

# Blue Ribbon Commission To Study and Recommend Funding Solutions for the State's Transportation Systems

October 24, 2019

## Brief Summary of Presentations from 10/1/2019

*(see BRC webpage for full presentations and materials)*

### 1. Federal Overview – Susan Howard, American Association of State Highway Transportation Officials

FAST Act – Fiscal year 2016-2020

- \$305 billion in total funding; \$281 billion guaranteed from the Highway Trust Fund
- About 93 percent of highway dollars are apportioned to States
- Includes multimodal funding
- \$7.6 billion of unobligated contract authority rescinds on July 1, 2020

Since 2008 the Highway Trust Fund has been Sustained by General Fund Transfers

- Taxes coming in are not covering costs

Congressional Budget Office projects a \$200 billion short fall over the next 10 years

- Impacts expected to hit in 2021
- Cause: gas tax has not been raised since 1993, has not kept up with inflation
- Vehicle miles traveled has remained relatively steady
- Electric vehicles make up 1-2% of the total fleet

National Level Policy Propositions

- Increase Motor Fuel Tax
- Per Barrel Oil Tax
- Freight Based User Fee
- Road Usage Charge (Vehicle Miles Traveled)
  - discussed options used or considered in other states

State Financing

- General Obligation Bonds
- GARVEE Bonds
- Private Activity
- TIFIA Federal Credit Assistance
- Public/Private Partnerships

## **2. Other States – Douglas Shinkle, National Conference of State Legislators**

### 2016 Transportation Government Finance Report

- 54 Funding Sources
- 2000 – 2015 Comparison

### Five Main Funding Trends

- Gas Tax
  - 22 states index their gas tax
  - 8.3 years since Maine increased gas tax
  - Indexing repealed in 2012
  - 2019 Legislation Overview
  - States such as Virginia and Georgia apply tax to specific roads
- Vehicle Registration Fees
  - Tiered Registration (Oregon, HB 2017)
  - Separate Fee on Vehicle Value (California, SB 1)
- Alternative Fuel Vehicle Fees
  - 26 States, some indexed, some biennial
- Road Usage Charge
  - State & Federal Programs
  - Shared Mobility (Minnesota)
  - I-95 Pilot
  - Collection costs result in RUC not being as efficient as gas tax
- Tolling
  - Non-Federal Aid Roads
  - Federal law allows certain exceptions
  - See slides re: Florida, New York, Washington, and Wyoming

## **3. Tolling Trends – Pat Jones, International Bridge, Tunnel & Turnpike Association**

- See BRC webpage for materials provided by presenter  
<http://legislature.maine.gov/doc/3343>

## **4. Tolling in Maine – Peter Mills, Maine Turnpike Authority**

- See BRC webpage for materials provided by presenter  
<http://legislature.maine.gov/blue-ribbon-commission-to-study-funding-solutions>