

Update on Transportation Funding and Potential Sources for Additional Revenue

August 21, 2017



Agenda

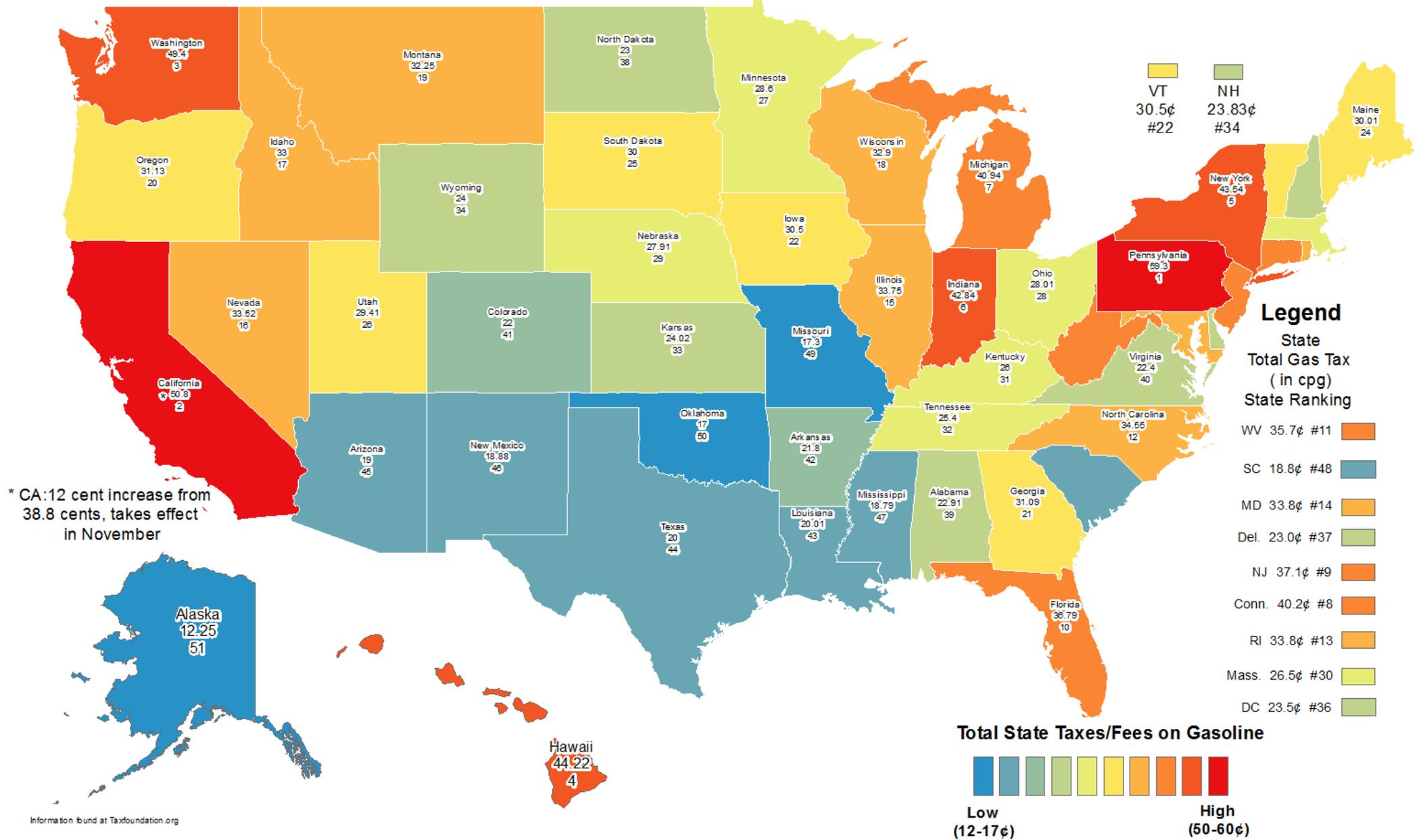
- 1. Update on State Gas Tax Questions from June**
- 2. Update on Regional Motor Fuels Tax Revenue Questions from June**
- 3. Update on Regional Transportation Authority Questions from June**
- 4. Update on some Legislative items from June**

1. Update on State Gas Tax Questions from June

- **State of Virginia Transportation Funding levels increased in 2013 for first time since 1986. Nationally, several States have increased their State Gas taxes within the last 5 years**
- **Effective 2017 State Transportation Gas Taxes in Virginia are significantly lower than most adjacent states and more populous states**
 - **Pennsylvania: #1 at 59.30 cents/gallon**
 - **Florida: #10 at 36.79 cents/gallon**
 - **North Carolina: #12 at 34.55 cents/gallon**
 - **Maryland: #14 at 33.80 cents/gallon**
 - **West Virginia: #11 at 35.70 cents/gallon**
 - **Georgia: #21 at 31.09 cents/gallon**
 - **Virginia: #40 at 22.40 cents/gallon**

Gas Tax per US State for 2017

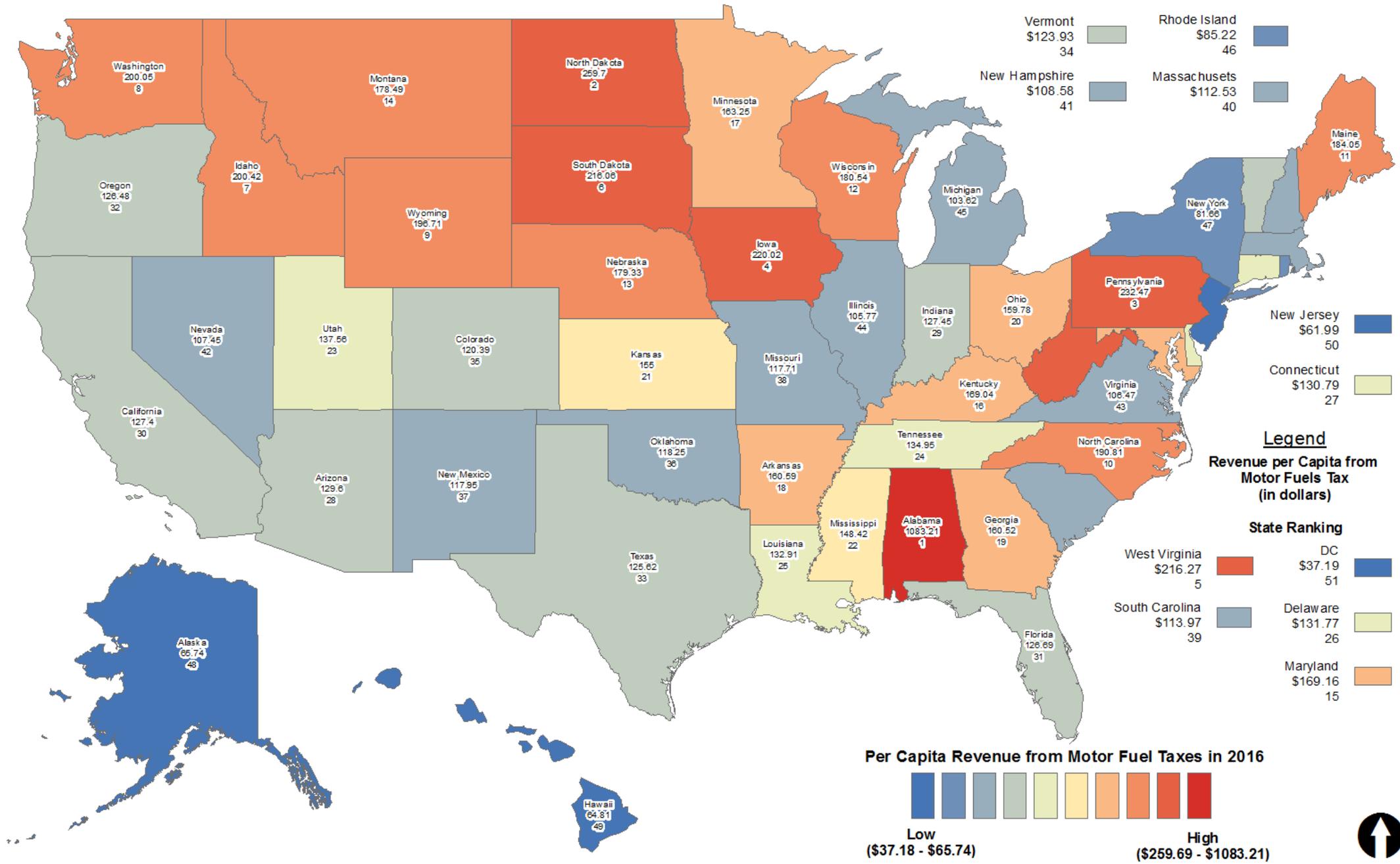
Current as of April 2017 (Excluding 18.4 cpg Federal Excise Tax)
 Total State taxes and fees on Gasoline, in cents per gallon (cpg)



Question from June FAMPO Meeting

- **How does Virginia State Gas Tax Revenue compare to other states on a per capita basis?**
- **Effective 2016 Virginia State Gas Tax Revenue on a per capita basis is significantly lower than most adjacent states and more populous states**
 - **Pennsylvania: #3 at \$232.47/person**
 - **Florida: #31 at \$126.69/person**
 - **North Carolina: #10 at \$190.81/person**
 - **Maryland: #15 at \$169.16/person**
 - **West Virginia: #5 at \$216.27/person**
 - **Georgia: #19 at \$160.52/person**
 - **Virginia: #43 at \$106.47/person**

Revenue per Capita from Motor Fuel Taxes in 2016



Summary

- **Virginia is the 12th most populous state with the 15th highest gross tax revenue in the nation**
- **Virginia's effective state gas tax of 22.4 cents/gallon is ranked #40 nationwide, and its revenue per capita is ranked #43 nationwide**
- **Virginia's gas tax revenue per capita is one of the lowest in the nation despite increased State Transportation funding from HB2313 (2013 Transportation Bill)**

2. Update on Regional Motor Fuels Tax Revenue Questions from June

- 1. Update on Annual additional cost based on August Gas prices**
- 2. Estimated revenue for Three different Gas Tax Floors (from PRTC)**

June Question: How much would a Regional Motor Fuels Gas Tax Floor of \$3.17/gallon cost an average tax payer?

1. Assumptions

- Average tax payer = average driver
- Average Yearly Mileage = 20,000 (Virginia average is 15,464 according to FHWA)
- Fuel Efficiency (Miles/Gallon) = 23.6 (Source: EPA)
- Existing price of Gas per Gallon = \$2.15 (Source: 8/17/17 Statewide average from Gasbuddy)
- Note: Statewide gas prices have risen 7 cents since mid-June.
- Regional Motor Fuels Gas tax floor would be set at Statewide gas tax floor of \$3.17/gallon

2. Existing Regional Motor Fuels Tax per Driver: \$38.26/year or \$3.19/month

3. Regional Motor Fuels Tax per Driver with \$3.17 floor: \$56.42/year or \$4.70/month

4. Additional Tax per Driver: \$18.15/year or \$1.51/month (47% increase)

Estimated revenue for Three Different Gas Tax Floors (from PRTC)

Estimated Fuel Tax Revenues Based on PRTC FY18-23 Budget								
Fiscal Year	FY18	FY19	FY20	FY21	FY22	FY23	Total Revenues	
Price per Gallon	\$ 2.18	\$ 2.21	\$ 2.23	\$ 2.27	\$ 2.30	\$ 2.30		
Stafford	\$ 3,217,600	\$ 3,295,600	\$ 3,347,500	\$ 3,445,100	\$ 3,528,600	\$ 3,549,800	\$ 20,384,200	
Fredericksburg	\$ 1,426,900	\$ 1,461,500	\$ 1,484,500	\$ 1,527,800	\$ 1,564,800	\$ 1,574,200	\$ 9,039,700	
Spotsylvania	\$ 3,656,700	\$ 3,745,300	\$ 3,804,300	\$ 3,915,200	\$ 4,010,100	\$ 4,034,100	\$ 23,165,700	
Total	\$ 8,301,200	\$ 8,502,400	\$ 8,636,300	\$ 8,888,100	\$ 9,103,500	\$ 9,158,100	\$ 52,589,600	

Estimated Fuel Tax Revenues with Mid-Point Fuel Tax Floor								
Fiscal Year	FY18	FY19	FY20	FY21	FY22	FY23	Total Revenues	Total Change from Budget
Price per Gallon	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69	\$ 2.69		
Stafford	\$ 3,971,800	\$ 4,011,600	\$ 4,039,600	\$ 4,080,000	\$ 4,124,900	\$ 4,149,700	\$ 24,377,600	\$ 3,993,400
Fredericksburg	\$ 1,761,400	\$ 1,779,000	\$ 1,791,400	\$ 1,809,300	\$ 1,829,200	\$ 1,840,200	\$ 10,810,500	\$ 1,770,800
Spotsylvania	\$ 4,513,800	\$ 4,558,900	\$ 4,590,900	\$ 4,636,800	\$ 4,687,800	\$ 4,715,900	\$ 27,704,100	\$ 4,538,400
Total	\$ 10,247,000	\$ 10,349,500	\$ 10,421,900	\$ 10,526,100	\$ 10,641,900	\$ 10,705,800	\$ 62,892,200	\$ 10,302,600

Estimated Fuel Tax Revenues with HB2313 Fuel Tax Floor								
Fiscal Year	FY18	FY19	FY20	FY21	FY22	FY23	Total Revenues	Total Change from Budget
Price per Gallon	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17	\$ 3.17		
Stafford	\$ 4,680,600	\$ 4,727,400	\$ 4,760,500	\$ 4,808,100	\$ 4,861,000	\$ 4,890,100	\$ 28,727,700	\$ 8,343,500
Fredericksburg	\$ 2,075,700	\$ 2,096,400	\$ 2,111,100	\$ 2,132,200	\$ 2,155,700	\$ 2,168,600	\$ 12,739,700	\$ 3,700,000
Spotsylvania	\$ 5,319,200	\$ 5,372,400	\$ 5,410,000	\$ 5,464,100	\$ 5,524,300	\$ 5,557,400	\$ 32,647,400	\$ 9,481,700
Total	\$ 12,075,500	\$ 12,196,200	\$ 12,281,600	\$ 12,404,400	\$ 12,541,000	\$ 12,616,100	\$ 74,114,800	\$ 21,525,200

Summary Comparison for FY 18-23 SYIP Timeframe

Estimated Fuel Tax Revenues Based on PRTC FY18-23 Budget

Jurisdiction	Total Revenues (\$2.18 PRTC Budget)	Additional Revenue (Mid-point floor of \$2.69)		Additional Revenue (HB2313 floor of \$3.17)	
		Revenue	Pct Increase	HB2313 Floor of \$3.17	Pct Increase
Stafford	\$20,384,200	\$3,993,400.00	19.6%	\$8,343,500.00	40.9%
Fredericksburg	\$9,039,700	\$1,770,800.00	19.6%	\$3,700,000.00	40.9%
Spotsylvania	\$23,165,700	\$4,538,400.00	19.6%	\$9,481,700.00	40.9%
Total	\$52,589,600	\$10,302,600.00	19.6%	\$21,525,200.00	40.9%

- **Three Motor Fuel Tax Floor options:**
 1. PRTC Budget = \$2.18
 2. Mid-point Option = \$2.69
 3. HB2313 State Floor = \$3.17
- **Mid-point Option would increase Tax Revenue by 19.6% or \$10.3 Million for FAMPO**
- **HB2313 State Floor would increase Tax Revenue by 40.9% or \$21.5 Million for FAMPO**

Summary of Pros/Cons of a Regional Motor Fuels Tax Floor

Pros

1. Help raise additional funding for Local Transportation Funding
2. Help raise additional funding for PRTC and VRE service
3. Could help Local Governments have funding leverage for Statewide transportation funding programs such as Smart Scale and Revenue Sharing
4. Collect some additional tax revenue from out of region drivers for Local Transportation Funding use

Cons

1. Can be viewed as a tax increase

3. Update Regional Transportation Authority (RTA) from June

1. How would a Regional Transportation Authority potentially work?

- Answer: FAMPO white paper on Meeting Agenda website

2. Was a voter referendum used to help get approval for a RTA in NOVA or Hampton Roads?

- Answer: No, a referendum failed in both regions in 2003 due to concerns that additional local funding would result in less statewide funding coming to both regions. RTA advocates in these regions feel the referendum of 2003 set the effort to get a RTA back in each region by at least a few years.

3. Request to have representatives from NVTA and HRTAC speak to FAMPO about their experiences with RTAs

- NVTA and HRTAC representatives will present at FAMPO on 9/19
 - NVTA Chairman (Marty Nohe – Prince William)
 - HRTAC Executive Director (Kevin Page)
- NVTA and HRTAC recently presented at the Richmond TPO (MPO)

Discussion and Possible Next Steps

1. Additional exploratory research for September Meeting?
2. Other ideas?



4. Update on Transportation Legislative Items from June

Five items discussed: Two currently on GWRC Legislative Agenda: #1 & #5

1. Enabling additional rural multilane divided highways to potentially have a speed limit of 60 mph
2. Updating 1986 District Grant Formula for Smart Scale (SS) to be less focused on City/Town population within the District vs. total population
 - Assuming \$500 Million in Statewide District Grant funding, this could generate an additional \$5 Million per Smart Scale Cycle for Frederick County District from about \$35 to \$40 Million.
 - Estimated additional revenue: \$10 Million between 2018 and 2045 (Assuming Bi-Annual SS Cycles)
3. Support a Regional Motor Fuels Tax based on Statewide Floor of \$3.17/gallon
 - Could generate an additional \$5.5 Million per year for FAMPO Jurisdictions
 - Estimated additional revenue: \$11 Million between 2017 and 2045
4. Support the ability for adjacent local government regions, or PDC regions to create Regional Transportation Authorities
5. Smart Scale Changes
 - Potentially submit recommendations developed by FAMPO Smart Scale Task Force

1. Enabling additional multilane divided highways to potentially have a speed limit of 60 mph

Concept appears to have broad support

FAMPO input requested on a suggested change:

Remove route references in legislation so that it could apply to any multilane divided highway that met the VDOT traffic engineering/safety study requirements instead of specifically referencing specific routes, e.g., Rte 3, Rte 301, Rte 207, etc.

§ 46.2-870. Maximum speed limits generally.

Except as otherwise provided in this article, the maximum speed limit shall be 55 miles per hour on interstate highways or other limited access highways with divided roadways, nonlimited access highways having four or more lanes, and all state primary highways.

The maximum speed limit on all other highways shall be 55 miles per hour if the vehicle is a passenger motor vehicle, bus, pickup or panel truck, or a motorcycle, but 45 miles per hour on such highways if the vehicle is a truck, tractor truck, or combination of vehicles designed to transport property, or is a motor vehicle being used to tow a vehicle designed for self-propulsion, or a house trailer.

Notwithstanding the foregoing provisions of this section, the maximum speed limit shall be 70 miles per hour where indicated by lawfully placed signs, erected subsequent to a traffic engineering study and analysis of available and appropriate accident and law-enforcement data, on: (i) interstate highways, (ii) multilane, divided, limited access highways, and (iii) high-occupancy vehicle lanes if such lanes are physically separated from regular travel lanes. The maximum speed limit shall be 60 miles per hour where indicated by lawfully placed signs, erected subsequent to a traffic engineering study and analysis of available and appropriate accident and law-enforcement data, on ~~U.S. Route 29, U.S. Route 58, U.S. Route 360, U.S. Route 460, and on U.S. Route 17 between the town of Port Royal and Saluda where they are~~ nonlimited access, multilane, divided highways.

5. Proposed Smart Scale Changes

1. Focus Statewide High Priority Funding on Regional projects instead of small local projects

- Issue: Statewide High Priority program intended to identify most important statewide needs, but current process has allocated a significant amount of statewide high priority funding to small local highway, transit, and bike/ped projects that do little to address regional transportation problems
- Proposed changes:
 1. Exclude stand alone bike/ped projects from Statewide High Priority funding
 2. Exclude highway projects not on a Corridor of Statewide Significance from Statewide High Priority funding (Note: Corridors of Statewide Significance generally only include interstates and a few select primary highways, e.g., Rte 17, Rte 29, etc.)
 3. Set a minimum threshold in the size of a project to qualify for Statewide High Priority funding, e.g., \$10 Million. (Note: Small projects could still be submitted to the District Grant program)

2. Mandate that average traffic used in Smart Scale metrics must cover all 7 days of the week instead of only average weekdays

1. Many major roadways statewide can have more traffic congestion on weekends vs. weekdays, e.g., I-64, I-81, I-95, etc.

3. Mandate that Total Cost be used in Smart Scale Benefit/Cost calculations instead of Smart Scale Request Cost.

1. Would help put all projects statewide on a level playing field.

Questions?



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