

Tax Restructuring and Equalization Task Force

Carlos Braceras, P.E., Executive Director
Utah Department of Transportation



LTDOT

 *Keeping Utah Moving*

MISSION

Innovating transportation solutions that strengthen Utah's economy and enhance quality of life.



UDOT's Strategic Goals

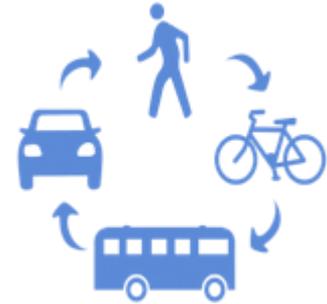
**Zero
Fatalities**

A Goal We Can All Live With

**Zero
Fatalities**



**Preserve
Infrastructure**

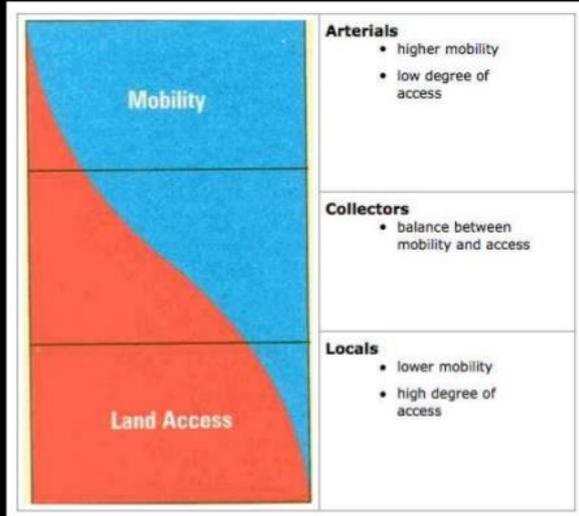


**Optimize
Mobility**

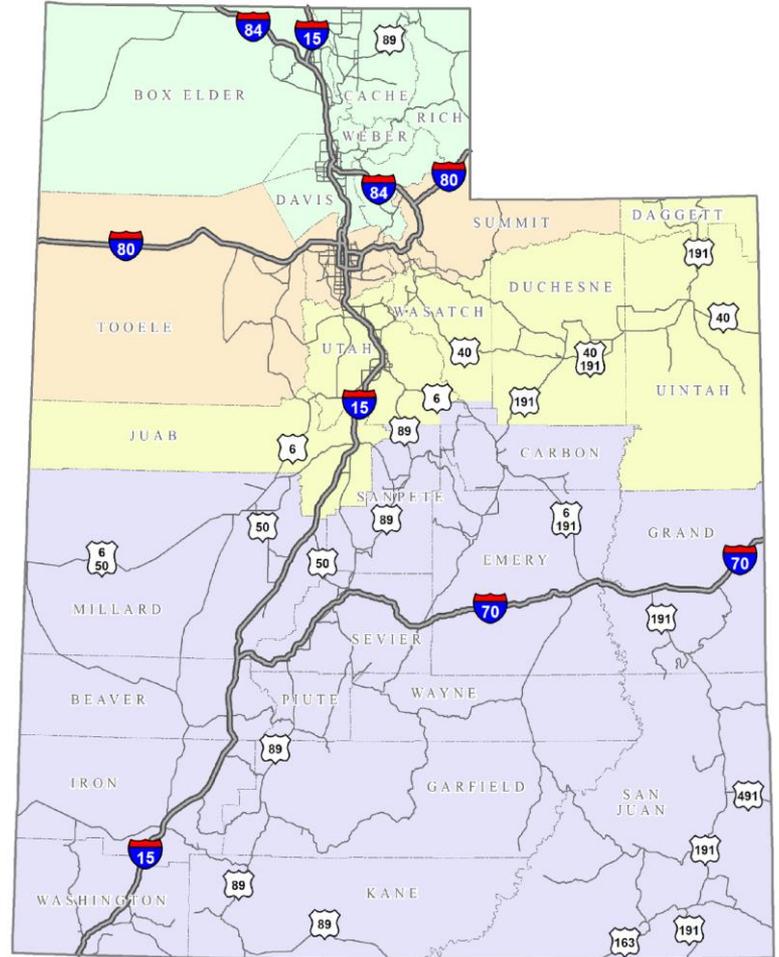


State Highway System

- 5,865 centerline miles
- Statutorily defined, Title 72 Chapter 4
- Higher functional classification roads

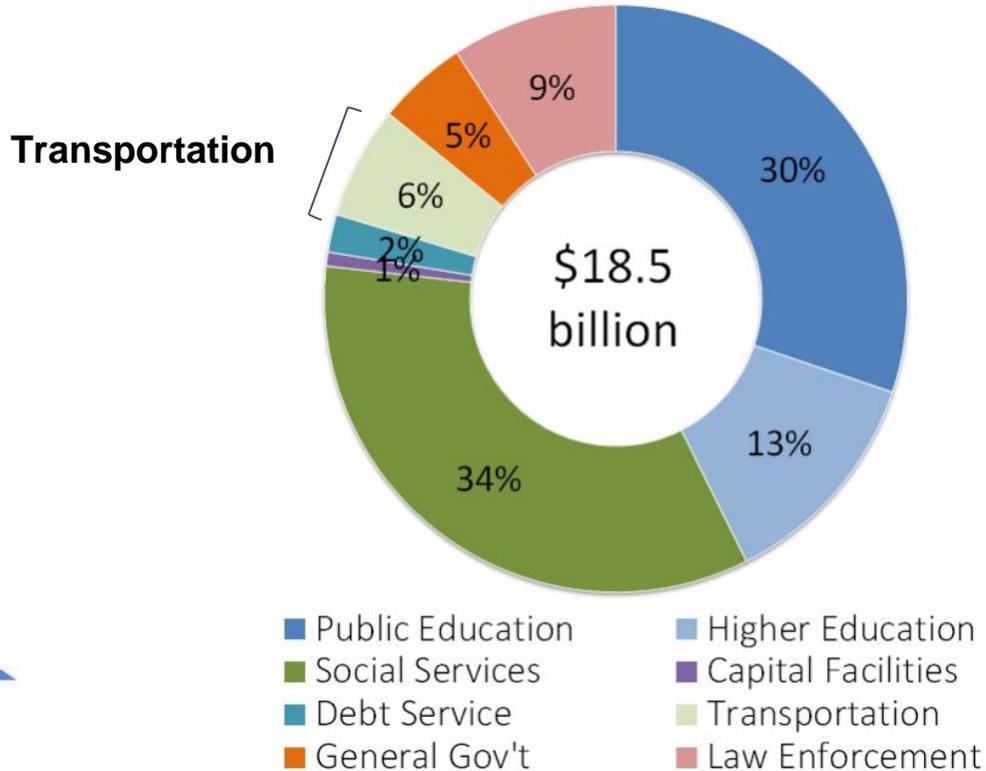


Functional Classification



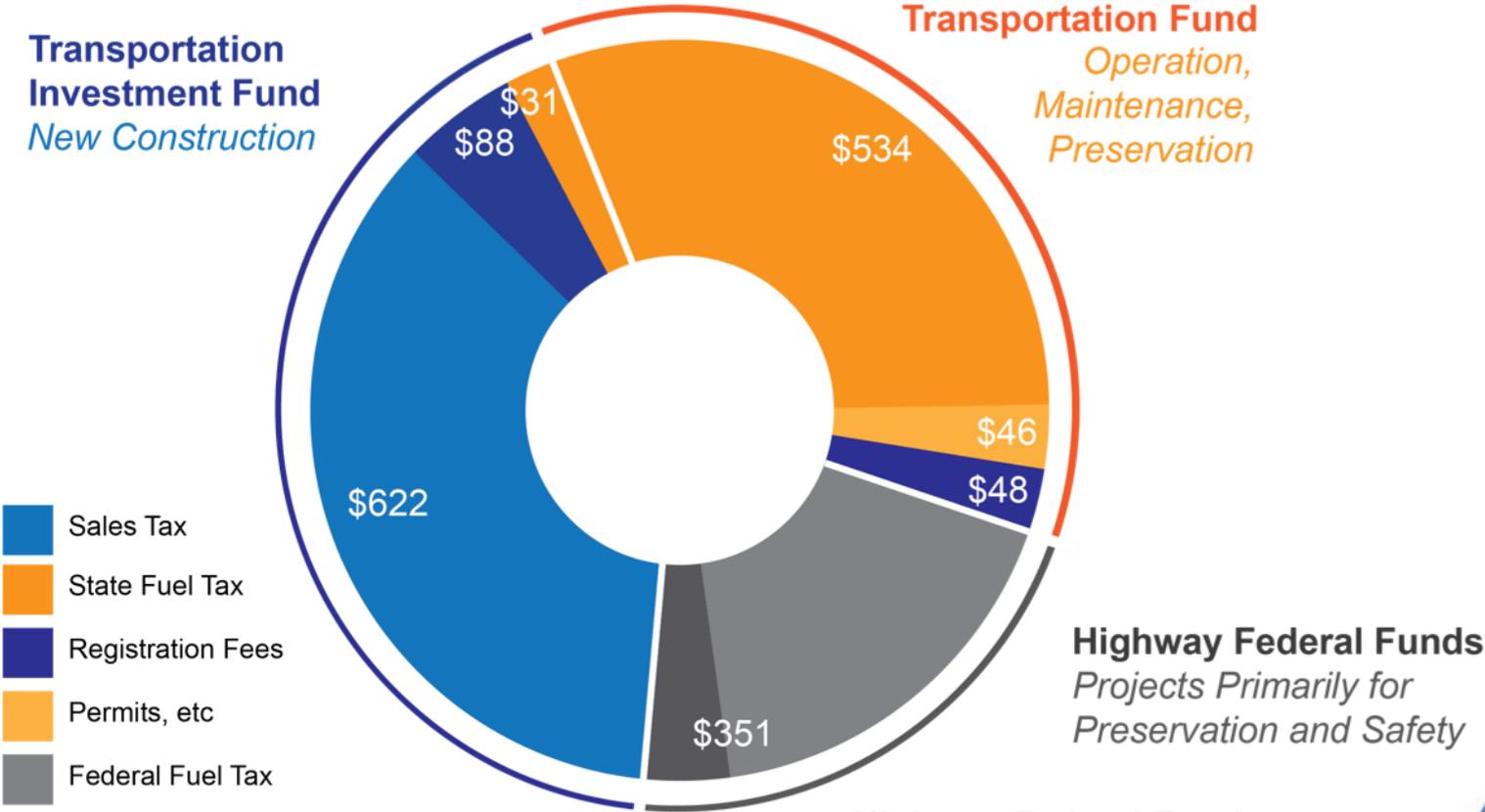
State of Utah Budget

Fiscal Year 2020



Highway Budget

(in millions of dollars)

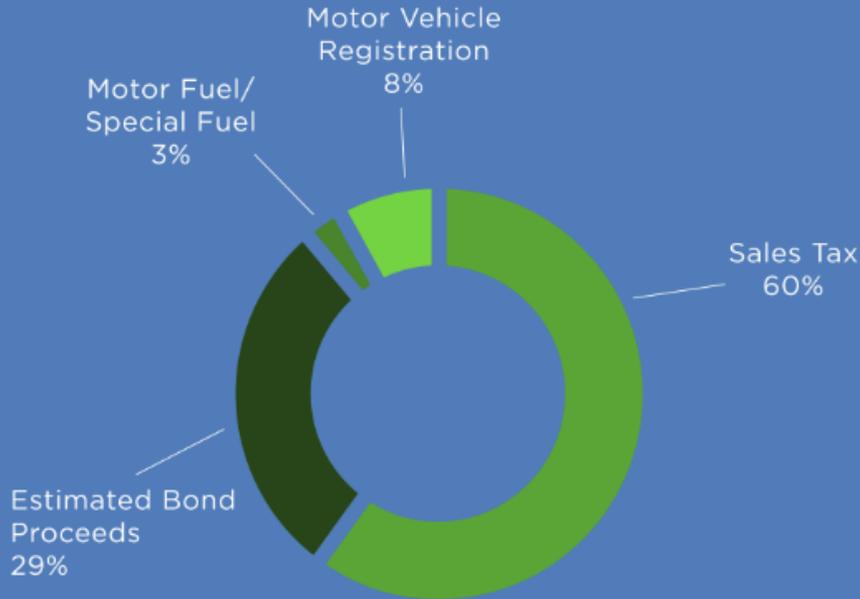


<https://udot.utah.gov/strategic-direction>



2019 UDOT STRATEGIC DIRECTION

Transportation Investment Fund Revenue



Sales Tax - 17%	\$496,872,257
Sales Tax - 3.68%	\$103,483,877
Sales Tax - 1/16%	\$11,975,269
Sales Tax - .05%	\$10,089,297
1997 Registration Increase	\$29,667,656
2009 Registration Increase	\$58,380,344
Estimated Bond Proceeds	\$300,816,855

\$Transferred from TF

1.8 Cents Per Gallon of Motor Fuel	\$31,601,603
Total TIF Revenue	\$1,042,887,158

Transportation Investment Fund Expenditures



Project Description	\$Project Value (nearest \$ million)
West Davis Highway	\$800,000
US-89; Farmington to I-84	\$473,000
SR-85; MVC; 4100 South to SR-201	\$326,331
I-15; Lehi Main to SR-92, Technology Corridor	\$304,322
Bangerter Three Interchanges	\$167,351
I-15 NB; Bangerter Hwy to I-215	\$160,338
I-15; SB 12300 South to SR-201	\$136,166
I-15; SR-232 to I-84	\$111,637
I-15; 24th Street Interchange	\$96,000
I-15; 1800 North Interchange	\$90,000
SR-7 (Southern Parkway); Sand Hollow to SR-9	\$73,120
SR-179; Midvalley Highway MP 0.0 to MP 4.0	\$72,382
Porter Rockwell (Bridge)	\$67,000
Mega Project (SB277 \$100M Recreation & Tourism)	\$61,240
SR-108; 300 North to 1800 North	\$60,000
SR-30; SR-23 to SR-252	\$55,000
US-189; Wallsburg to Charleston	\$53,054
I-15; Shepard Lane Interchange	\$47,000
SR-209 (9000 South); Redwood Rd. to I-15	\$33,990
SR-85; Mountain View Corridor, SR-73 to 2100 North	\$32,953

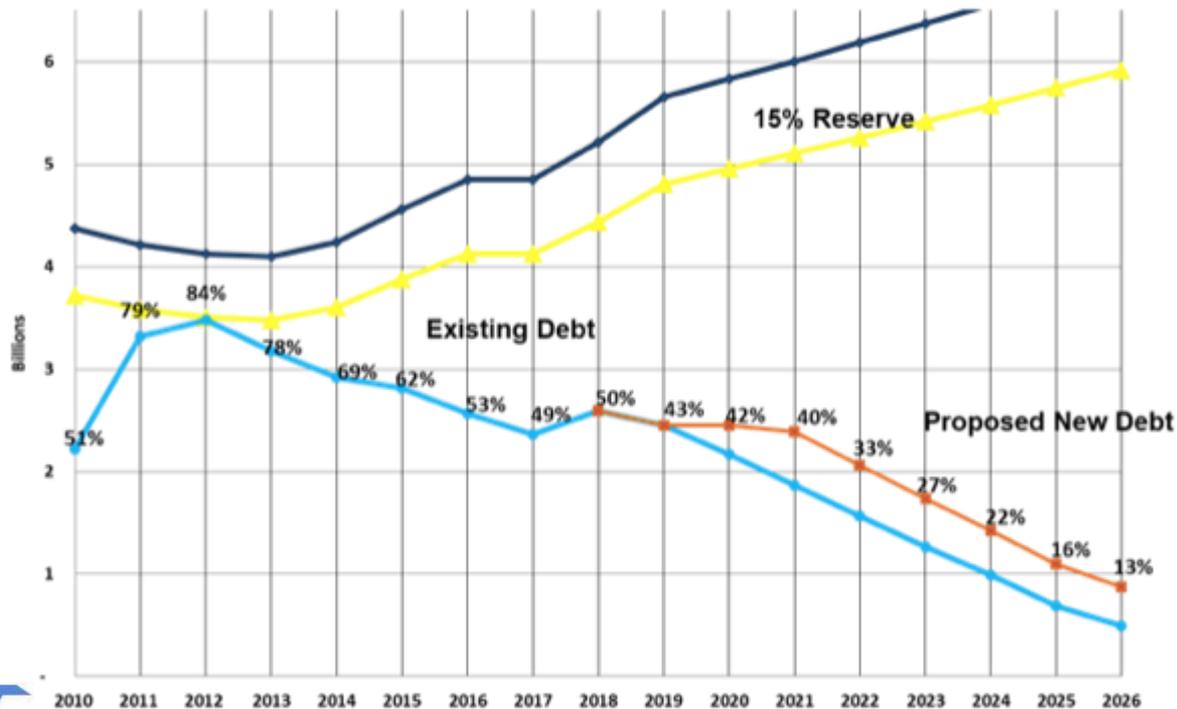
Bond Authorization and Spending

Highway Bonding Authorization and Spending						
Fiscal Year Ending June 30	63B-16-101 CHNF	63B-18-401 TIF	63B-27-101 TIF	63B-27-102 Co. of First Class	63B-18-101 Co. of First Class	Total
2009	366,720,000					366,720,000
2010	230,744,501	587,306,670			39,500,000	857,551,171
2011	408,851,280	546,408,720				955,260,000
2012	65,500,000	497,560,000				563,060,000
2013						-
2014		226,175,000				226,175,000
2015						-
2016						-
2017						-
2018			254,550,000	41,260,000		295,810,000
2019			150,403,124			150,403,124
2020			300,816,855			300,816,855
2021			263,345,448			263,345,448
2022						-
2023						-
2024						-
Premium	72,018,991	157,062,890	30,884,573	5,740,000		265,706,454
Total	\$ 1,143,834,772	\$ 2,014,513,280	\$ 1,000,000,000	\$ 47,000,000	\$ 39,500,000	\$ 4,244,848,052

Original Amount	1,200,000,000	2,207,000,000	1,000,000,000	47,000,000	39,895,000
Legislative Action	(55,000,000)	(130,000,000)		-	-
New Authorized Amount	1,145,000,000	2,077,000,000			
Remaining Authorization	1,165,228	62,486,720	0	0	395,000

Constitutional Debt Limit Graph

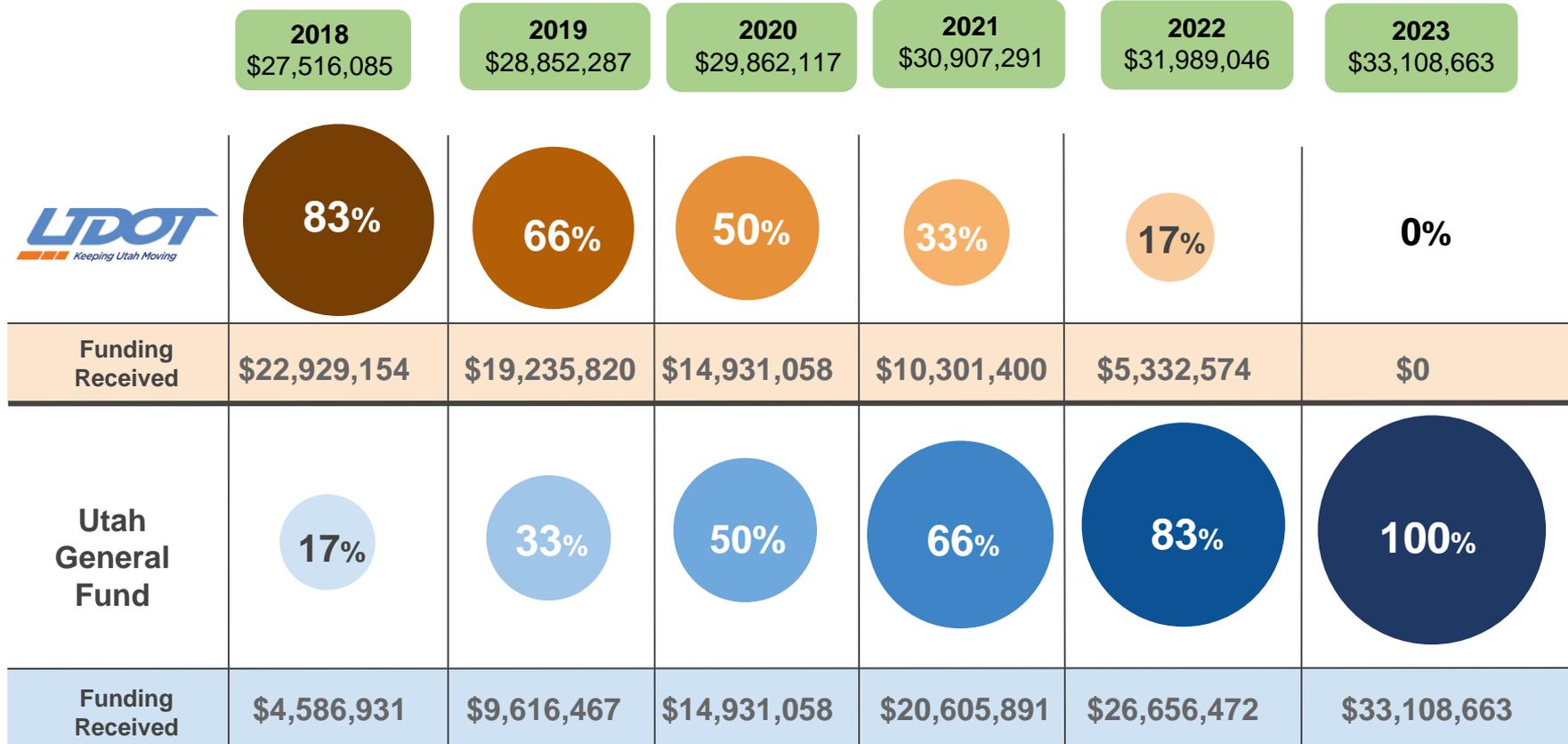
Estimated Outstanding Debt & Constitutional Debt Limits



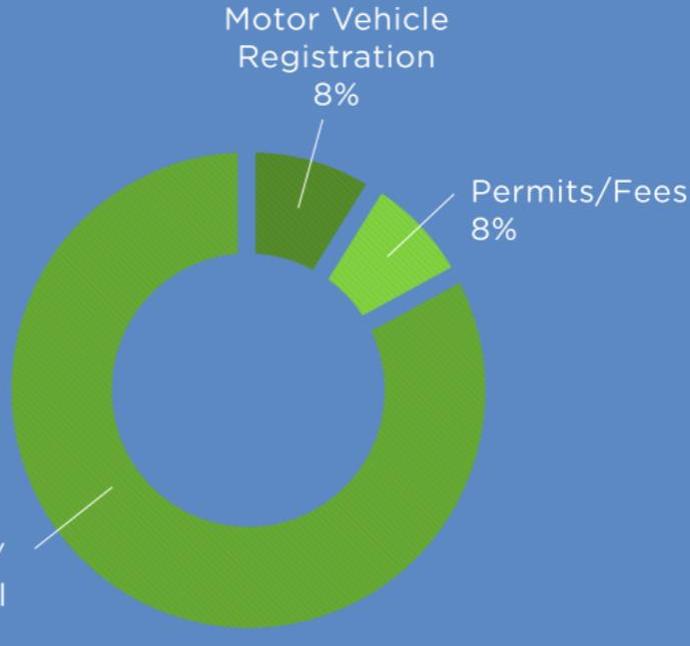
S.B. 80 (2016) – 1/16th¢

	2018 \$38,741,356	2019 \$40,636,022	2020 \$42,058,282	2021 \$43,530,322	2022 \$45,053,884
	80%	60%	40%	20%	0%
Funding Received	\$30,993,085	\$24,381,613	\$16,823,313	\$8,706,064	\$0
Water Infrastructure Amendment	20%	40%	60%	80%	100%
Funding Received	\$7,748,271	\$16,254,409	\$25,234,969	\$34,824,258	\$45,053,884

S.B. 80 (2016) – .05% Sales Tax

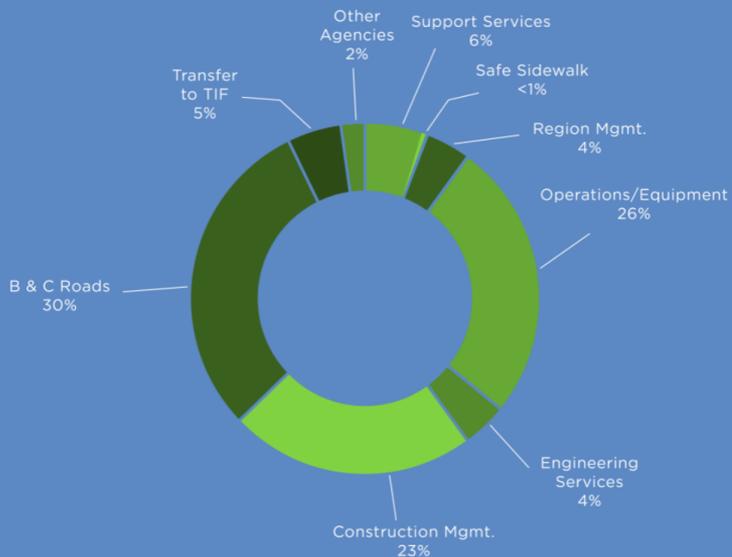


Transportation Fund Revenue



84%	Motor Fuel	\$406,282,635
	Special Fuel	\$128,544,363
8%	Motor Vehicle Registration	\$48,251,508
8%	Proportional Registration Fees	\$17,014,791
	Special Transportation permits	\$11,043,717
	Highway Use Tax	\$11,604,728
	Vehicle Control Fees	\$6,395,836
	Temporary permits	\$270,910
	SubTotal for B&C Calculation	\$629,408,488
	Less amount transferred to TIF	\$ - 31,601,603
	Total Transportation Funds	\$597,806,885

Transportation Fund Expenditures



63%	Operations/Equipment	\$162,437,300
	Safe Sidewalk	\$500,000
	Construction Management	\$144,789,700
	Support Services	\$36,747,200
	Engineering Services	\$28,241,400
	Region Management	\$26,911,100

37%	B & C Roads	\$186,259,288
	Other Agencies	\$11,920,900
	Transfer to TIF	\$31,601,600
	Total Transportation Funds	\$629,408,488

Public Safety - UHP	\$5,495,500
DAS - Finance	\$4,500,00
Tax Commission	\$5,857,400
DCED Travel Council	\$118,000

Total Transferred to Other Agencies \$11,920,900

Transportation Fund

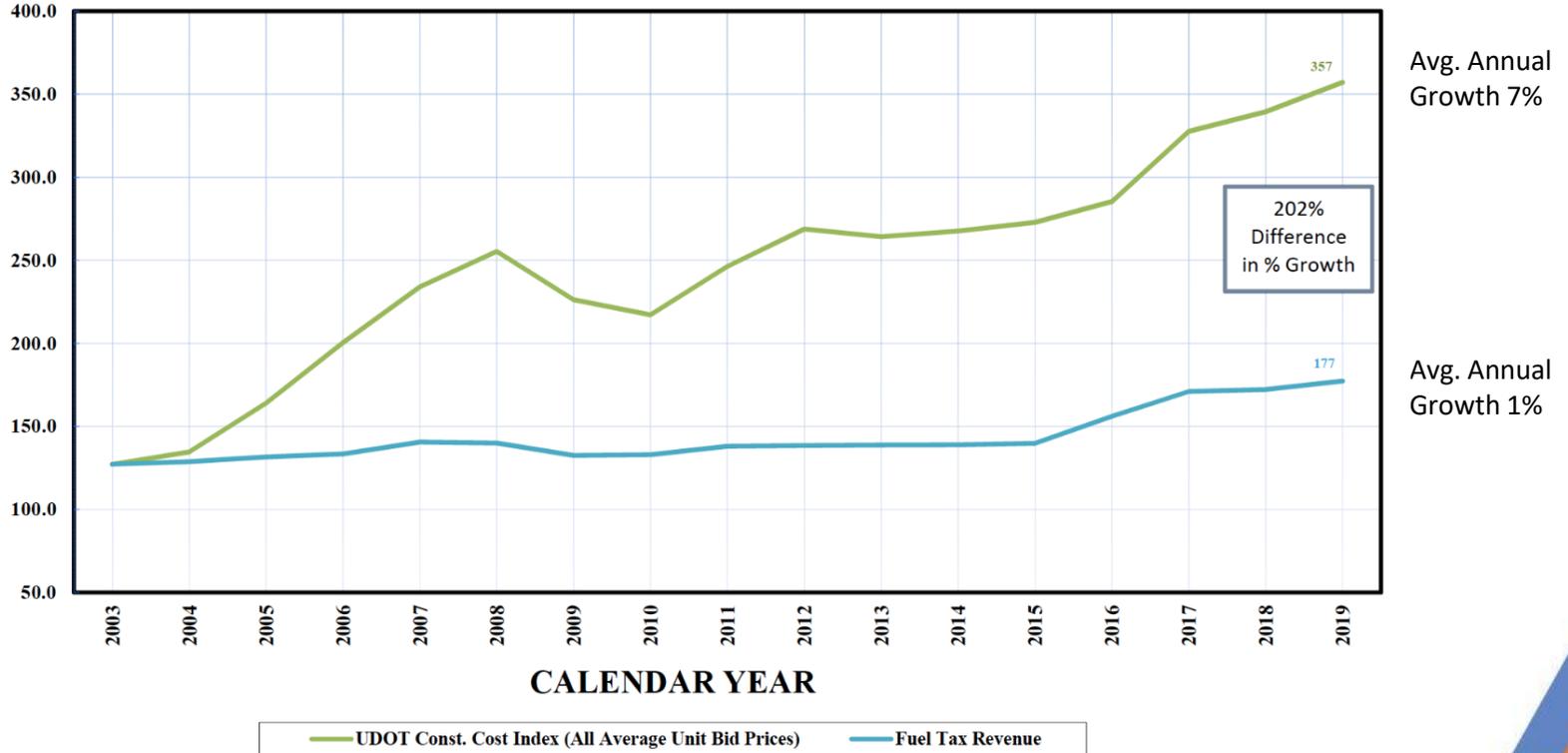
As Programmed By Commission

Low Volume Roads	\$42,000,000
State Match for the Federal Program & Federal Ineligible	\$23,600,000
Transportation Solutions	\$21,665,300
2019 SV3 Items	\$6,674,400
New Traffic Signals	\$9,000,000
Bridge	\$15,000,000
Region Contingency	\$6,000,000
ATMS Asset Management	\$4,700,000
Signals Maintenance & Operations	\$5,600,000
Traffic Management (ATMS) Deployment	\$3,000,000
Traffic and Safety	\$37,850,000
Connected Autonomous Vehicle Operations	\$1,000,000
Public Communication Efforts	\$800,000
Region Concept Development & OSR	\$600,000
Programming Contingency	\$500,000
State Park Access	\$500,000
Jurisdictional Transfers	\$300,000
Total Construction Management Expenses	\$144,789,700

Fuel Tax Types & Rates

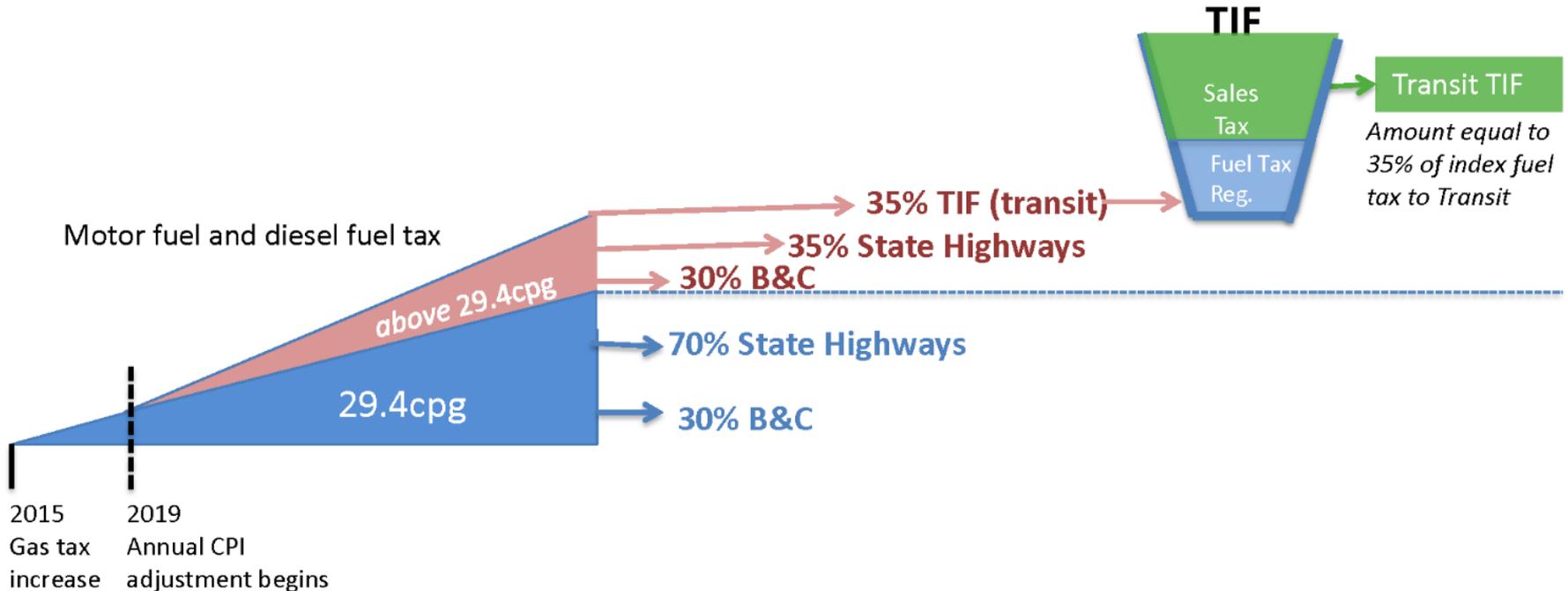
Tax Type	Tax Rates	Effective Dates
Motor and special fuels (except as listed below)	\$0.311 per gallon	Effective Jan 1, 2020
	\$0.30 per gallon	Jan 1, 2019 – Dec 31, 2019
	\$0.294 per gallon	Jan 1, 2016 – Dec 31, 2018
	\$0.245 per gallon	Jul 1, 1997 – Dec 31, 2015
Electricity and Propane	Exempt	Effective Jan 1, 2009
Compressed Natural Gas (CNG) Liquid Natural Gas (LNG) Hydrogen <ul style="list-style-type: none"> • CNG and hydrogen are taxed per gasoline gallon equivalent (GGE) • LNG is taxed per diesel gallon equivalent (DGE) • Taxing on hydrogen began July 1, 2015 	\$0.168 per GGE/DGE	Effective Jan 1, 2020
	\$0.165 per GGE/DGE	Jul 1, 2018 – Dec 31, 2019
	\$0.145 per GGE/DGE	Jul 1, 2017 – Jun 30, 2018
	\$0.125 per GGE/DGE	Jul 1, 2016 – Jun 30, 2017
	\$0.105 per GGE/DGE	Jul 1, 2015 – Jun 30, 2016
	\$0.085 per GGE/DGE	Jan 1, 2009 – Jun 30, 2015

Growth in Fuel Tax v. Construction Costs



*Fuel Tax Revenue Index Baseline Normalized to 2003 Highway Construction Cost Index

Fuel Tax Mechanism to Fund Transit TIF



Registration and Fee Types

Registration Fee	2018	2019	2020
Passenger/Light Truck	\$44.00	\$45.00	\$46.00
Motorcycle	\$46.00	\$47.25	\$48.25
Trailer over 705 lbs	\$31.00	\$31.75	\$32.50
Commercial Trailer 750 lbs or less	\$28.50	\$29.25	\$30.00
Trucks over 12,000 lbs	\$69.50	\$71.25	\$72.76
Commercial Trailer	\$130.00	\$133.00	\$136.00

Transportation Needs

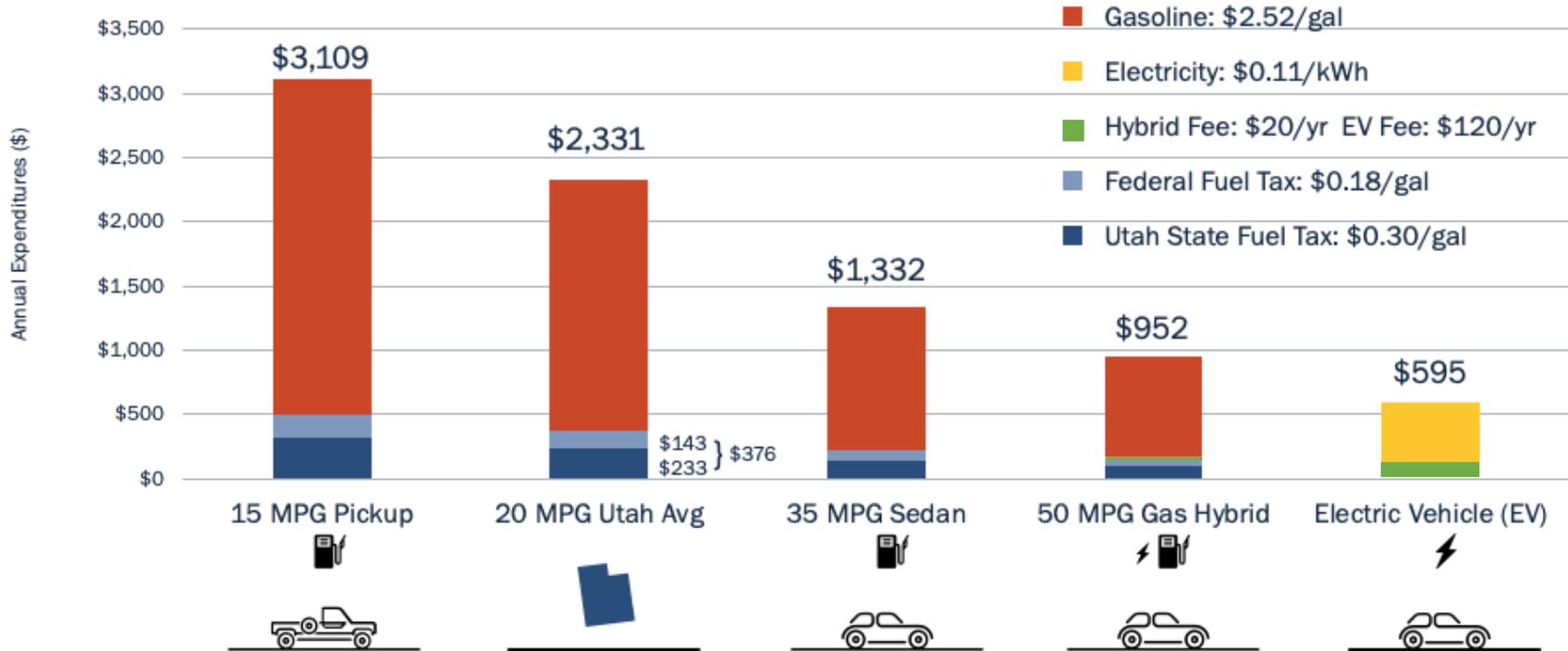
UTAH'S UNIFIED
TRANSPORTATION
PLAN 2019 - 2050

Alternative Fuel Vehicle Fees

Annual Fee Schedule			
Year	EV	PHEV	Gas Hybrid
2019	\$60	\$26	\$10
2020	\$90	\$39	\$15
2021+	\$120	\$52	\$20

Total Annual Costs for Typical Utah Drivers



RUC As A Potential Replacement For The Gas Tax

Registration Fees

Fuel Tax

Road Usage Charge

	Scales with Inflation	User Pays Principle	Long-Term Sustainable Funding Source
Registration Fees	Somewhat	No	No
Fuel Tax	Somewhat	Somewhat	Somewhat
Road Usage Charge	Yes	Yes	Yes

SB 136 (2018) & SB 72 (2019)

Transportation Governance & Funding Amendments

SB 136

- Implement a Road Usage Charge (RUC) Program by January 2020
 - Alternative to paying a flat fee for electric vehicles
 - Eligible vehicle types: Electric, Plug-in Hybrid, Hybrid
- Establish a RUC Advisory Committee
- Report annually on the program and future research projects

SB 72

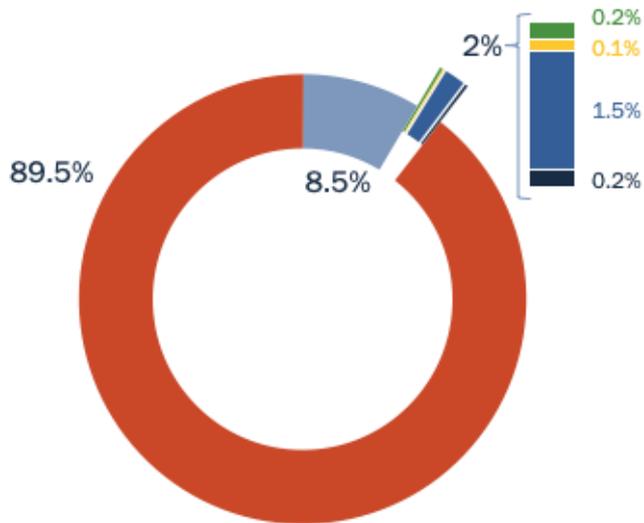
- Rulemaking authority for UDOT
- Rulemaking authority for Transportation Commission
- UDOT/DMV information sharing

Alternative Fuel Vehicle RUC Implementation Timeline

- Admin. rules have been filed
- RUC rate has been set at 1.5 cents/mile
- Vendor will begin system testing in October
- Test drivers will enroll in November and participate in live testing until mid-December
- System launches to the public on January 1, 2020

Growth and Size of Utah's Vehicle Fleet

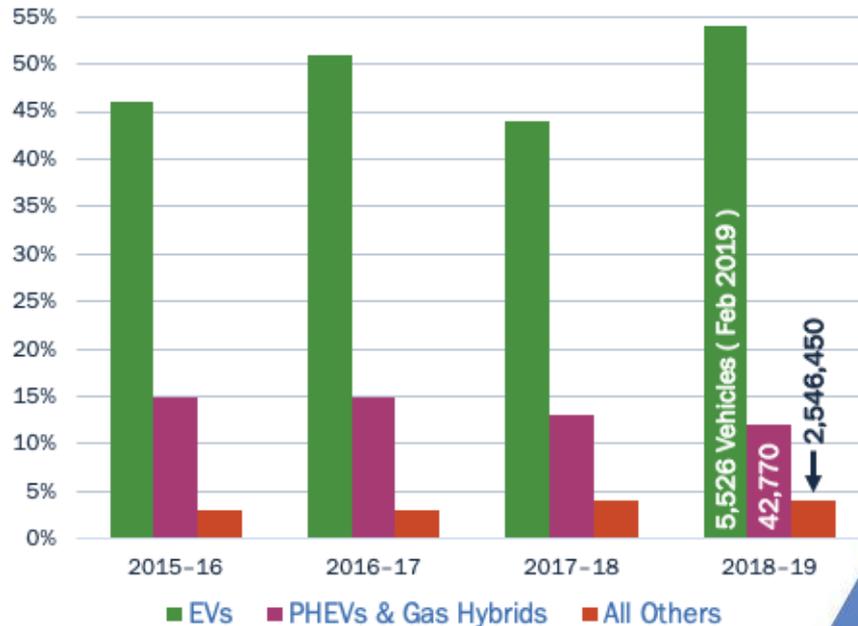
Total Registered Vehicles
2,594,746 (2019)



Gasoline Diesel EV PHEV Gas Hybrid Other Alt Fuel



Year-over-year Growth (%)



Current RUC System Challenges

- Educating the public
- Fee evasion
- Technology
- Out-of-state driving
- Privacy perceptions
- Administrative costs
- Data accuracy

Tolling Authorization

UDOT

- Authorized to construct, operate, maintain, reconstruct toll roads and lanes (1997 HB266).
- Tolls collected electronically via transponder.
- Authorized to use license plate reader to collect toll (SB 193, 2013), not currently in use.
- Authority to establish tollways through Public-Private Partnership (SB 80, 2006)
- Additional tools for toll collection (SB 71, 2018)

Transportation Commission

- Set toll rates
- Authorized to approve toll roads, toll lanes, and P3 tollways

Federal Tolling Authorization

- **Reconstruct or maintain interstate**
 - Apply for Interstate System Reconstruction and Rehabilitation Pilot Program (ISRRPP)
-- 3 slots available nationwide
 - Demonstrate facility couldn't be maintained or reconstructed without tolls
 - Revenue expenditure limited to that facility
- **High Occupancy Vehicle (HOV) lane conversion to High Occupancy Toll (HOT) lane**
 - Require federal approval to expand current HOT lane program
 - Requires free access for carpools, while tolling single-occupants
- **Value Pricing Pilot Program (VPPP)**
 - Demonstrate reduce congestion through pricing strategies

I-15 Express (HOT) Lanes

- Encourages people to carpool reducing traffic congestion and improving commute reliability
- All tolls collected electronically
 - In 2006, 23 U.S.C. 166 - Federal statute requires that charges be electronically collected



Express Lane: Tollway Restricted Account

	FY13	FY14	FY15	FY16	FY17	FY18
Revenue	\$0.7	\$0.8	\$0.9	\$1.3	\$1.9	\$2.4
Expenditures	\$0.8	\$0.8	\$0.8	\$1.1	\$1.9	\$1.5

Revenue in Millions

Future of Tolling

- Updating Roadway Managed Lane Study (2006)
- Improve payment system and toll collection
 - I.e. interoperability between states
- Potential uses with RUC or other funding collection options



