The View from CSG HQ: Transportation Policy in 2017

CSG West Transportation & Infrastructure Committee
August 18, 2017
Agenda

• Autonomous & Connected Vehicle Policy
• State transportation funding trends
• Future of state and federal transportation funding
In-State Forums on Autonomous & Connected Vehicle Policy
Autonomous and Connected Vehicles: What’s Next for the Industry & State Policymakers

June 12-14, 2017

Detroit, Michigan
Save the Date!
State Transportation Funding Trends 2017

• Eight states raised gas taxes
• Lots of activity in the West
• Idaho approved one-time transportation funding
• Eight states approved new fees for electric vehicles
• Since 2012, 31 states have enacted a funding increase
California (2017)

- $52 billion plan to repair roads and bridges
- Increases excise taxes on gasoline by 12 cents and on diesel by 20 cents
- Adjusted for inflation after 2020
- Increase in diesel fuel sales tax
- New road improvement fee
- New $100 zero emission vehicle fee
Idaho (2017)

- $52 million from the budget surplus for emergency road funding
- $300 million in GARVEE bonding (borrowed against future federal highway allocations)
- Extended surplus eliminator for another 2 years
- Created new Transportation Expansion and Congestion Mitigation Fund
Indiana (2017)

- 10 cent gas tax increase in two steps of 5 cents each
- 6 cent diesel fuel tax increase
- Indexing starting in 2019 (up to 1 cent annually)
- Increases vehicle registration fees (50% on decal fee for alternative fuel vehicles)
- $150 fee on electric vehicles
- $75 fee for alternative fuel vehicles
Indiana (2017)

- Increases fee on sale of new vehicle tires
- 10 cent increase in aviation fuel tax
- Allows INDOT to seek federal waiver on interstate tolling
- INDOT tolling feasibility study
- $328 million for the state highway fund in year one, $43 million for local roads, $1.7 million for airports
- $552 million state, $85 million local by year two
Montana (2017)

- Increases gas tax by 4.5 cents a gallon, then 1.5
- Increases diesel tax by 1.5 cents, then 0.5
- Increase in vehicle registration fee
- New tax on cars, recreational vehicles worth more than $150K
- $37 million in year one, $49 million by 2023
Oregon (2017)

- Four cent gas tax increase in 2018
- Gradually adds another six cents
- Increase in vehicle fees
- New tax on new vehicle sales
- Payroll tax for transit
- Bike tax
South Carolina (2017)

- Veto override
- Increases gas tax 2 cents a year for six years
- Increases license and registration fees
- Increases vehicle sales taxes
South Carolina (2017)

• New one-time fee for vehicles purchased out-of-state
• New fees on electric and hydrogen-powered cars
• New hybrid fees
• New fee on large commercial vehicles
• $630 million a year for road repairs
Tennessee (2017)

- Increases gas tax by 6 cents over 3 years
- Increases diesel tax by 10 cents over 3 years
- Increases vehicle registration and other fees
- $350 million annually for state’s dedicated highway fund
- Also cuts taxes
Utah (2017)

- Allows $1 billion to be bonded over the next 4 years to speed up high priority transportation projects across the state.
- Modifies the variable-rate gas tax formula enacted in 2015 to allow for more robust revenue growth. It will result in a roughly 0.6-cent-per-gallon increase in 2019 and a 1.2-cent increase in 2020.
West Virginia (2017)

- Increases variable minimum wholesale gas tax
- Vehicle sales tax increase
- Increases tolls and tolling authority
- Voter referendum on $1.6 billion in bonds
- $140 million a year more for roads
Wyoming (2017)

- Increased vehicle registration fees
- Increased commercial vehicle weight fees
- Increased DMV license fees
State Transportation Funding

http://knowledgecenter.csg.org/kc/content/state-transportation-funding-trends-2017

THE COUNCIL OF STATE GOVERNMENTS

CAPITOL RESEARCH

TRANSPORTATION POLICY

STATE TRANSPORTATION FUNDING TRENDS 2017
President Trump’s Plan to Rebuild America’s Infrastructure

• Make targeted federal investments
• Encourage self-help
• Align infrastructure investment with entities best suited to provide sustained and efficient investment
• Leverage the private sector
“This administration wants to retain the primacy of state and local spending and use federal funding as leverage to increase the total amount of funding available for infrastructure.”

Elaine Chao, U.S. Secretary of Transportation
Infrastructure Week Kick-Off
May 15, 2017
“States and localities that have secured some funding or financing of their own for infrastructure projects will be given higher priority access to new federal funds.”

Elaine Chao, U.S. Secretary of Transportation
Infrastructure Week Kick-Off
May 15, 2017
• “The days of a state or a city showing up here with an empty hat and thinking you’re going to have a single dollar in that hat when you leave are over.”

Eric Garcetti, Mayor of Los Angeles Infrastructure Week Kick-Off May 15, 2017
<table>
<thead>
<tr>
<th>State</th>
<th>Federal Share of Highway Spending (FY ‘15)</th>
</tr>
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<tbody>
<tr>
<td>Wyoming</td>
<td>67.3%</td>
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<tr>
<td>Montana</td>
<td>64.4%</td>
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<tr>
<td>Colorado</td>
<td>49.5%</td>
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<tr>
<td>Idaho</td>
<td>49.1%</td>
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<tr>
<td>Nevada</td>
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<td>Alaska</td>
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<tr>
<td>Hawaii</td>
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<td><strong>United States</strong></td>
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<tr>
<td>Washington</td>
<td>29.9%</td>
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<tr>
<td>Oregon</td>
<td>29.7%</td>
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</tbody>
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• Long-term solvency of the Highway Trust Fund
• Support for state experimentation with funding mechanisms
• Opposition to efforts to eliminate federal tax exemption on municipal bonds
Questions?

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