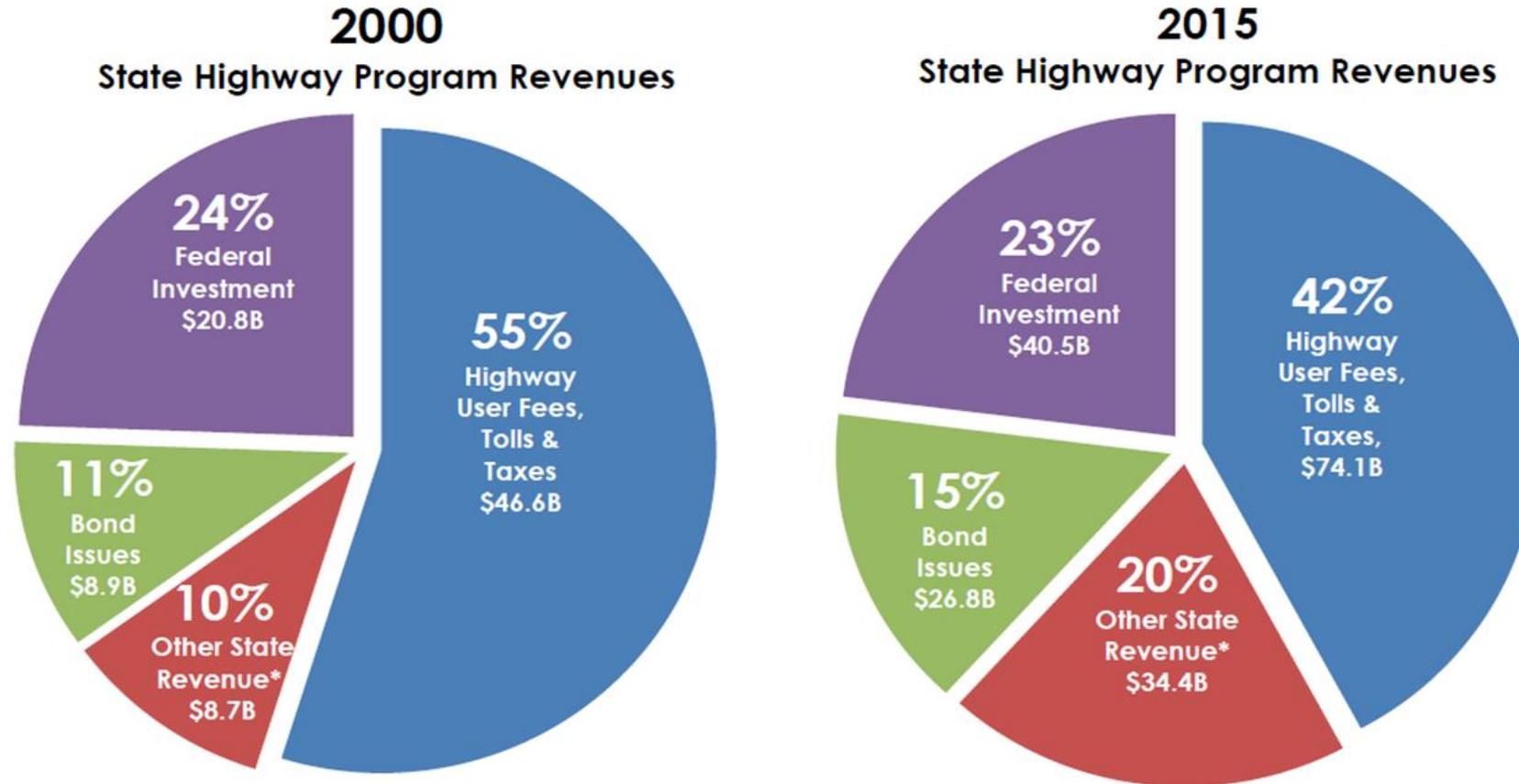
# Trends in Construction Cost Growth and Vehicle Fuel Economy Since 1990



# Future Gap in Fuel Tax Collections



# State Highway & Bridge Program Revenue Mix Has Changed



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

Source: Federal Aid Highway Statistics



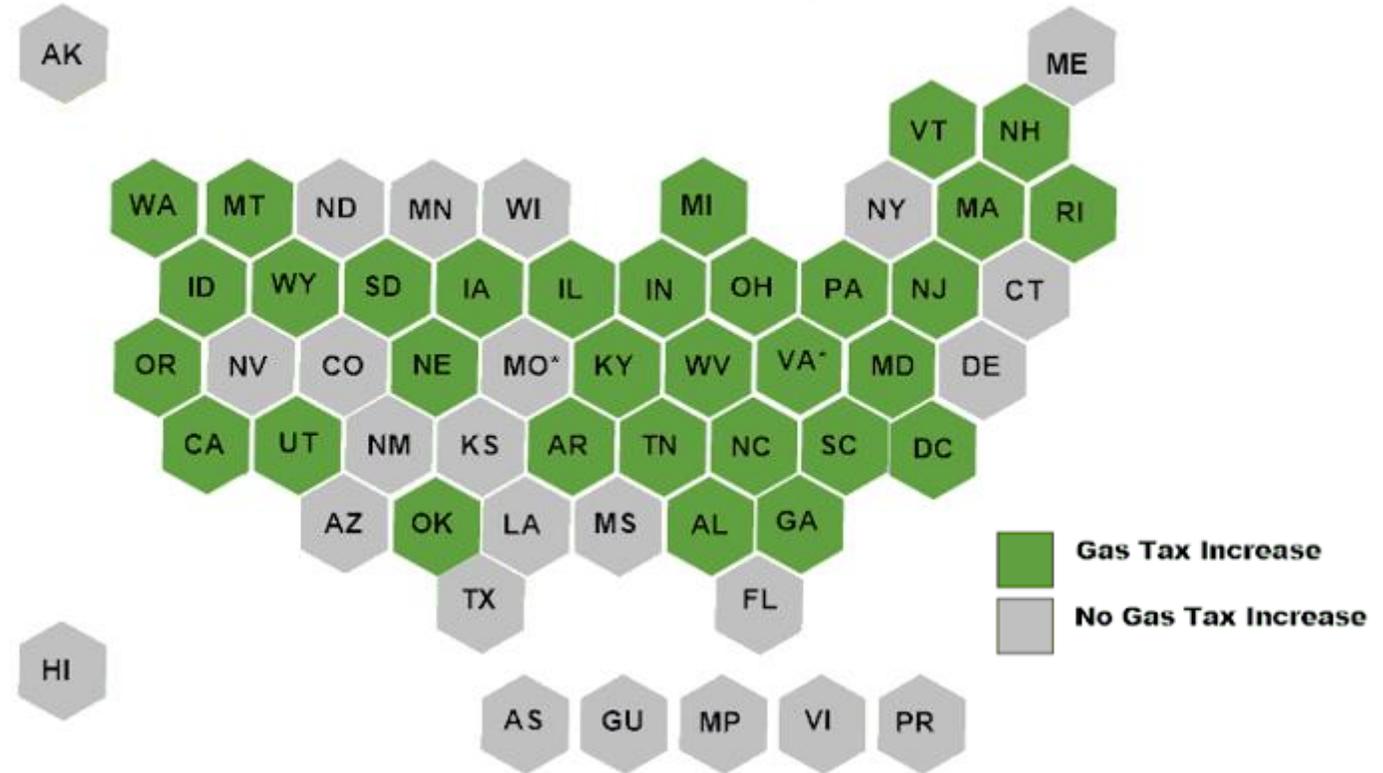
# 54 Funding Sources

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

# Gas Tax

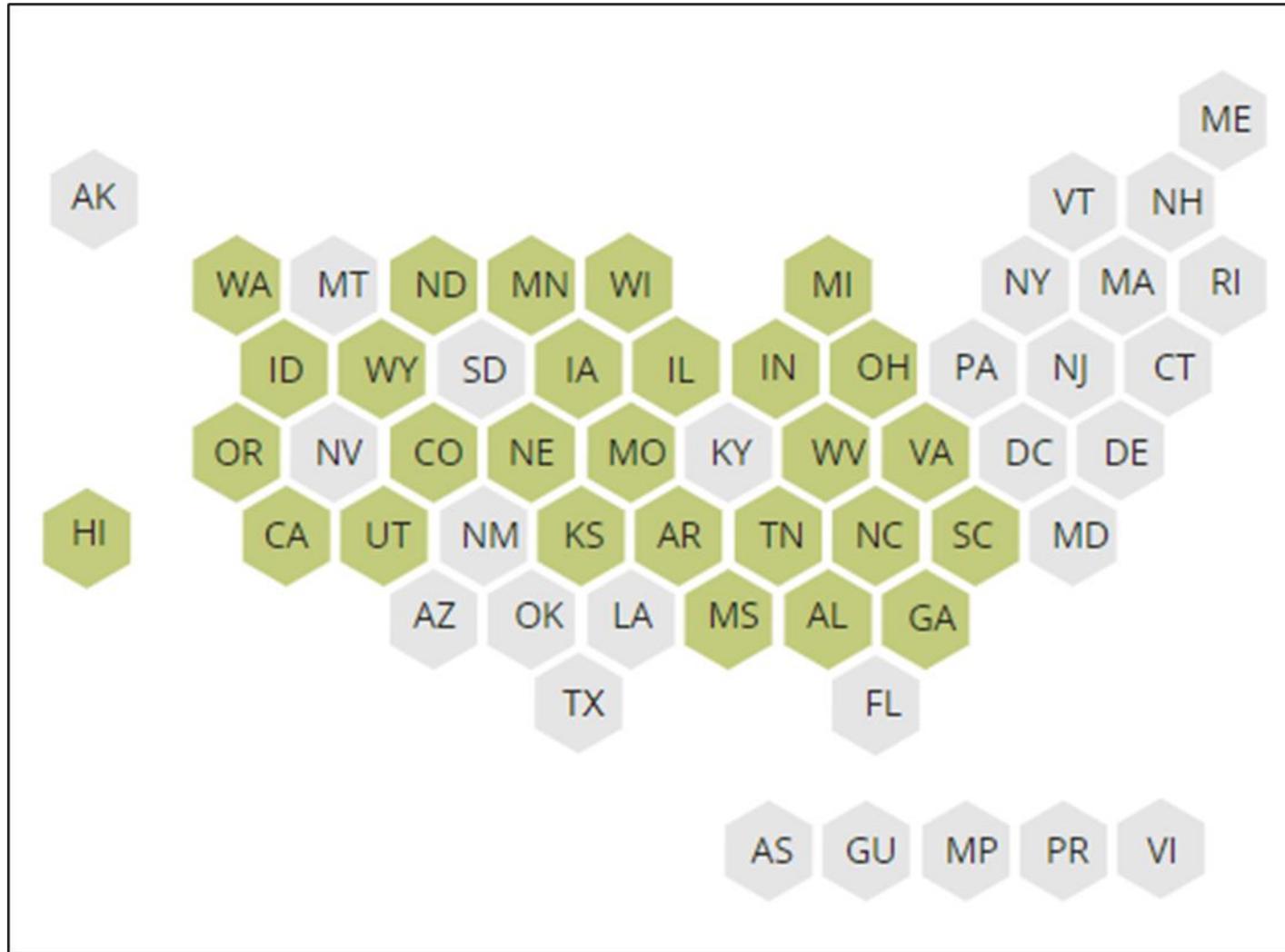
## State Actions

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



\*The Missouri Legislature increased gas taxes in 2018, but Missouri voters rebuked the 10-cent gas tax increase.  
\*Virginia increased gas taxes statewide in 2013 and in 2020.

# State with Fees on Plug-In Hybrid and/or Electric Vehicles



Source: NCSL Energy Program (2021)



## Oregon HB 2017 (2017)

- Implemented a tiered registration fee based on vehicle MPG.
- 83% higher fee for 40 MPG vehicle compared to a 19 MPG vehicle.



## California SB 1 (2017)

- Created a Transportation Improvement Fee ranging from \$25 to \$175 based on vehicle value.
- Indexed a portion of their vehicle registration fees to the consumer price index.
- Also included indexing provisions for all of the impacted taxes and fees (including the motor fuels tax and a new special registration fee on electric vehicles).

# Federal STSFA Grants (Surface Transportation System Funding Alternatives)

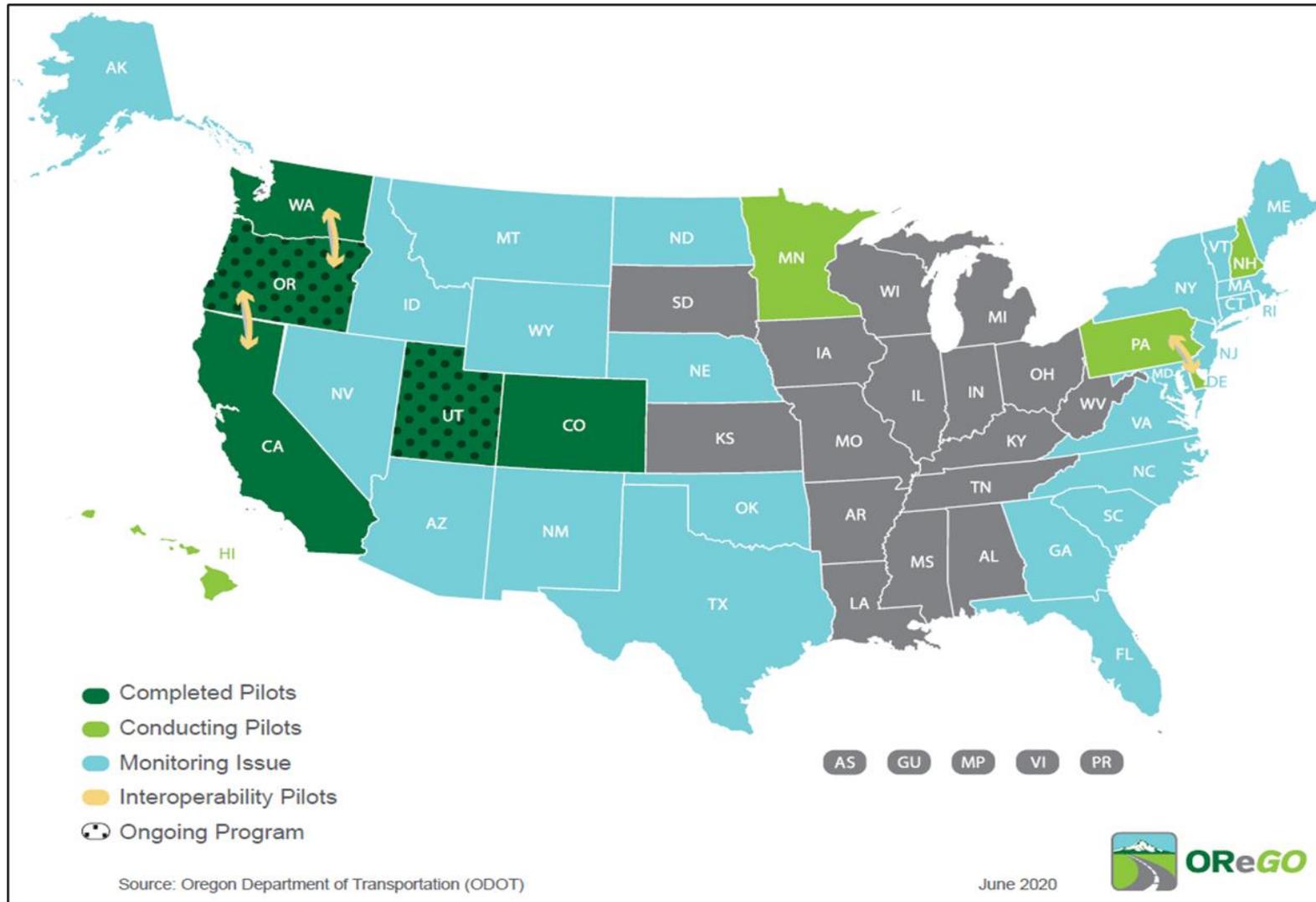
- \$14.2 million (2016)
- \$15.5 million (2017)
- \$10.3 million (2018)
- \$15.1 million (2019)
- \$18.7 million (2020)
- 15+ programs (14 states) funded
- Variety of approaches being tested



## FY 2019 Grant Selections

State DOT Recipients and Partners	Project/Description	Funding Amount
<b>Delaware Department of Transportation/Eastern Transportation Coalition (formerly I-95 Corridor Coalition)</b>	The Coalition's proposal is designed to develop and test solutions for making Mileage Based Usage Fee (MBUF) a sustainable transportation funding approach at the State and Federal levels. This will be accomplished through full, <b>new demonstration pilots</b> in Maine and Virginia and enhanced demonstration pilots in Delaware, New Jersey, North Carolina, Northern Virginia, and Pennsylvania.	\$3,350,000
<b>Oregon Department of Transportation (DOT)</b>	The <b>DOT CUE</b> demonstration will attempt to deploy a functional implementation that serves to validate <b>data sharing</b> that must occur between the data collection, transaction processing and account management subsystems.	\$5,000,000
<b>Oregon Department of Transportation /Western Road Usage Charge Consortium</b>	Design and test <b>blockchain technology</b> to share transactional information between jurisdictions. Blockchain represents a digital database containing information (such as records of financial transactions) that can be simultaneously used and shared within a large decentralized, publicly accessible network.	\$250,000
<b>Utah Department of Transportation</b>	This project will examine the ability to integrate several aspects of the Utah Department of Transportation's (UDOT) newly implemented <b>RUC</b> program for alternative vehicles with its existing Express Lanes tolling systems.	\$350,000
<b>Utah Department of Transportation</b>	UDOT will test <b>interagency coordination</b> and system interoperability between state and local entities by allowing local jurisdictions the ability to piggyback on existing <b>MBUFs</b> , including Utah's system.	\$395,000
<b>Washington State Department of Transportation/Washington State Transportation Commission (WSTC)</b>	WSTC will explore six tasks designed to probe and improve upon implementation challenges discovered during the recently completed WA <b>RUC</b> Assessment and Pilot Project.	\$5,525,000
<b>Wyoming Department of Transportation</b>	Wyoming Truck Mileage User Fee Pilot: Explore ways to capture intrastate truck mileage by modifying the <b>IETA</b> process to charge <b>MBUF</b> .	\$250,000

# State Road User Charge (RUC) Landscape



# State RUC Programs



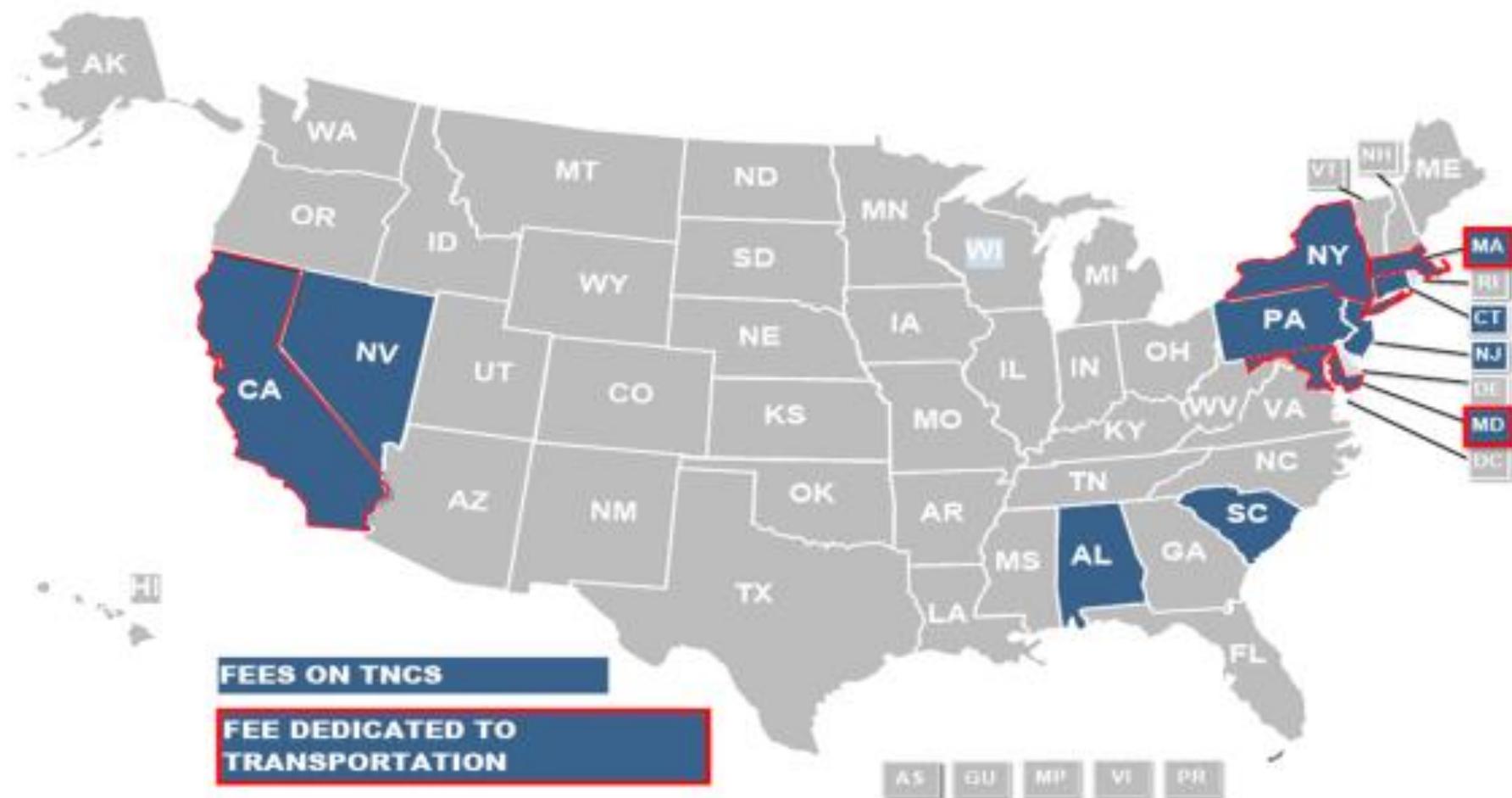
## Utah

- **Created by Utah's Legislature:** SB 136 (2018) and SB 72 (2019) established a voluntary RUC program.
- **Effective Date:** Utah began collecting electric vehicle fees in 2019 and the RUC program went live in Jan. 2020.
- **Eligible Vehicles:** Full electric vehicles, plug-in hybrid vehicles and gasoline hybrid vehicles.
- **Payment and Vendor Options:** One firm—DriveSync—offers reporting and payment services.
- **Other Provisions:**
  - An electric vehicle owner pays a \$120 fee. Owners who enroll in the RUC program, however, pay 1.5 cents per mile in lieu of this fee.
  - RUC participants can never be charged more than the annual registration fee and receive monthly invoices.
  - Vehicle owners with privacy concerns may opt for short-term data retention or pay a flat fee. Three mileage reporting choices.

## Oregon

- **Created by Oregon's Legislature:** SB 810 (2013) directed ODOT to establish the nation's first fully operational RUC program.
- **Effective Date:** Named OReGO, the RUC program went live in July 2015.
- **Eligible Vehicles:** Any vehicle achieving at least 20 mpg.
- **Payment and Vendor Options:** Three firms—Azuga, Emovis and ODOT—offer reporting and payment services.
- **Other Provisions:**
  - Vehicles achieving at least 40 mpg, as well as electric vehicles, are exempt from paying supplemental fees by enrolling (\$33 for vehicles with fuel efficiency at or above 40 mpg and \$110 for electric vehicles).
  - The per-mile rate is set at 5% of the per-gallon license tax (currently 1.8 cents per mile).
  - ODOT is also consulting with new vehicle dealers to determine the most effective methods, at the point of sale, to encourage participation.

# Transportation Network Company Fees



# Pending 2021 State Funding Measures – Awaiting Governor Signature

## Missouri

MO SB 262 increases the gas tax by 2.5 cents per year for five years to fund maintenance on state roads and bridges.

Taxpayers could file for an annual rebate through the state Department of Revenue. The measure may be decided on by voters in an upcoming election due to a referendum petition filed with the Secretary of State's office.

## Colorado

CO SB 260 raises revenue by implementing fees on various transportation related goods and services. Gas, transportation network company rides, and retail deliveries would be subject to fees under the measure.

Revenue generated by the fees would go to the Highway User Tax Fund and enterprises such as the air pollution mitigation enterprise.

## Connecticut

CT HB 6688 creates a highway use fee to address the anticipated deficit for the Special Transportation Fund. The tax rate is determined by truck weight, ranging from 2.5 to 17.5 cents per mile. Truckers hoping to operate on state highways must obtain a permit and file monthly mileage with the Commissioner of Revenue Services.

# Engage with NCSL's Transportation Program

- NCSL Transportation Newsletter – subscribe here:
  - <https://www.ncsl.org/aboutus/ncslservice/ncsl-newsletter-listings.aspx>.
- NCSL Natural Resources and Infrastructure (NRI) Standing Committee is one of eight NCSL Standing Committees that advocates before Congress and federal agencies concerning transportation, energy, environment, and agriculture legislation, regulations and policies.
  - Committee members are appointed by their chamber's leader.
- Meetings & Webinars: NCSL Transportation Program hosts numerous online and in-person meetings throughout the year, including sessions at NCSL's annual Legislative Summit and Capitol Forum.
- NCSL Transportation Homepage: <https://www.ncsl.org/research/transportation.aspx>

# 2021 NCSL Meetings

Aug. 3-5



Nov. 3-5



Registration opens in June

- **Questions re: State Transportation and Traffic Safety Issues?**

Contact

[Douglas.Shinkle@NCSL.ORG](mailto:Douglas.Shinkle@NCSL.ORG)

303-856-1482



Questions?

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