



# NATIONAL OVERVIEW: TRENDS IN STATE & LOCAL TRANSPORTATION FUNDING MEASURES

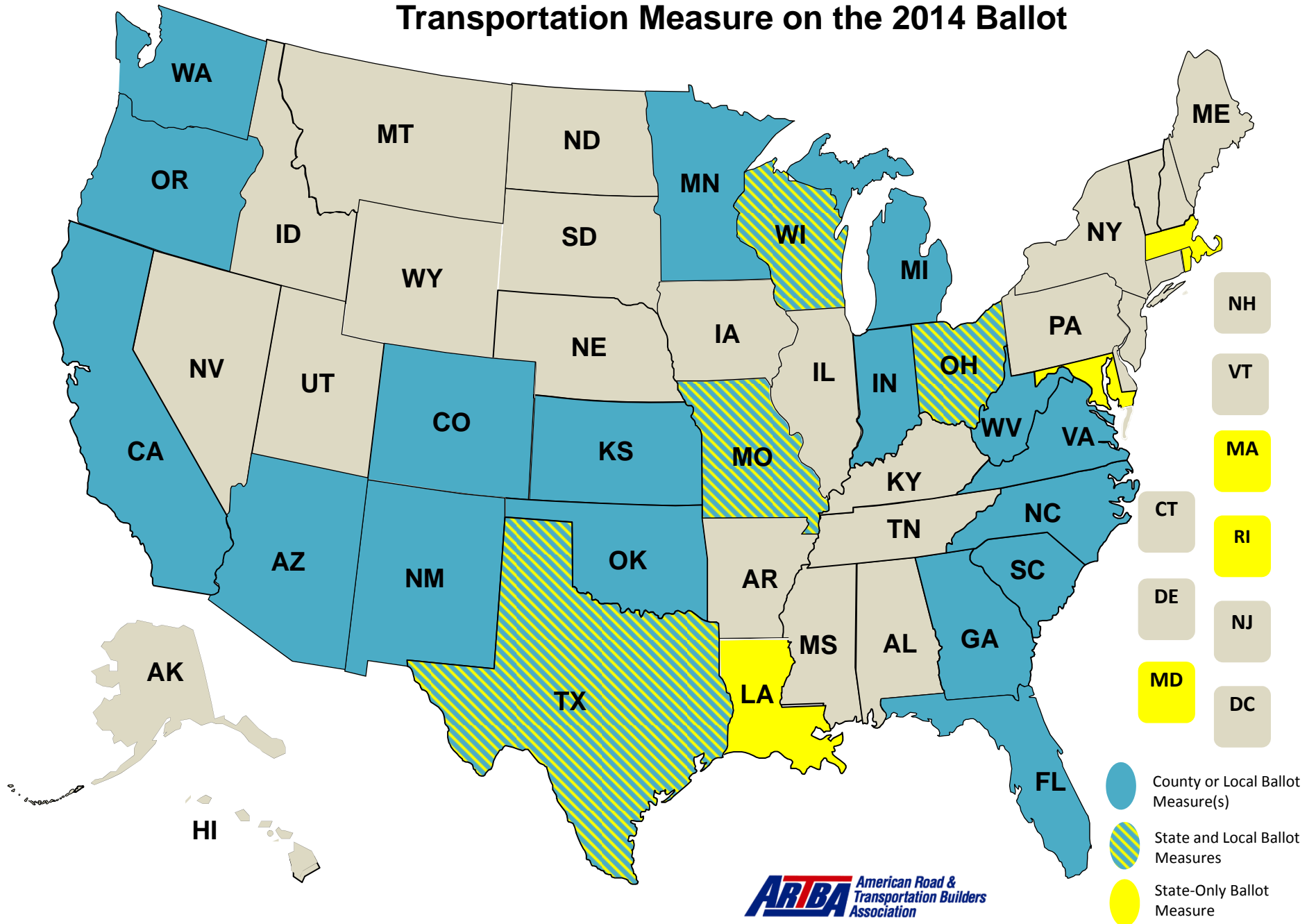
November 19, 2014

Nick Goldstein

# Executive Summary

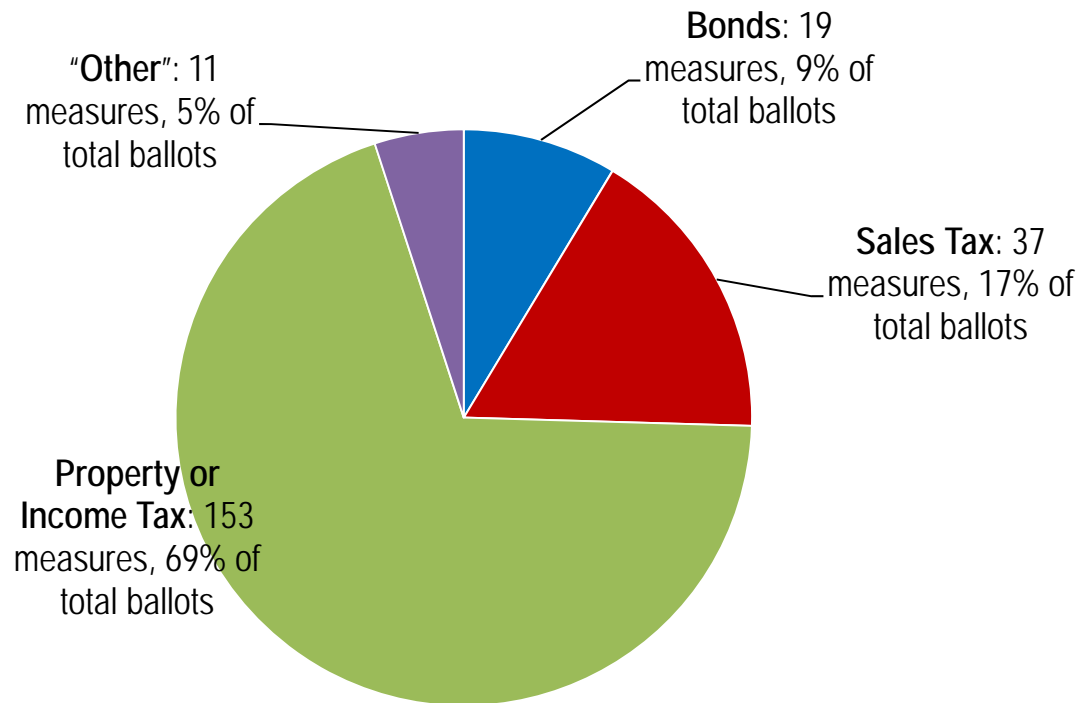
- ❑ Voters approved 79% of 220 ballot initiatives to increase transportation funding in 2014.
  - ▣ An additional \$17 billion for transportation investment.
- ❑ Transportation is a bipartisan issue.
- ❑ Over 653 state, county and local transportation funding measures since 2004.
- ❑ 26 states have increased their motor fuels or gasoline sales tax since 1997
- ❑ Despite additional revenues, Federal highway program still accounts for 52% of state capital outlays.

## 25 States Had One or More Statewide, County or Local Transportation Measure on the 2014 Ballot



# Voters Approved \$17 Billion in Transportation Investment in 2014

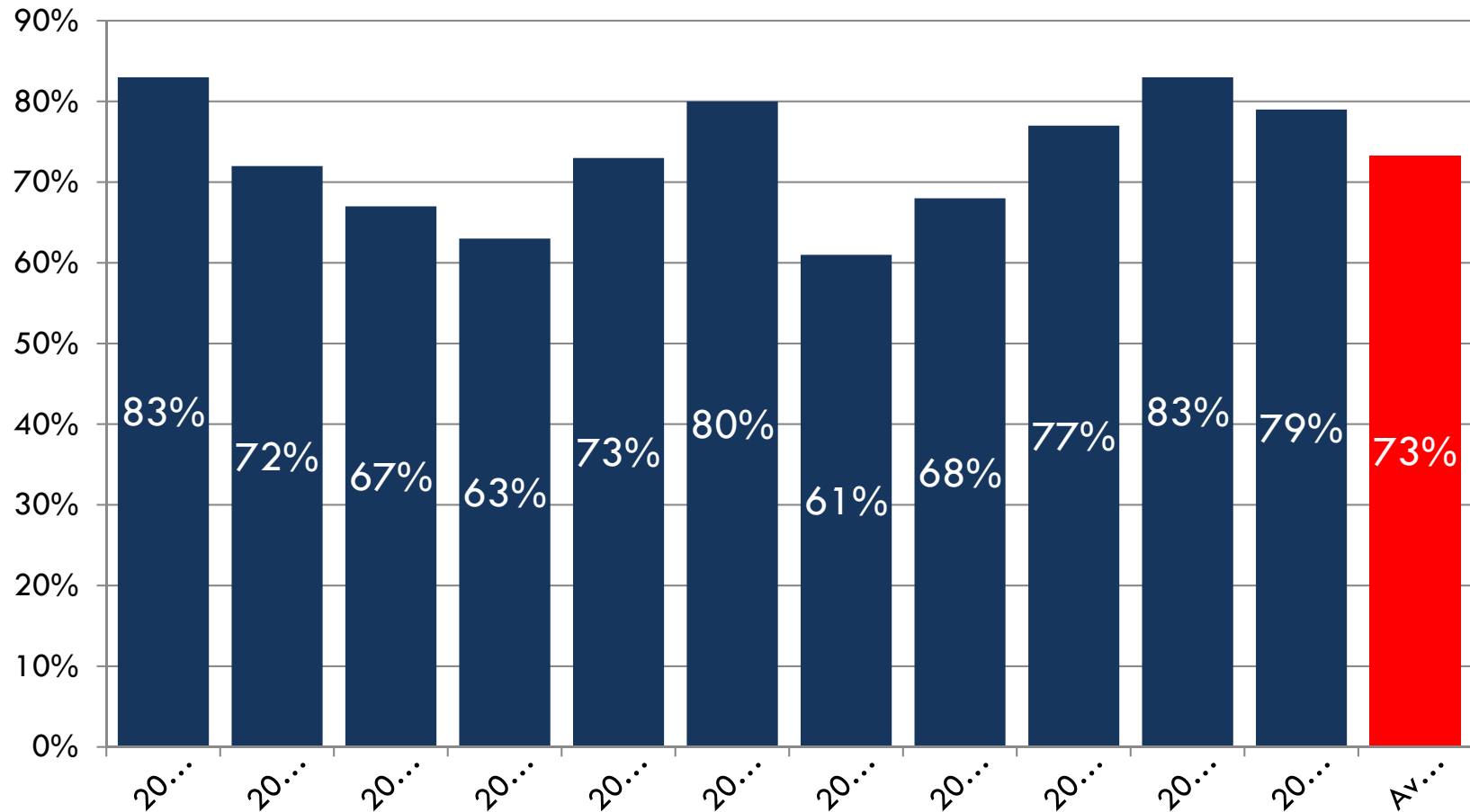
## 220 Transportation Measures On the Ballot



## 79% of Measures Approved

- Bond Measures: 94% approved.
- Sales Tax: 57% approved.
- Property or Income Tax: 86% approved.

# Transportation Ballot Measures Approved 2004-2014



# State, County and Local Voters Get It

- 653 initiatives to increase state, county and local transportation funding since 2004
- Of those measures, 489 passed (73%), including:
  - ❑ 51 bond measures (81%)
  - ❑ 135 new sales taxes or renewals/extensions (64%)
  - ❑ 258 new property/income taxes or renewal/extensions (83%)

# Transportation is a Bipartisan Issue

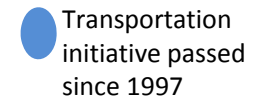
- Of the 140 counties that had transportation initiatives on the ballot between 2005-2013, we have identified 126 political affiliations:
  - 58 were predominantly Republican
  - 68 were predominantly Democrat
- Republican counties - 47 measures (81%) were approved
- Democrat counties - 46 measures (73%) were approved

funding related initiatives since 1997.

Legend:

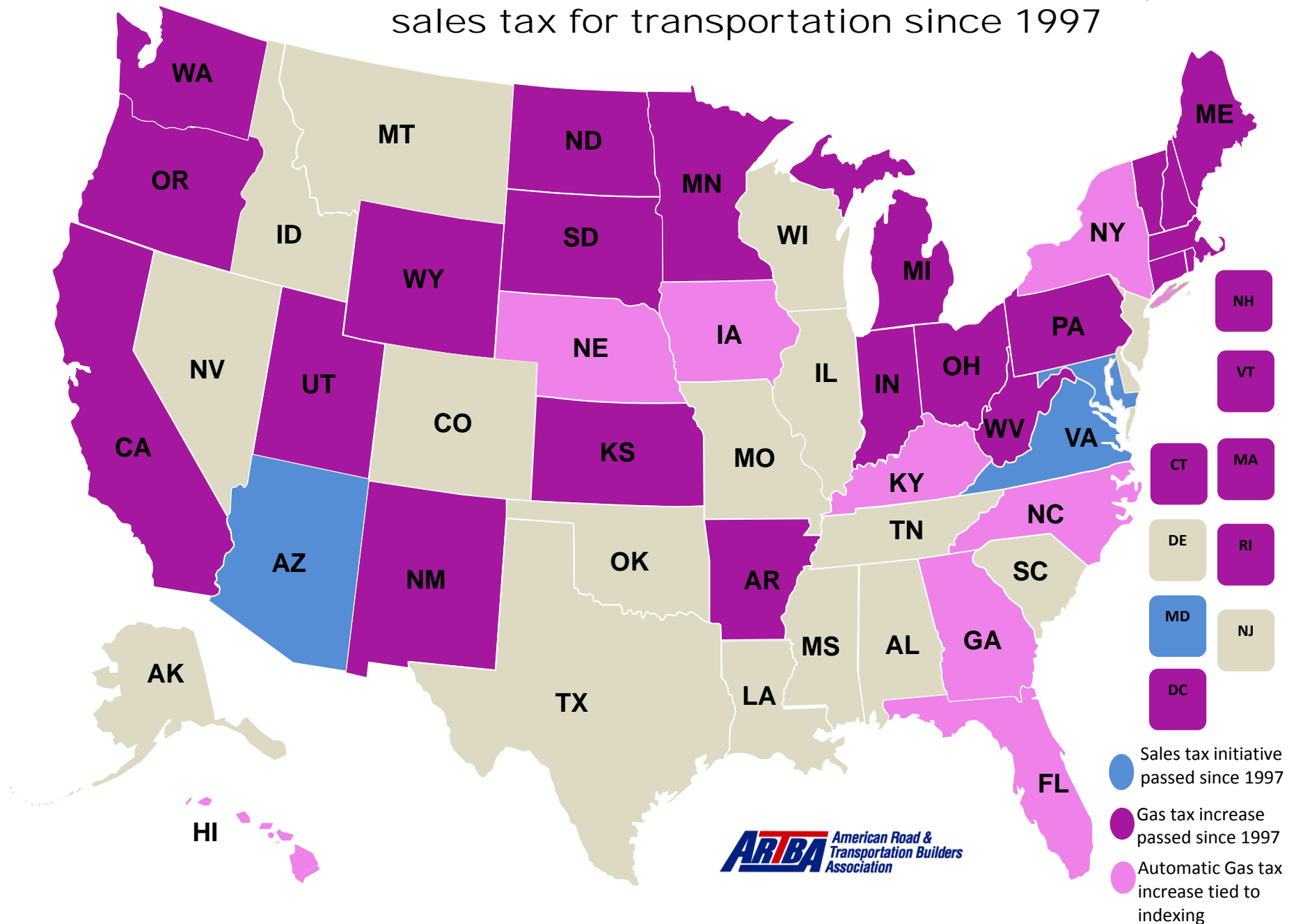
- Transportation initiative passed since 1997

ARIBA American Road & Transportation Builders Association

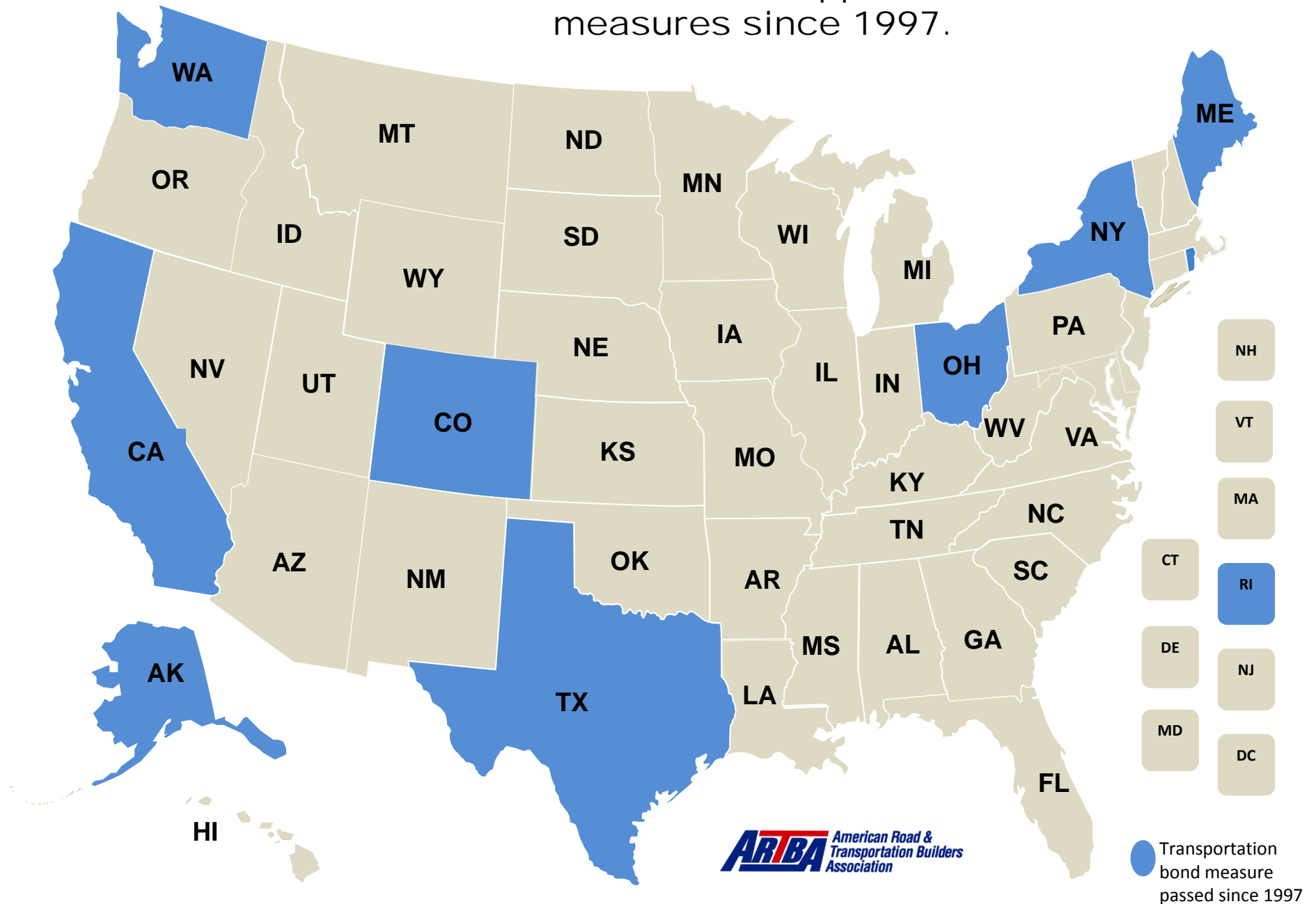




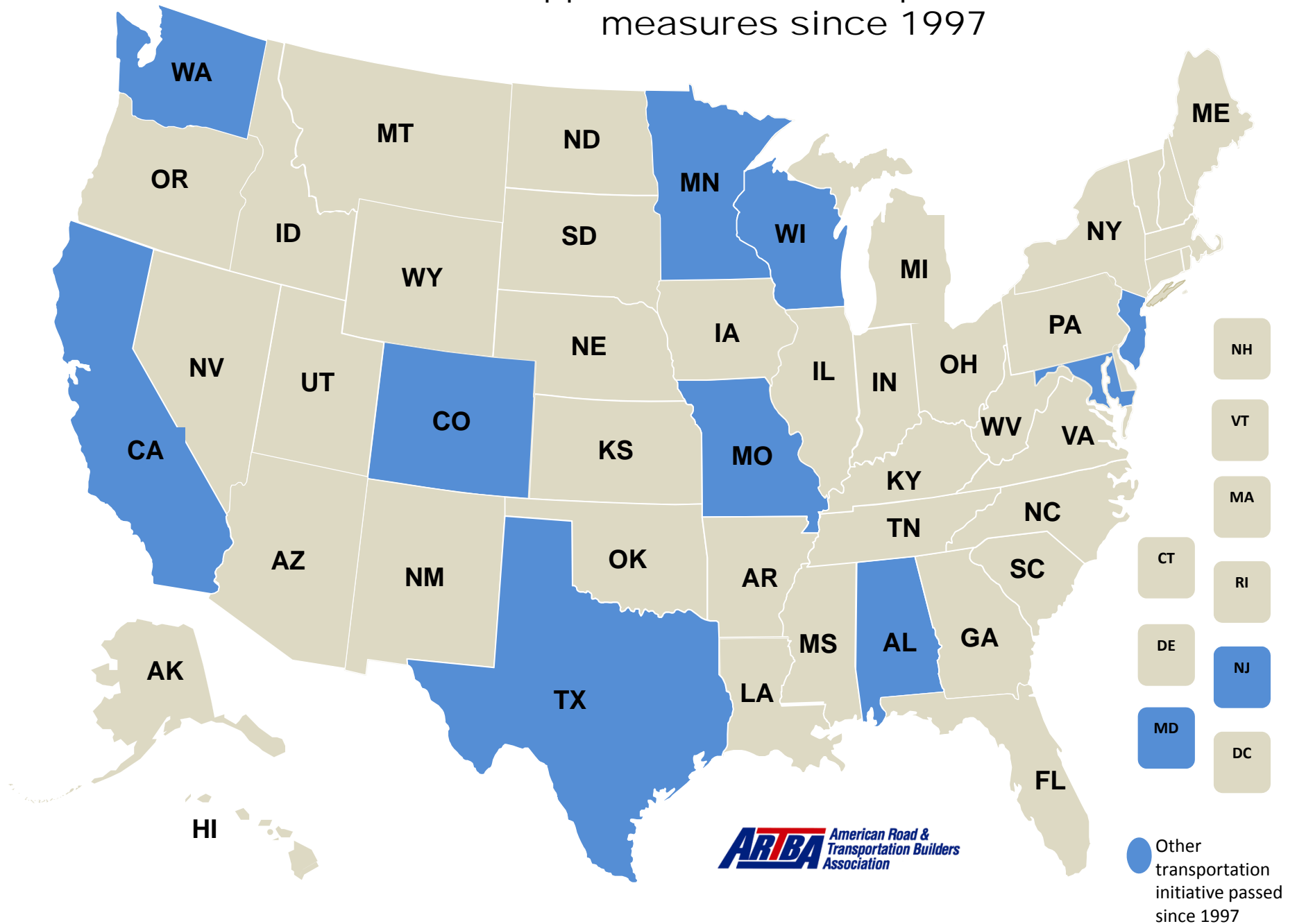
33 states have increased either their motor fuel or gasoline sales tax for transportation since 1997



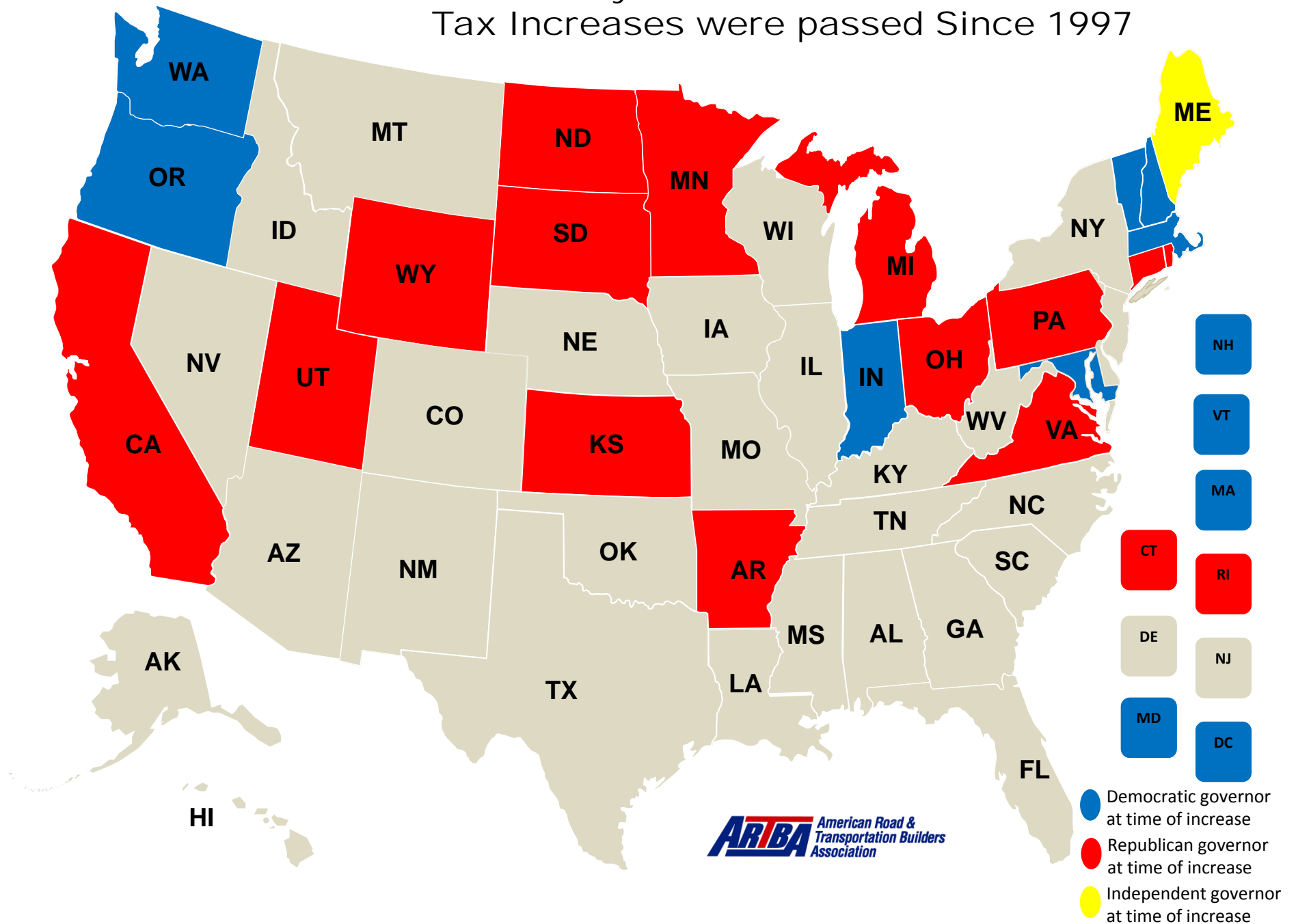
Voters in ten states have approved bond ballot measures since 1997.



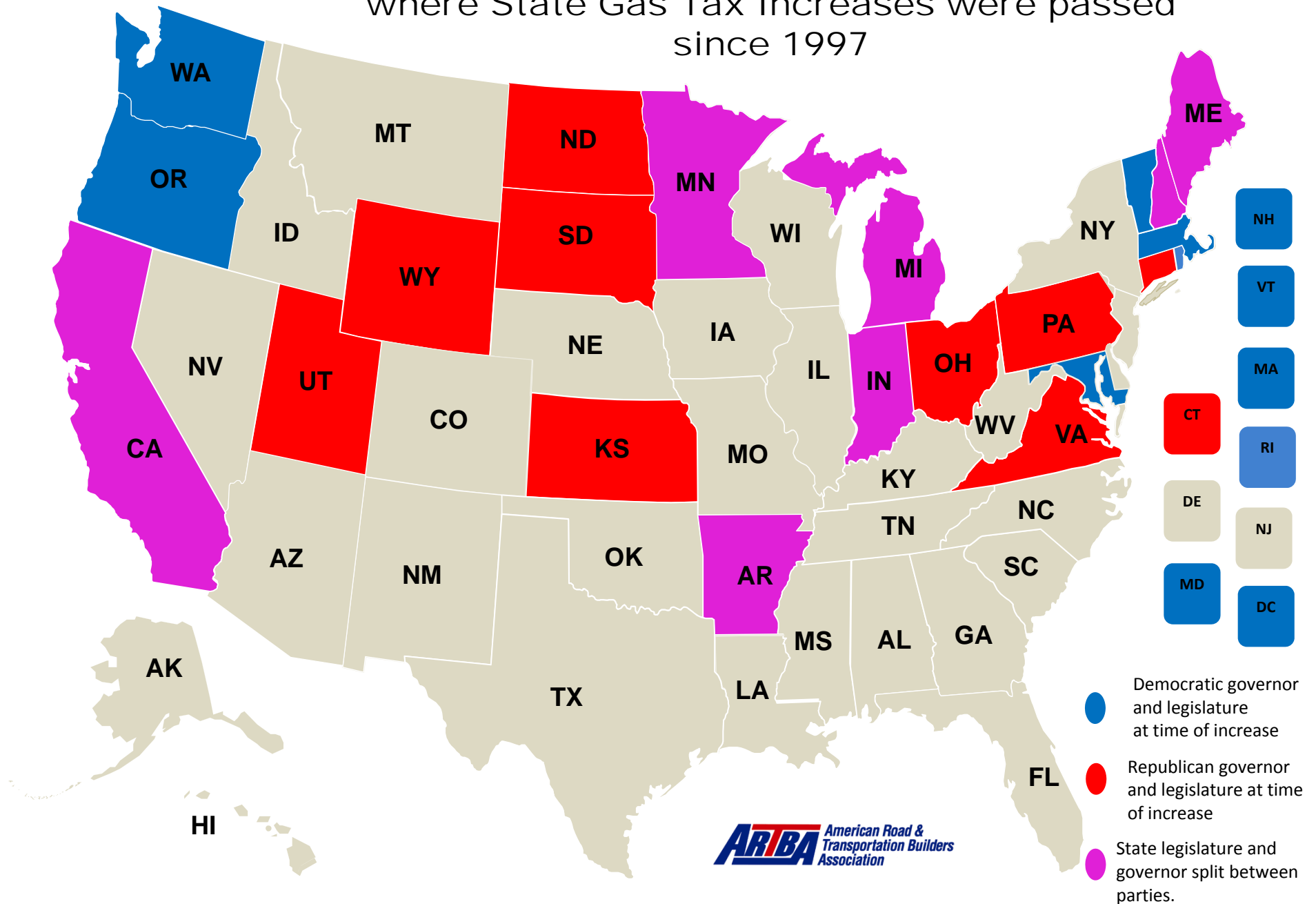
# Other approved state transportation ballot measures since 1997



# Political Party of Governors where State Gas Tax Increases were passed Since 1997



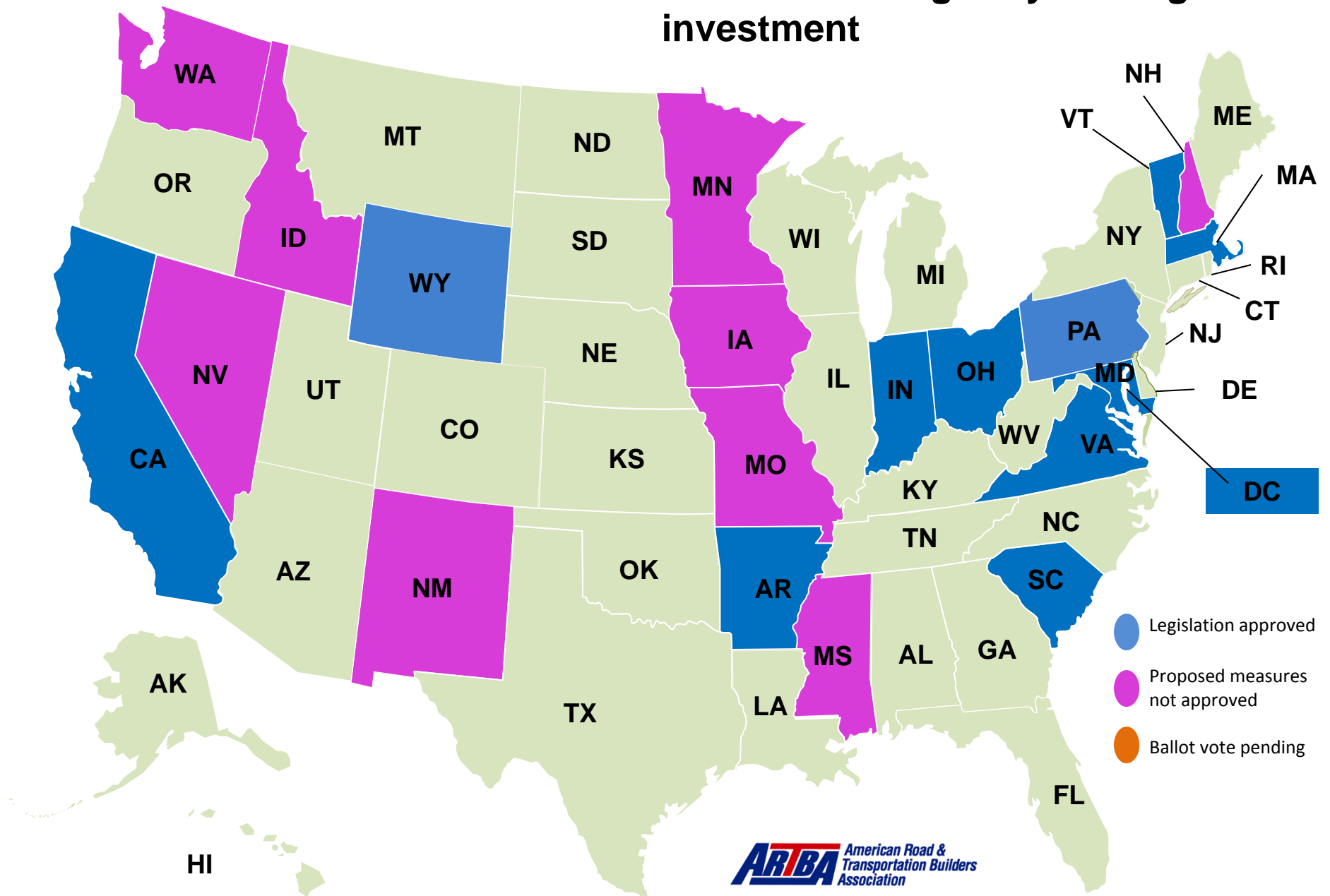
# Political Party of Legislature and Governor where State Gas Tax Increases were passed since 1997



# Raising the Gas Tax: A Politically Feasible Endeavor

- ❑ Since 1997, 13 state gas tax increases were passed by states with a Republican majority in both houses and a Republican governor.
- ❑ 12 of the 13 governors who sought reelection after passing gas tax increases were reelected. Nine of these governors were Republican.
- ❑ Six states that passed gas tax increases since 1997 had Republican governors and a Democratic majority in both houses.

## 2013 state initiatives to increase highway & bridge investment

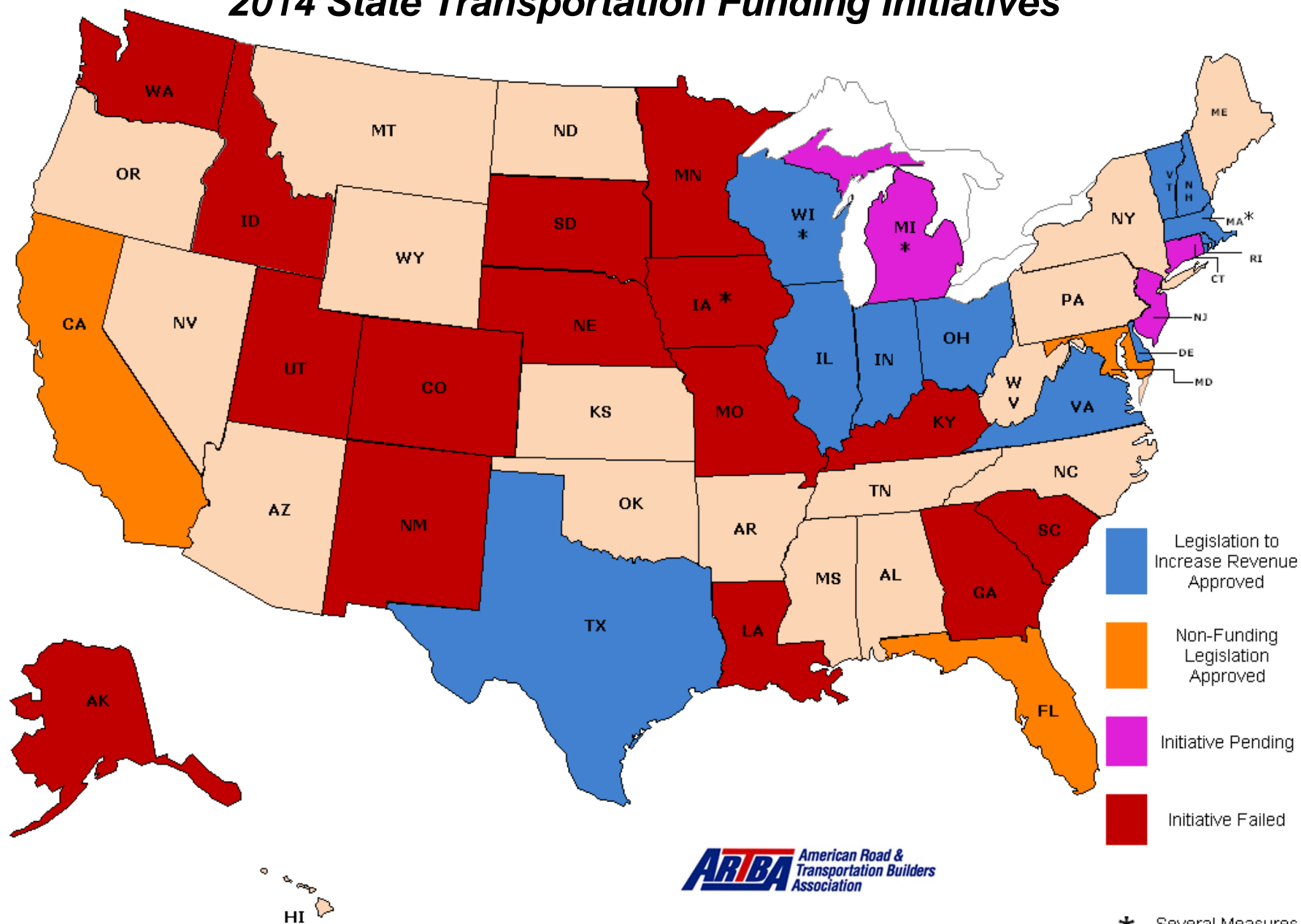


# Trends in 2013 Transportation Initiatives – TIAC Case Studies

- ❑ Governor as champion
- ❑ Bipartisan Support
- ❑ Matching federal investment
- ❑ National momentum
- ❑ Adjusting rates for inflation

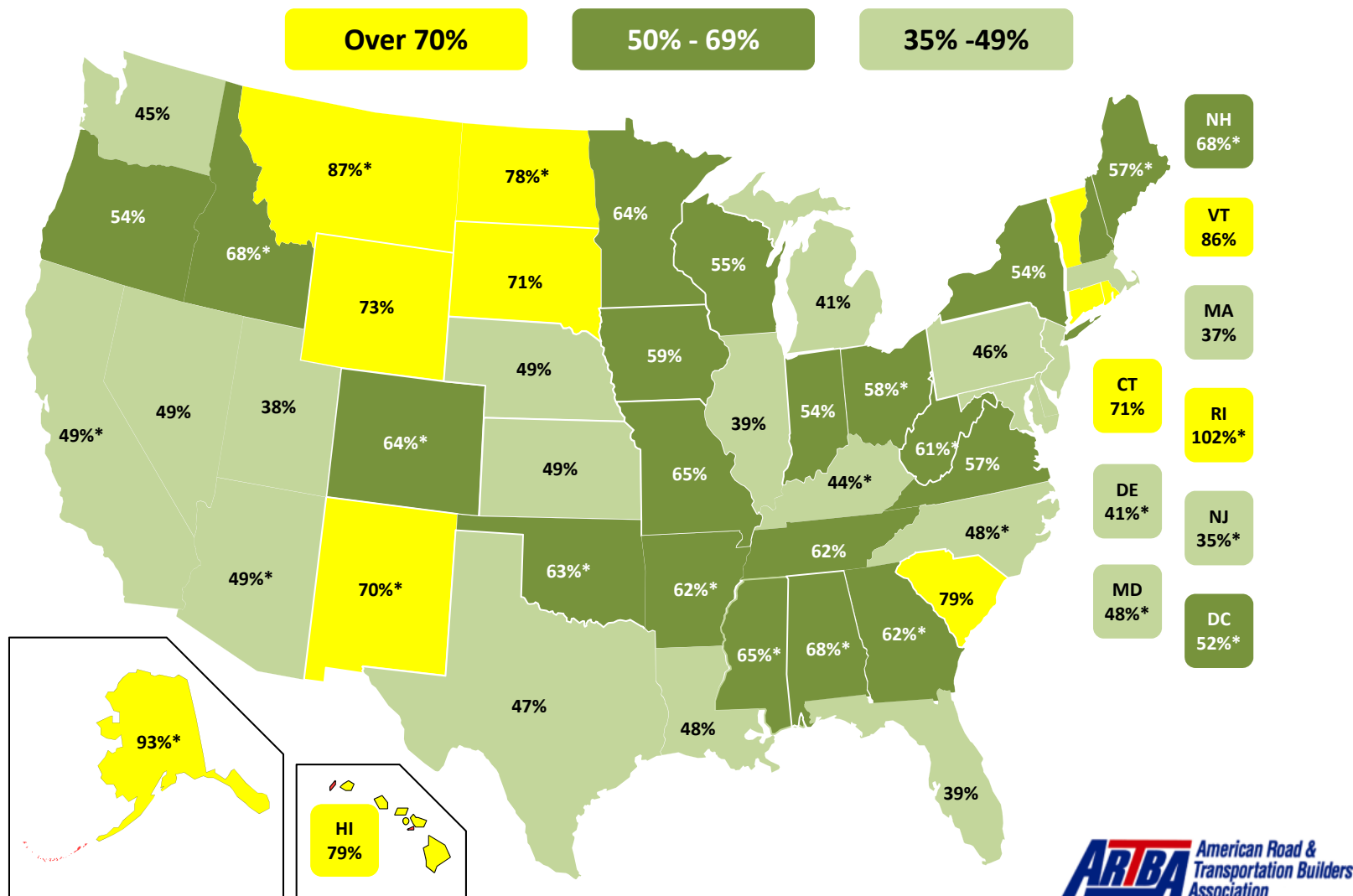


## 2014 State Transportation Funding Initiatives



- \* Several Measures in Varying Stages

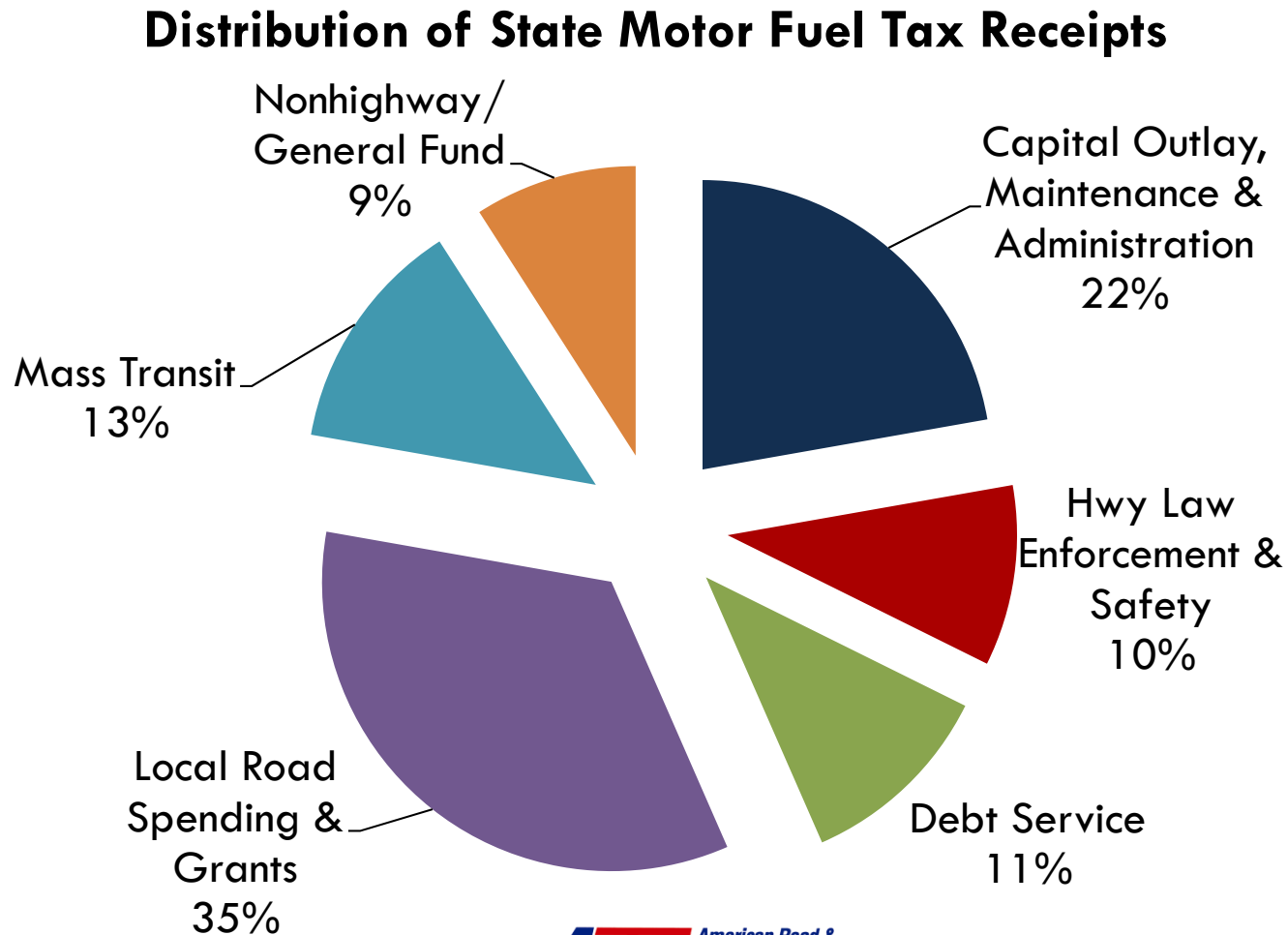
# Federal funds, on average, provide 52% of annual state DOT capital outlays for highway & bridge projects



Source: ARTBA analysis of "FHWA Highway Statistics" data, total 10-year average 2001-2011 from Tables SF-1 and SF-2. The percent is the ratio of federal-aid reimbursements to the state and total state capital outlays and is indicative of the importance of the federal-aid program to state capital spending for highways and bridges. Does not include local capital spending. Federal highway reimbursements are primarily used for capital outlays, including construction, right-of-way acquisition and engineering, but are also used for debt service for GARVEE bonds.

\* States that have issued GARVEE bonds before 2011.

# State DOTs use 22% of motor fuel tax receipts for state highway capital outlay, maintenance & administration



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# Transportation Investment Advocacy Center™

The Transportation Investment Advocacy Center™ (TIAC) is a first-of-its-kind, dynamic education program and internet-based information resource designed to help private citizens, legislators, organizations and businesses successfully grow transportation infrastructure investment at the state and local levels through the legislative and ballot initiative processes.

# BLOG

## The Transportation Investment Advocate Blog

The latest news and information.



### Wisconsin DOT Introduces "Transportation Moves Wisconsin" Initiative

by Rebecca Schwartz | Apr 2, 2014 | State Gasoline Taxes, State Legislation, States, Uncategorized

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# CAMPAIGN CASE STUDIES

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## Successful Legislative Campaigns

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**VIRGINIA: HOUSE BILL 2313 (2013)** This successful legislative campaign with the Virginia state legislature produced a five-year, \$3.4 billion transportation investment bill that, among other changes, replaced the state's gas tax with a sales tax on motor fuel. The legislature passed the bill in March, and Governor McDonnell (R) signed this overhaul of the transportation funding system into law in May. The new law scrapped the gas tax, raised the sales tax, established a tax on wholesale gas and diesel, and charged registration fees for hybrid, electric and alternative-fuel vehicles.

-  Case Study – Virginia – 2013
- Campaign Advertising Materials:  Virginia "Let's Go VA" Campaign
- VTCA Virginia Statewide Survey of Likely Voters (January 2012):  VTCA Public Release of Poll Results
- Study Conducted by ARTBA:  ARTBA Study VA
- Article: "Va. Primary May Not Sway National Debate." Scott Wong. *Politico Pro*. June 12, 2013.  Article 2013

**MARYLAND: HOUSE BILL 1515 (2013)** This successful legislative campaign in the Maryland state legislature resulted in the enactment of a transportation gasoline/sales tax package that has been projected to generate \$830 million per year for road and public transportation improvements. This law raised taxes on gasoline in stages over a four-year period – with a roughly four-cents-per-gallon increase on July 1, 2013. More specifically, the law established a new three percent sales tax on wholesale gas, which will be introduced over a three-year period. This law also automatically adjusted the flat tax on gas to account for changes in inflation.

-  Case Study – Maryland – 2013
- Bill Text—House Bill 1515:  House Bill 1515 Text
- Public Opinion Polling Report —Gonzales (October 2013):  Maryland Poll Results: Gonzales
- Maryland Fiscal and Policy Report:  Fiscal and Policy Note HB 1515

**OHIO: HOUSE BILL 51 (2013)** In 2013, the Ohio state legislature delivered an increase in transportation funding. Ohio Governor John Kasich (R) signed a two-year, \$7.6 billion transportation and public safety budget bill that also permitted states to use toll revenue from the Ohio Turnpike for projects beyond its 241-mile toll road borders. The law allocated \$4 billion to pay for road and bridge contracts, which was mostly funded through fuel tax revenues.

-  Case Study – Ohio – 2013

# CAMPAIGN RESOURCES

## Campaign Management Firms

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 [Political Consulting Firms](#)

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## Opinion Research/Polling Firms

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 [Campaign Polling Firms](#)

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## State & Local Transportation Funding Advocacy Groups

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Better Roads & Transportation Groups:  [State Groups – TIAC – March 2014](#)

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## Sample Advertising & Media

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**2012 ARKANSAS BOND MEASURE (ISSUE #1): "MOVE ARKANSAS FORWARD" CAMPAIGN.** Voters approved Issue 1, a half-cent sales tax increase to go toward a \$13 billion bond for a 4-lane state highway network as well as for road improvements.

### *Campaign Brochures/Print Media*

- [Move Arkansas Forward #1 Q&A Brochure](#)
- [Move Arkansas Forward Campaign Brochure](#)
- [Move Arkansas Forward Fact Sheet](#)

### *Television Advertisements*

- [Move Arkansas Forward TV Ad-1](#)
- [Move Arkansas Forward TV Ad-2](#)
- [Move Arkansas Forward TV Ad-3](#)
- [Move Arkansas Forward TV Ad-4](#)
- [Move Arkansas Forward TV Ad-5](#)

# FUNDING & FINANCING MECHANISMS

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## State Motor Fuel Excises

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-  Gas Tax Table February 2014
  -  Gas Tax Rates February 2014
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## Bonding

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-  Overview of Bonding
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## Tolling


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-  Overview of Tolling
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## VMT & Cordon Pricing Approaches

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Vehicles-miles-traveled (VMT) and cordon pricing models are some of the most recent proposals to address transportation funding at the state and local level in the United States. This analysis will evaluate the VMT and the international congestion pricing models along with the United States' current federal gasoline tax system

-  Congestion Pricing Overview
  -  Oregon Case Study - VMT - 2013
- 

## How States Are Handling Alternate Fuel Taxation

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-  Alternative Vehicle Provisions
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## Overview of P3 & Financing Approaches

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According to the Federal Highway Administration, public-private partnerships (P3s) are defined as "contractual agreements formed between a public agency and a private sector entity that allow for greater private sector participation in the delivery and financing of transportation projects." Public-private partnerships have

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# Questions?



[www.transportationinvestment.org](http://www.transportationinvestment.org)

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