



State Legislative Developments

WEBINAR SERIES: INNOVATION IN PRACTICE

October 21, 2021

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Webinar Overview

Overview of Recent State Legislative Developments

- Douglas Shinkle, NCSL

B21-260 Sustainability Of The Transportation System

- Faith Winter, Colorado Senate

Virginia Highway Use Fee

- Nicholas Donohue, VDOT

Questions Submitted by Viewers



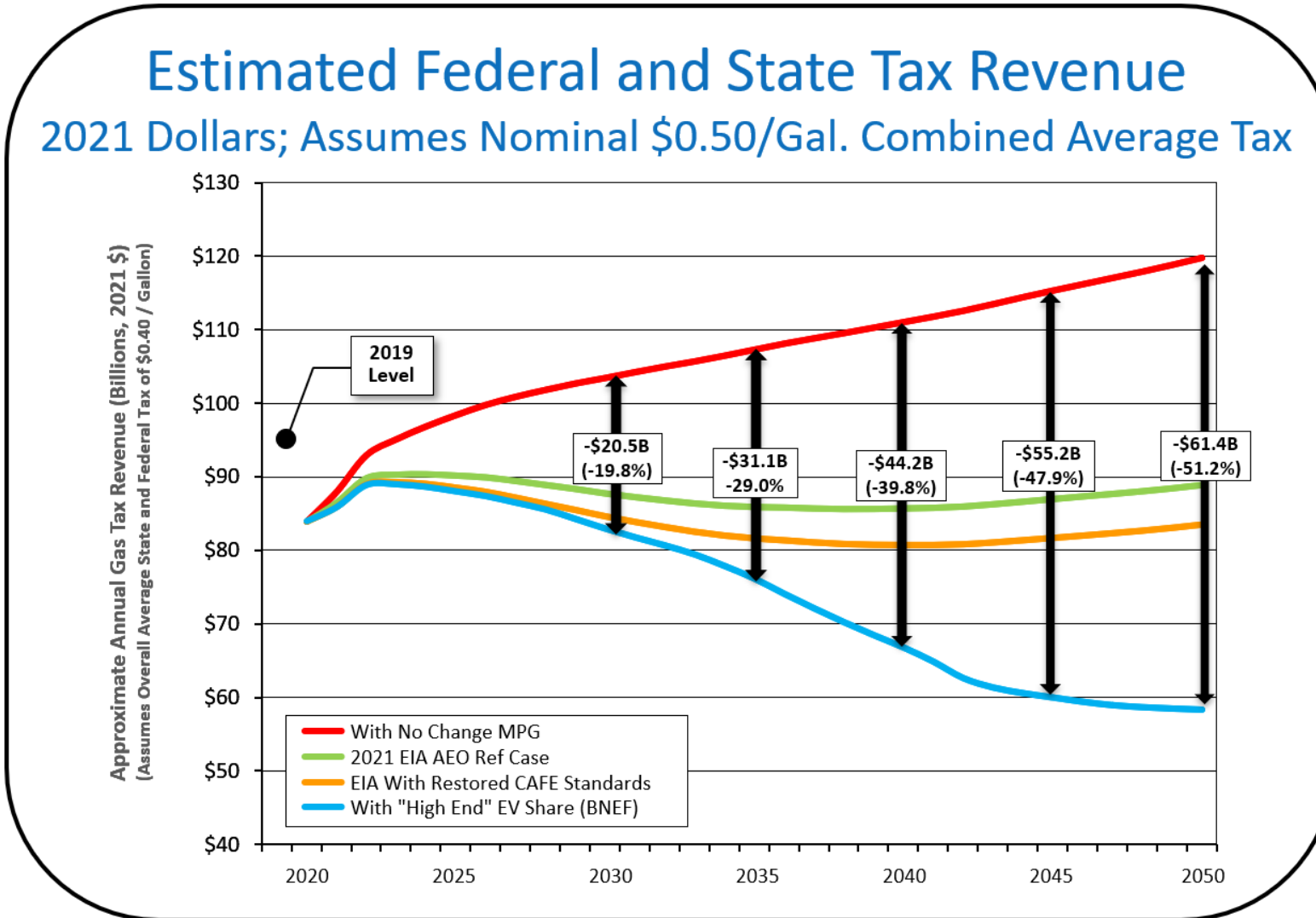
State transportation funding trends

BATIC Institute

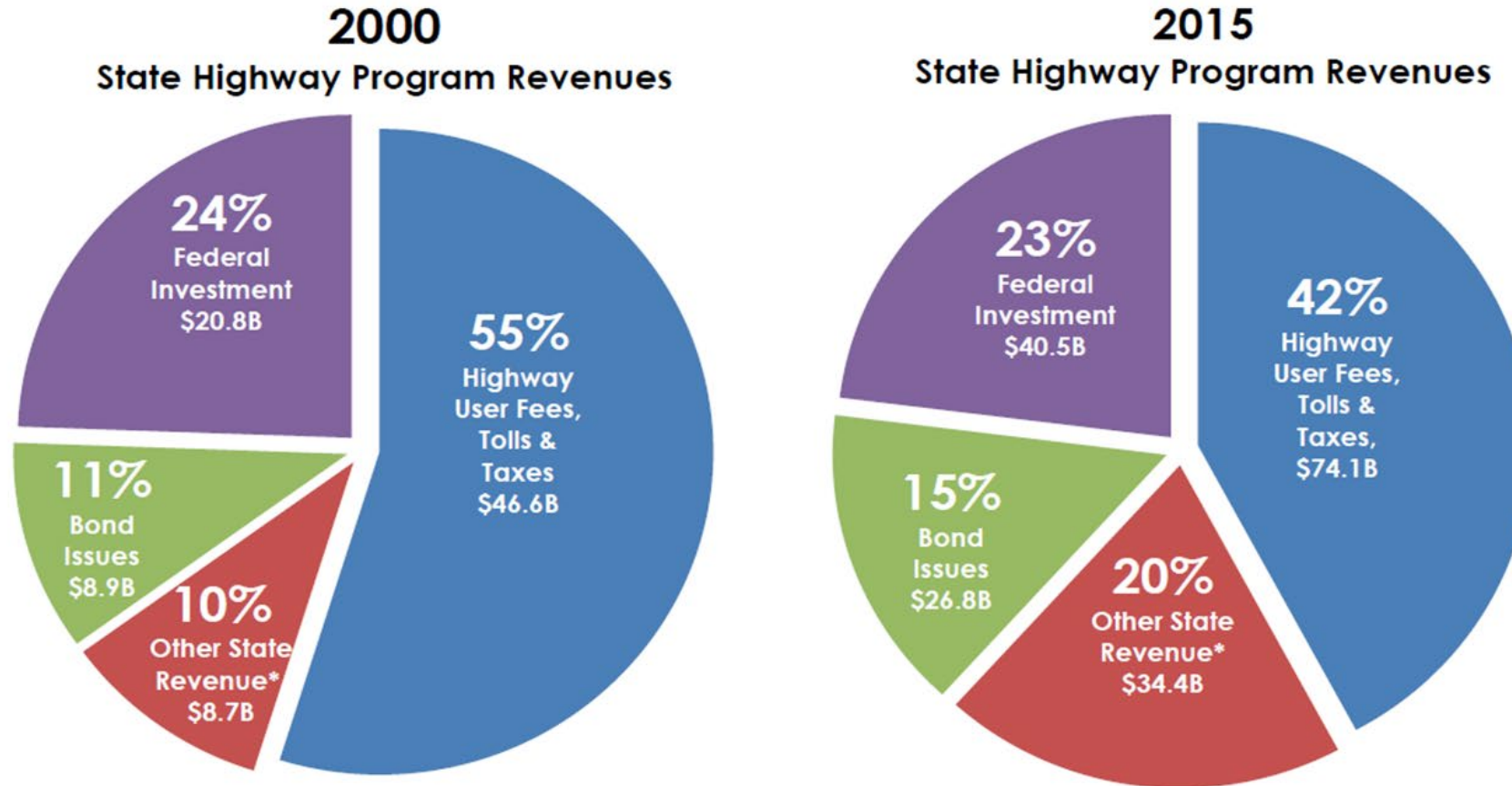
Douglas Shinkle, Transportation program director, NCSL

October 21, 2021

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

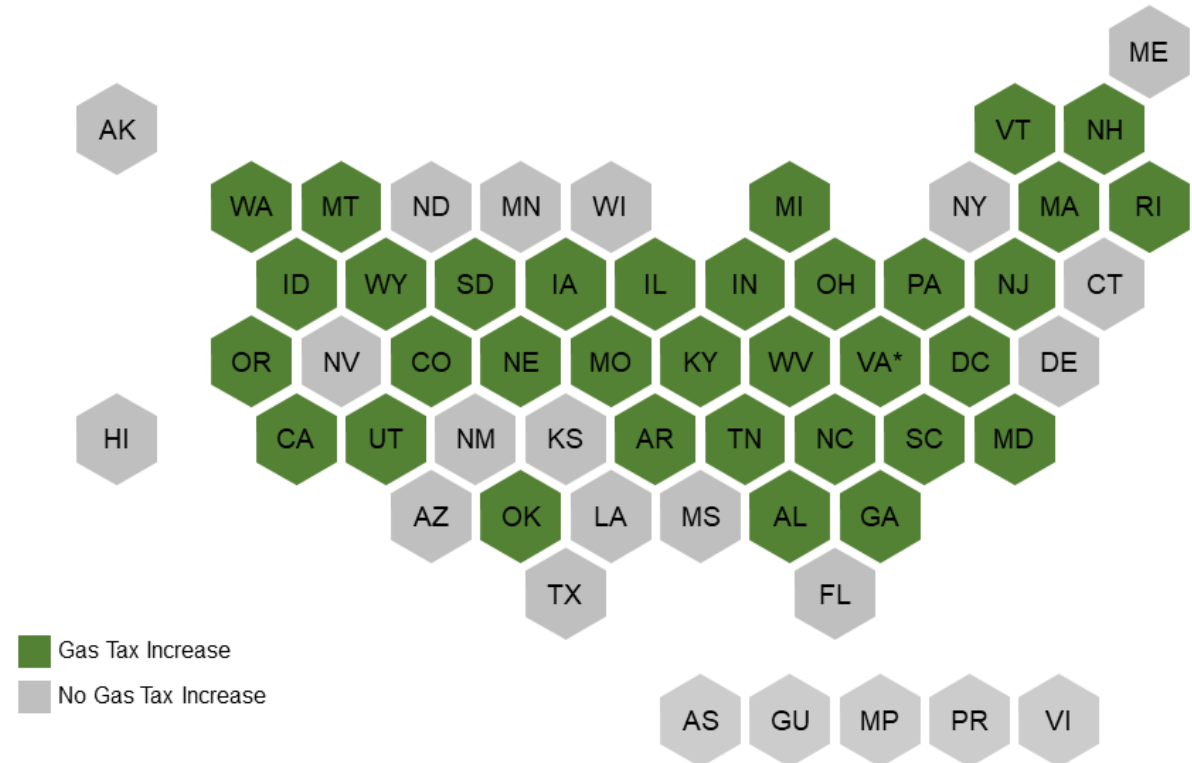


Gas Tax

State Actions

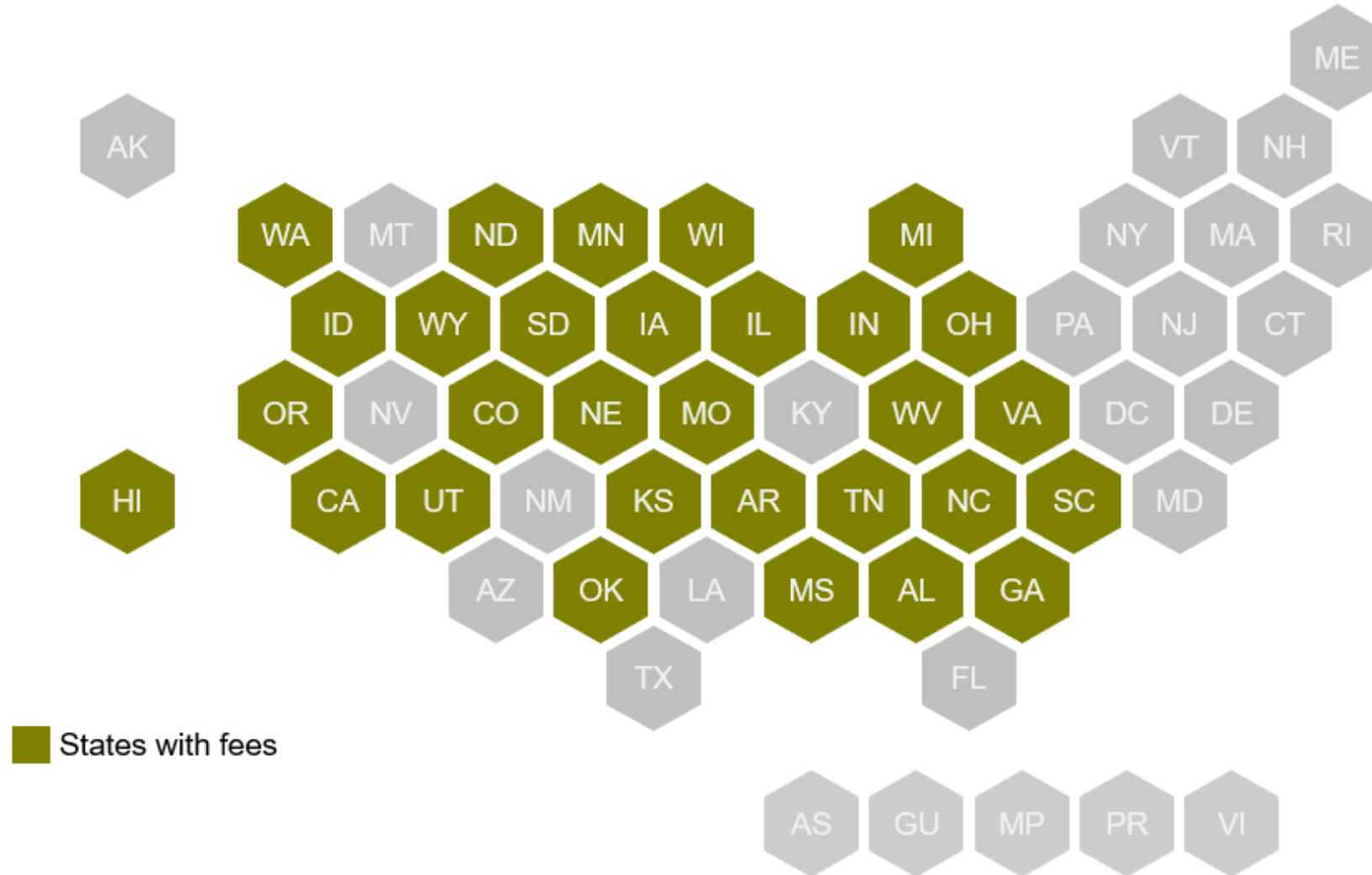
- Since 2013, 33 states & D.C. have increased their gas tax.
- 23 states & D.C. have indexed or variable-rate gas taxes.
- MO (2018) increase was subject to voter approval and failed.
- OK (2018) did not increase transportation funding but freed up general fund \$\$ for education.

State Gas Tax Increases Since 2013

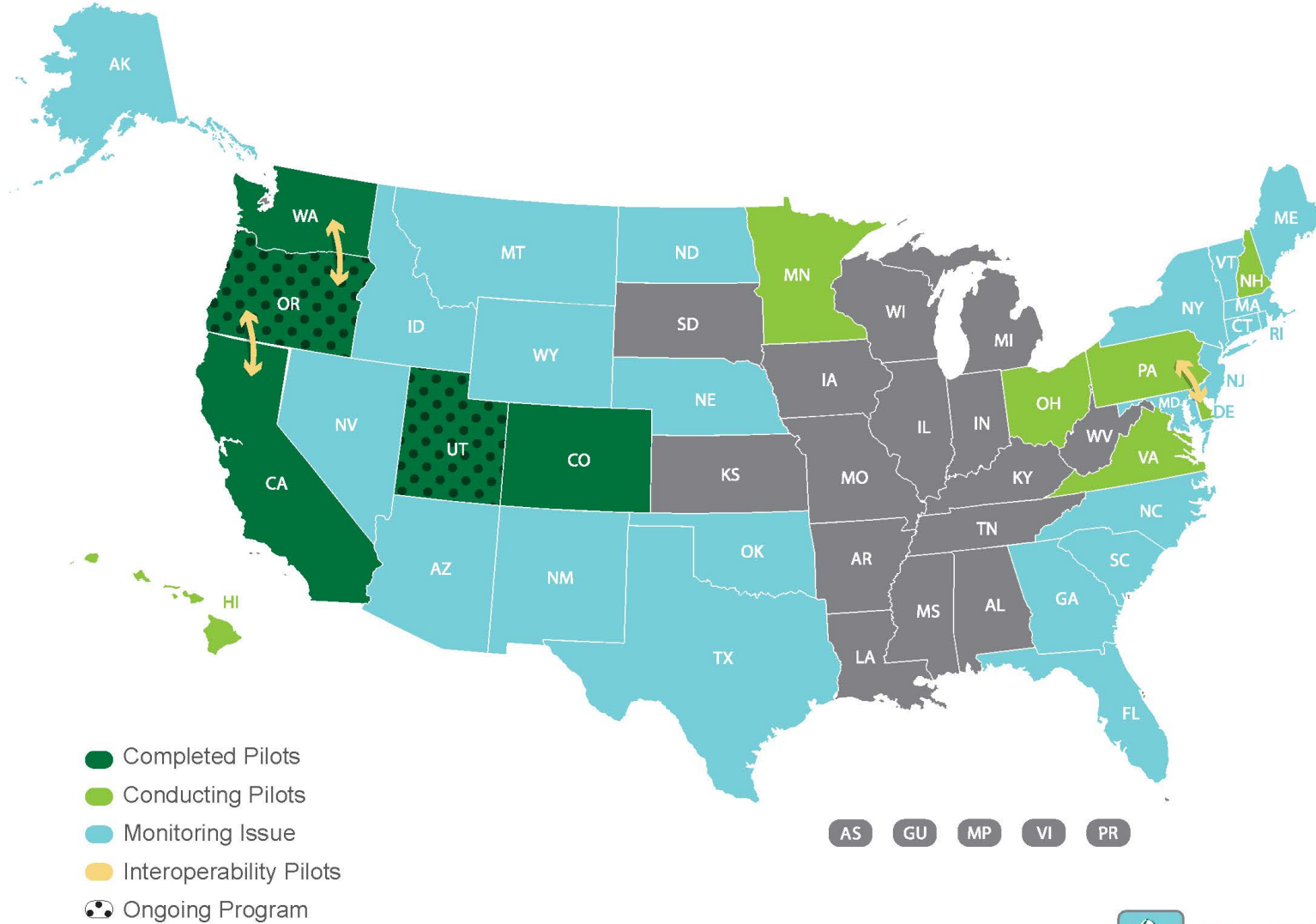


*Virginia increased gas taxes statewide in 2013 and 2020.

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



State Road Usage Charge (RUC) Landscape



Source: Oregon Department of Transportation (ODOT)

June 2020



State RUC Programs



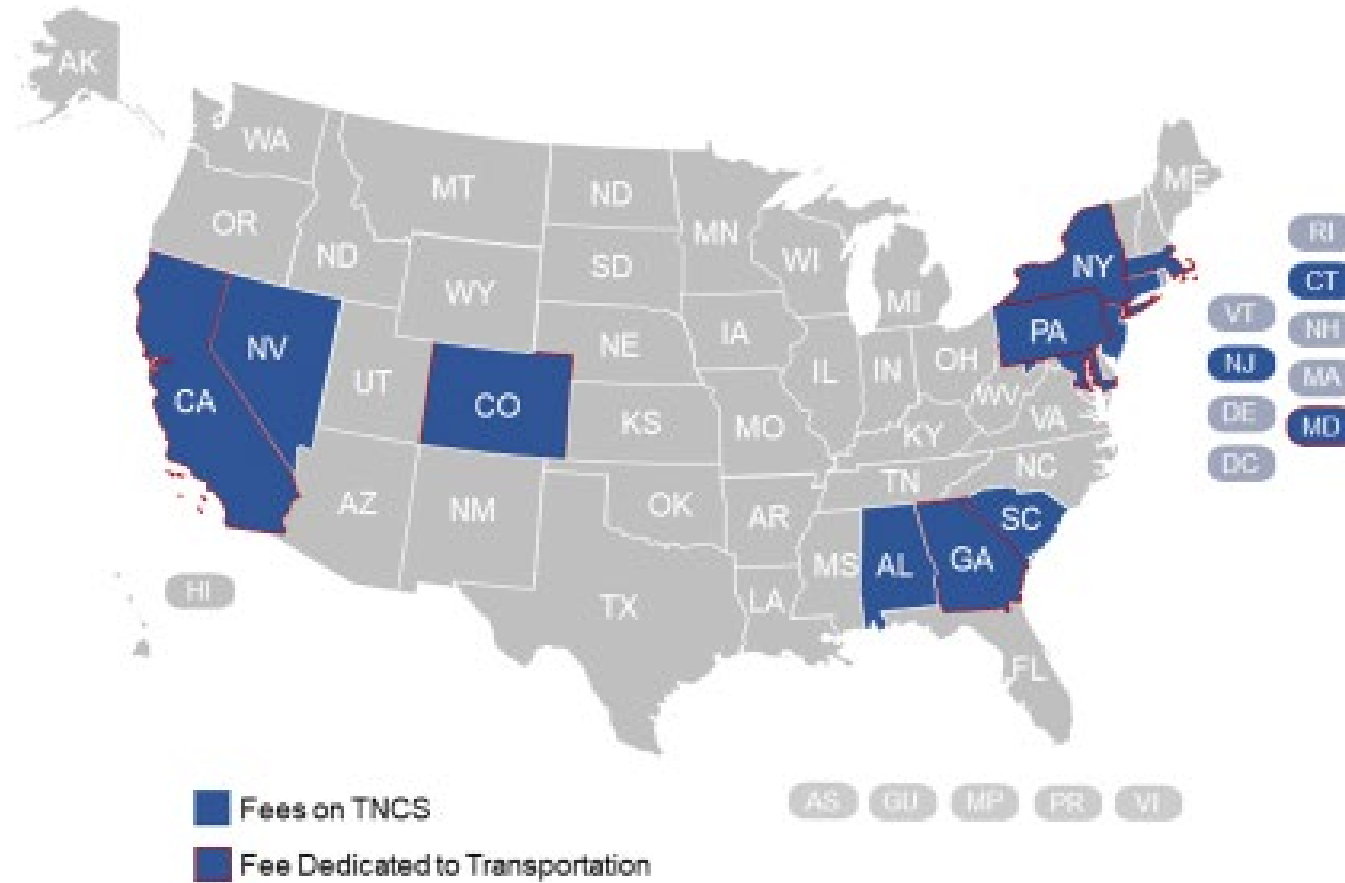
Utah

- **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 January 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



Enacted 2021 State Transportation Funding Measures

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.
- Drivers can file for an annual rebate through the state Department of Revenue.

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 for trucks 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.

Enacted 2021 State RUC Legislation

California (SB 339)

- Extends the California Road Charge Pilot Program until Jan. 1, 2027.
- Beginning Jan. 1, 2023, an RUC pilot program is authorized to identify and evaluate issues regarding revenue collection for a road charge program.
- The pilot tests how RUC calculations could be adjusted to account for individual vehicle efficiency, based on mpg or, in the case of zero-emission vehicles, mpg-equivalent ratings published by the U.S. EPA ([NRDC, 2021](#)).
- Participation shall be voluntary if a vehicle group other than state-owned vehicles is chosen.
- Participants shall be credited for state fuel taxes and electric vehicle fees paid during the pilot.

Nevada (AB 413)

- Orders state DOT to study the sustainability of the State Highway Fund during the 2021-2022 interim, including a specific study of Utah's Road Usage Charge Program.
- Requires a report from state DOT by Dec. 31, 2022. This will be transmitted to the 82nd Session of the Legislature.

Utah (SB 82)

- Creates the Road Usage Charge Program Special Revenue Fund to receive deposits generated by the RUC program.
- The Fund shall be used to cover the costs of administering the RUC program and state transportation purposes.

Oklahoma (HB 1712)

- Establishes the Road User Charge Task Force.
- Authorizes the state Tax Commission to collect charges or fees associated with a RUC program.
- Provides RUC collections shall only be used to maintain and improve roads, highways and bridges.
- Requires a report on how to best implement a RUC program by Dec. 31, 2023.

Enacted 2021 State Transportation Spending Measures

Louisiana

- LA HB 514 deposits 30% of sales tax revenues generated from the sale, use or lease of a vehicle into the Construction Sub Fund (CSF) beginning in fiscal year 2023-2024. The percentage increases to 60% annually thereafter.
- Allocates up to 75% of revenues in the CSF for transportation mega projects, and no less than 25% for highway and bridge preservation projects.
- Expected to generate \$710 million over five years.

Idaho

- ID HB 362 increases the annual sales tax distribution for transportation projects from 1% to 4.5%.
- Dedicates no less than \$80 million annually for transportation projects. Amounts exceeding that shall be used for local highway projects.
- Expected to generate \$84 million annually.

NCSL Transportation Funding Resources

- State Road User Charge Toolkit- <https://www.ncsl.org/research/transportation/state-road-user-charge-pilot-results-and-legislative-action.aspx>
- Recent Legislative Actions Likely to Change Gas Taxes- <https://www.ncsl.org/research/transportation/2013-and-2014-legislative-actions-likely-to-change-gas-taxes.aspx>
- Variable Rate Gas Taxes- <https://www.ncsl.org/research/transportation/variable-rate-gas-taxes.aspx>
- Electric Vehicle and Plug-in Hybrid Fees - <https://www.ncsl.org/research/energy/new-fees-on-hybrid-and-electric-vehicles.aspx>
- Transportation Funding and Finance State Bill Tracking Database- <https://www.ncsl.org/research/transportation/ncsl-transportation-funding-finance-legis-database.aspx>

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

Contact

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303-856-1482



Questions?

Senator Faith Winter

Chair, Transportation & Energy Committee

Colorado General Assembly

WHAT DOES THIS TRANSPORTATION PROPOSAL DO?

1 Saves Coloradans Money and Time Spent on the Roads

- Provides more transportation options and relief for Colorado drivers
- Balances regional transportation needs while supporting a statewide approach
- Makes key investments in rural and **disproportionately impacted** communities

2 Creates a Transportation System That Supports a Dynamic Economy While Improving Air Quality

- Invests in infrastructure to help Colorado lead the market-driven transition that General Motors' and other companies are making toward an electric vehicle market by 2035
- Improves air quality by addressing air quality mitigation regulations proactively before federal and state sanctions force top-down, costly measures

3 Establishes a Sustainable Funding Source for Our Transportation System

- Provides long overdue funds after years of failed legislative attempts and ballot measures to support our statewide transportation system
- Allows Colorado to compete with surrounding states who have already raised fees and invested in their transportation infrastructure

FUNDING	SB21-260: As Amended
Total New Fee Revenue	\$3.784 B
Total General Fund & Stimulus	\$1.581 B
<ul style="list-style-type: none"><i>Federal and State Stimulus Within the \$1.484 B</i>	<i>\$578.5 m</i>
<ul style="list-style-type: none"><i>Average General Fund & Stimulus / 11yrs</i>	<i>\$144 m</i>
<ul style="list-style-type: none"><i>Average General Fund & Stimulus First 5 Yrs.</i>	<i>\$186 m</i>
Total Dollars in Plan	\$5.365 B

GENERAL FUND | STIMULUS COMMITMENTS

Ongoing General Fund Commitments - \$887.5M

- \$660M State Highway Fund/COP Payments
- \$84M Multimodal & Mitigation Options Fund
- \$56M State Highway Fund/Revitalizing Main Streets
- \$87.5M (\$17.5 m from FY25 - FY29)

One Time General Fund or Stimulus Dollars - \$693.5M

- \$141M State Highway Fund /Front load COP Payments
- \$18M State Highway Fund/Faster Reduction Backfill State HUTF
- \$36M HUTF Local Share/Faster Reduction Backfill Local Share
- \$170M State Highway Fund/Previously Announced State Stimulus Funds/ Shovel Ready Projects
- \$268.9M Multimodal Options Fund (includes \$2.5 for Front Range Rail and an additional \$12m for SW Chief Line)
- \$29.6M State Highway Fund/Revitalizing Main Streets & Burnham Yard
- \$30M State Highway Fund/Previously Announced State Stimulus Funds/Safer Main Streets (*separate bill*)

\$1.581 B

**TOTAL GENERAL FUND
CONTRIBUTION TO TRANSPORTATION**

FEE REVENUE/PARAMETERS	SB21-260: As Amended
Road Usage Fee	Fee starts at 2 cents and goes up 1 cent annually to 8 cents; indexed to inflation after FY32. Projected revenue of \$1.552 B
Bridge and Tunnel Enterprise Fee	Now called Bridge and Tunnel Enterprise Fee. Lowered to reflect same fee schedule as RUF above. Projected revenue \$401 m.
EV Equalization Fee	Additional fee on top of existing \$50 (4,8,12,16,26,36,51,66, 81,96) Goes from \$55 - \$159. Review/re-assess parity in yr 5 for changes in yr 6. Projected Revenue \$321.9 m
TNC Fee	30 cent fee. Projected revenue of \$203 m
Delivery Fee	27 cent fee on all retail deliveries at point of sale. . Projected revenue \$1.214 B
Personal Car Share	Lift current \$2 exemption. Projected revenue of \$17 m
Rental Fee	Index existing \$2 fee. Project Revenue \$74.6 m
Taxi Fee	Conduct a study on fee. Projected revenue is zero until after study determines rate.
Autonomous Vehicle Fee	Conduct a study on fee. Projected revenue is zero until after study determines rate.

ALLOCATIONS	SB21-260: As Amended
Total HUTF	\$2.234 B
<ul style="list-style-type: none"> State HUTF (60%) 	\$1.287 B
<ul style="list-style-type: none"> Local HUTF (40%) 	\$947.5 m
Nonattainment Enterprise Fund (CDOT)	\$183.7 m (New Enterprise within CDOT) <i>(Plus \$50 m directly to CDOT for mitigation of air quality per Senate/House Amendments)</i>
Existing Bridge Enterprise	\$522.8 m (Expanded scope to include tunnel maintenance)
Revitalizing Main Streets (CDOT)	\$85.1 m
MMOF	\$447.6 m (15% / 85% Split)
Front Range Rail & SW Chief Line	\$2.5 m for FRR study of alternative routes. \$12m for SW Chief Line

ALLOCATIONS	SB21-260: As Amended
3 New Electrification Enterprises	\$734.3 m
<ul style="list-style-type: none"> <li data-bbox="435 396 1090 496">• New Community Access Enterprise (CEO) 	\$310.2 m
<ul style="list-style-type: none"> <li data-bbox="435 556 975 656">• New Clean Fleet Enterprise (CDPHE) 	\$289.1 m
<ul style="list-style-type: none"> <li data-bbox="435 716 945 816">• New Clean Transit Enterprise (CDOT) 	\$134.9 m
Nonattainment Enterprise (CDOT)	\$183.7 m <i>(Plus \$50 m directly to CDOT for mitigation of air quality per Senate/House Amendments)</i>
Existing Bridge Enterprise	\$522.8 m
Total Enterprised	\$1.441 B

FUNDING PROPOSAL | DISTRIBUTION

\$734 million of new fee revenue supports **3 new electrification and charging infrastructure enterprises:**

Charging Infrastructure & Electric Vehicle Equity

- New 'Community Access' Enterprise in Colorado Energy Office (CEO).
- Build charging infrastructure in communities across the State, link communities throughout the State with alternative transportation options (e-bikes), and support electric vehicle adoption in low and moderate income communities.

\$310.2 MILLION
INVESTMENT

Fleet Electrification Incentives

- New 'Clean Fleet' Enterprise in CO Department of Public Health and Environment (CDPHE)
- Support fleet replacement (delivery trucks, TNCs, school buses, and other light/medium/heavy duty vehicles) with incentives to meet climate and air quality goals
- Support CDPHE's Mobile Source Program to complement vehicle investment.

\$289.1 MILLION
INVESTMENT

Public Transit Electrification

- New enterprise in Colorado Department of Transportation (CDOT).
- Support electrification of public transit through electrification planning efforts, fleet replacement and associated charging infrastructure.

\$134.9 MILLION
INVESTMENT

DEAL COMPONENT/CONCEPT	DRAFT BILL
Alignment with Federal Infrastructure Plan	Includes language to conduct multi agency review of Federal Infrastructure Plan to reassess distributions of funds and make recommendations with legislature.
Review of General Fund Contribution	Includes language to review the General Fund commitment in year 5.
Review of the EV Equalization Fee	Includes language to review the EV & RUF Fees in year 5 to ensure parity.
RTA Enabling Language	Includes language to empower local communities to have greater autonomy and control of their transportation funding.
Future Proofs our transportations system	Includes language to study how best to incorporate a safety fee on autonomous vehicles and studies how best to prepare for fees based on VMT and electricity usage moving forward.

ACCOUNTABILITY & TRANSPARENCY



ATTUNING TO COLORADO'S NEEDS

Each enterprise will develop a ten year plan that will be used to assess the funding levels needed to achieve the desired outcomes. Project management public dashboards will show key performance indicators for projects within Enterprises and CDOT. CDOT will update their existing 10 Year Plan.



ACCOUNTABILITY

CDOT and Enterprises will maintain clear accountability mechanisms, engage a wide variety of stakeholders to ensure funding achieves intended outcomes, and will regularly report to the transportation commission, legislature, and construction partners.



CLIMATE GOALS

CEO and CDPHE, in consultation with CDOT, will report annually on progress towards 2030 EV plan and GHG Roadmap goals resulting from enterprise and transportation investments in this plan.



TRANSPARENCY

Enterprises will maintain accessible and transparent summary information regarding implementation status, funding, and expenditures on their websites. CDOT will continue with their new commitment to enhanced accountability and transparency measures.

AT A GLANCE

“SOURCES” OVERALL FUNDING

- **\$3.784B** in New Fee Revenue
- **\$1.581B** in **General Fund & Stimulus Dollars**

\$5.365B

TOTAL NEW FUNDS & EXPENDITURES IN PLAN

GENERAL FUND STATS

- Average 11 yrs
\$1.572 B = \$144 m
- Average over first 5 yrs
\$883.5 = \$186 m

“USES” OVERALL ALLOCATIONS WITHIN TRANSPORTATION PLAN

- **Total HUTF** (60%/40%): \$2.234 B
 - ◆ State HUTF: \$1.287 B
 - ◆ Local HUTF: \$947.5 m
- **Nonattainment Region Enterprise** (CDOT): \$183.7
 - ◆ Plus an additional \$50m for CDOT Mitigation
- **Bridge & Tunnel Enterprise** (CDOT): \$522.8
- **Revitalizing Main Streets** (CDOT): \$85.1
- **Multimodal and Mitigations Option Fund** (15%/85%): \$447.6. Plus the following:
 - ◆ **Front Range Rail:** \$2.5 m
 - ◆ **SW Chief:** \$12m
- **Three Green Enterprises:** \$734.3
- **Additional Stimulus Support:** \$458
- *(Includes offsets to FASTER reductions, COP payments, \$500,000 for Burnham Yard, and \$200m previously announced state stimulus support to transportation)*
- **8 Yrs COP Payments:** \$660

TOTAL ENTERPRISED - \$1.440.8 B

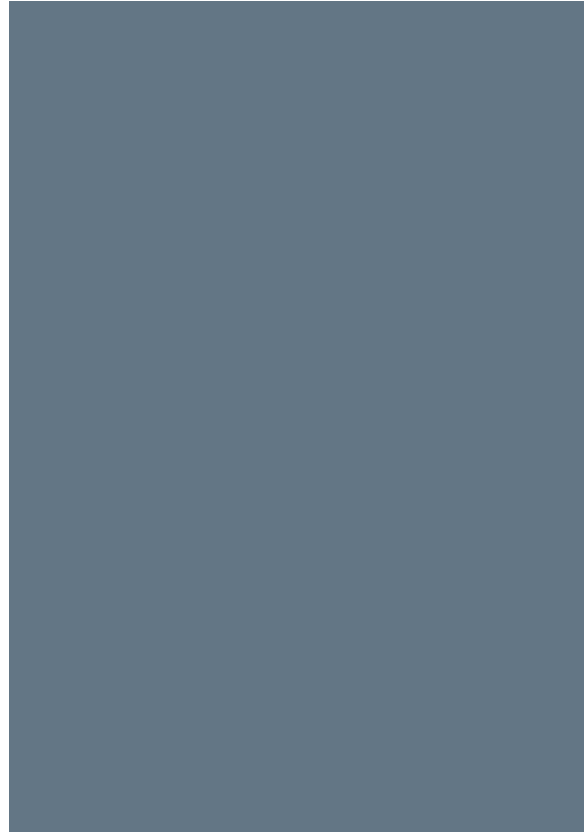
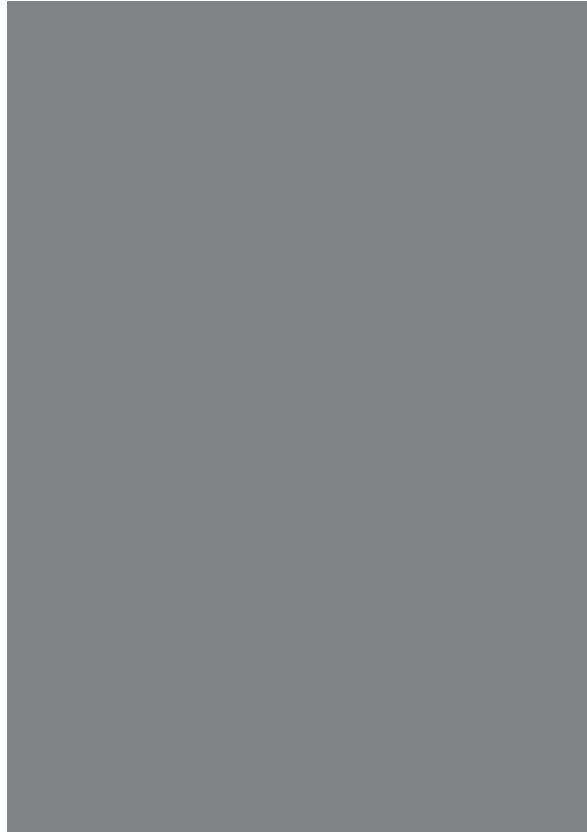
- Existing Bridge Enterprise (Modifying scope to include tunnels): \$522.8
- New Nonattainment Region Enterprise: \$183.7
- New Community Charging: \$310.2
- New Clean Fleet Enterprise: \$289.1
- New Public Transit Enterprise: \$134.9

Nick Donohue

Deputy Secretary

Virginia Department of Transportation

Webinar Overview



Thank you for attending today's webinar

**The BATIC Institute will post responses
to all questions received today on its website**

**The recorded webinar will also be available
on the BATIC Institute website:**

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