

Funding the Future of Transportation

North Carolina F1RST Commission Meeting

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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**

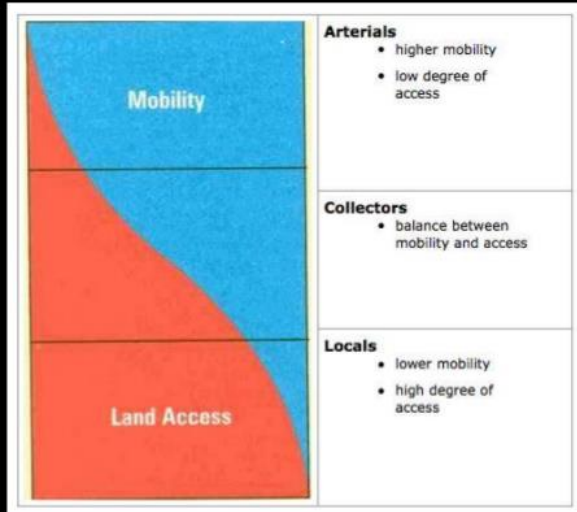


**Optimize
Mobility**

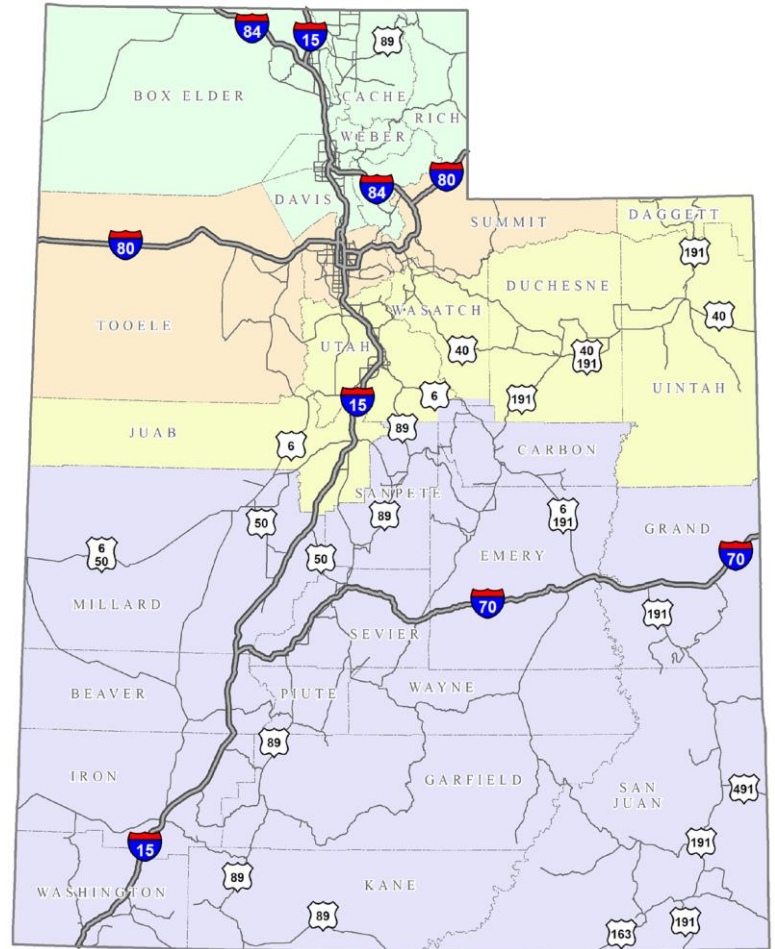


Utah State Highway System

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

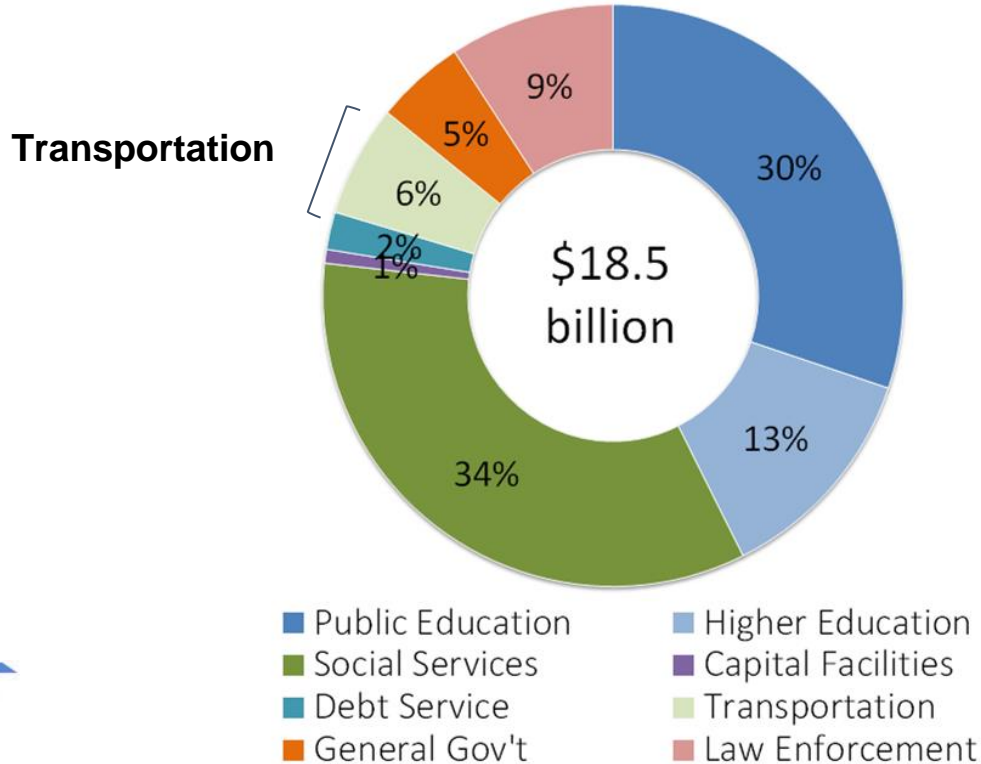


Functional Classification

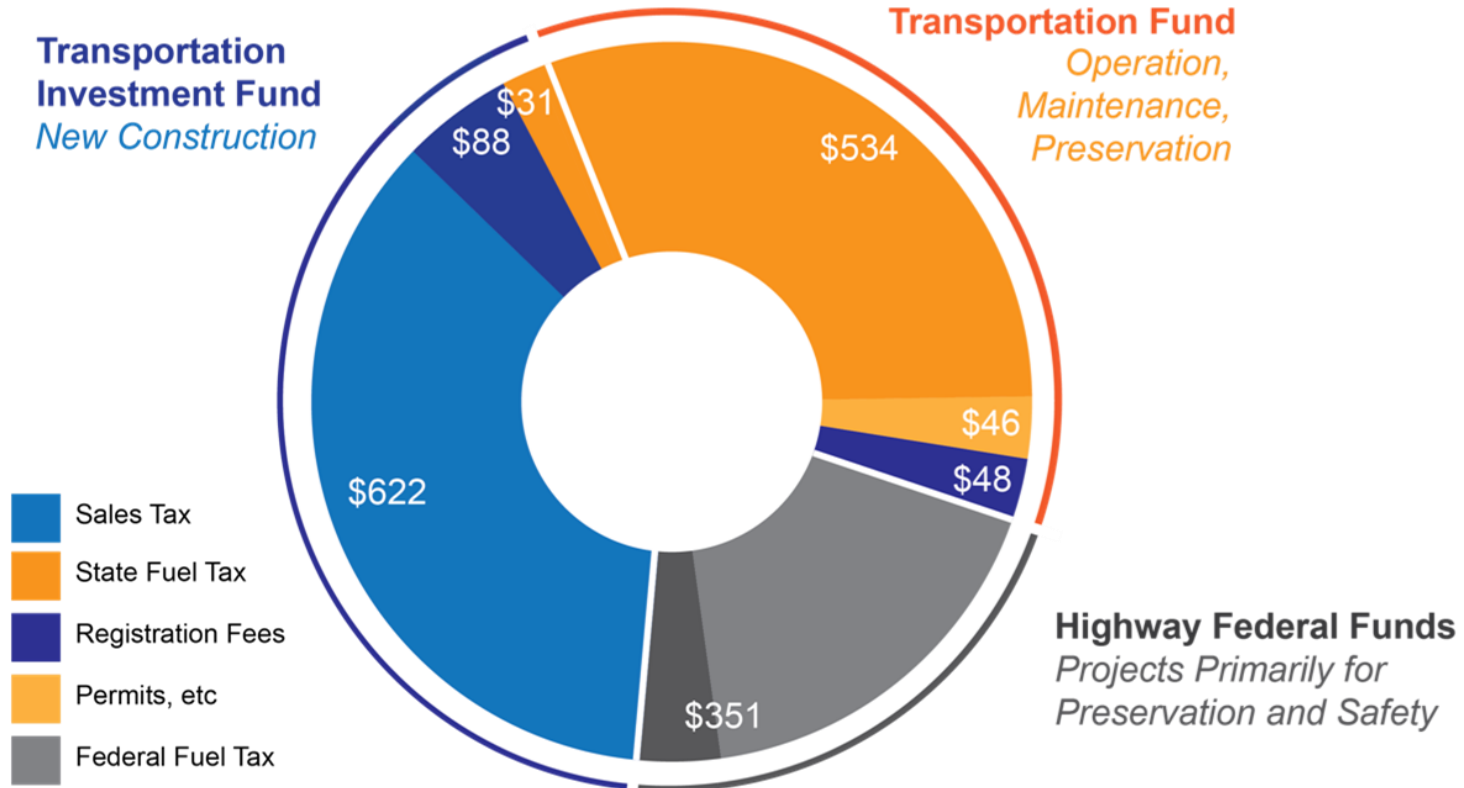


State of Utah Budget

Fiscal Year 2020



UDOT's Budget



Funding Transportation for the Near-Term Future

- 2003/2004 Legislative Task Force: *“Reliance on fuel tax alone will never be adequate for highway needs.”*
- H.B. 1008 (2005) Transportation Investment Act
- H.B. 362 (2015) Transportation Infrastructure Funding

Enrolled Copy

H.B. 1008

TRANSPORTATION INVESTMENT ACT

2005 FIRST SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca D. Lockhart

Senate Sponsor: Carlene M. Walker

LONG TITLE

General Description:

This bill modifies the Motor Vehicles Code, the Sales and Use Tax Act, the Motor and Special Fuel Tax Act, the State Appropriations and Tax Limitation Act, and the Transportation Code by amending provisions to increase funding for transportation.

Highlighted Provisions:

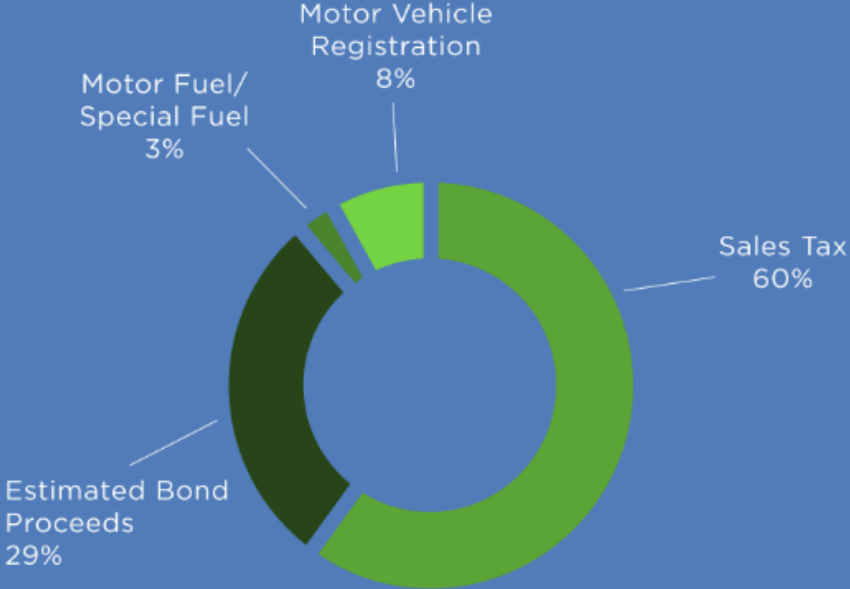
- This bill:
- creates the Transportation Investment Fund of 2005 to pay the costs of maintenance, reconstruction, or renovation to state and federal highways;
 - redesignates the Centennial Highway Fund as a restricted account within the Transportation Investment Fund of 2005;
 - transfers the Centennial Highway Fund Restricted Account revenue sources to the Transportation Investment Fund of 2005 when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account;
 - provides that a portion of the sales and use tax revenue shall be deposited into the Centennial Highway Fund Restricted Account;
 - requires the Division of Finance:
 - to monitor the highway general obligation bonds that are being paid from revenues deposited into the Centennial Highway Fund Restricted Account; and
 - to report on the status of the bonds to the Executive Appropriations Committee upon request;
 - requires the Department of Transportation to:

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



2019 UDOT STRATEGIC DIRECTION

Transportation Investment Fund Revenue



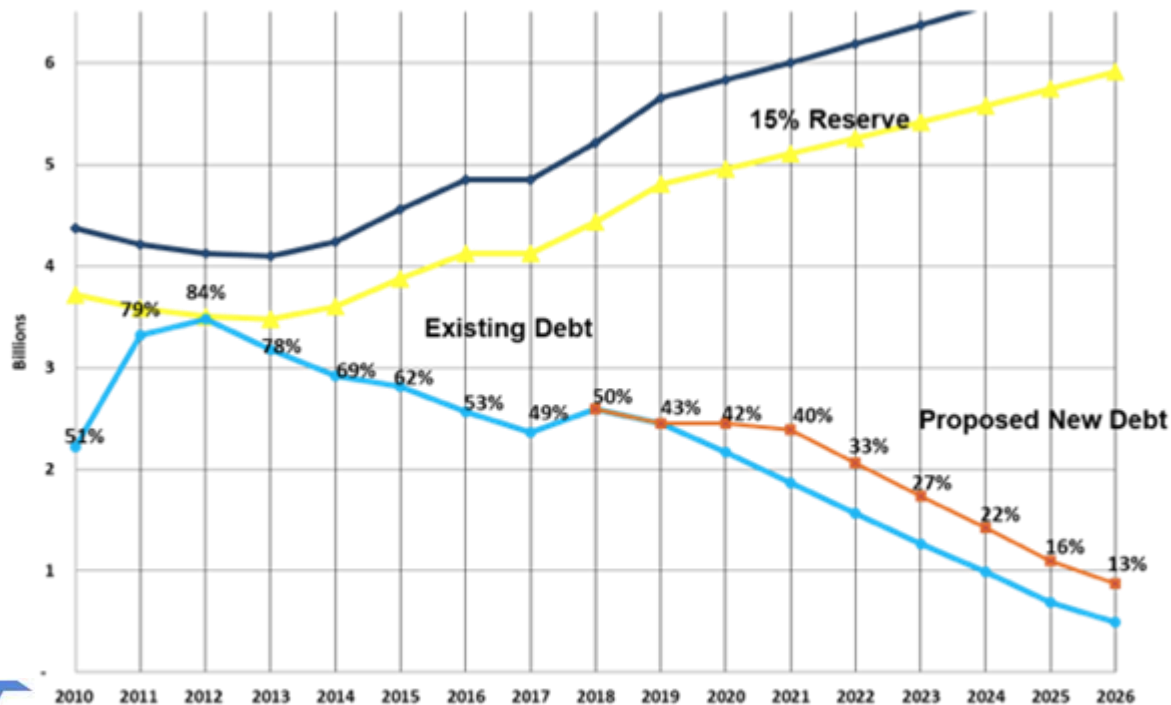
Sales Tax - 17%	\$496,872,257
Sales Tax - 3.68%	\$103,483,877
Sales Tax - 1/16%	\$11,975,269
Sales Tax - .05%	\$10,089,297
1997 Registration Increase	\$29,667,656
2009 Registration Increase	\$58,380,344
Estimated Bond Proceeds	\$300,816,855

\$Transferred from TF


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

Constitutional Debt Limit Graph

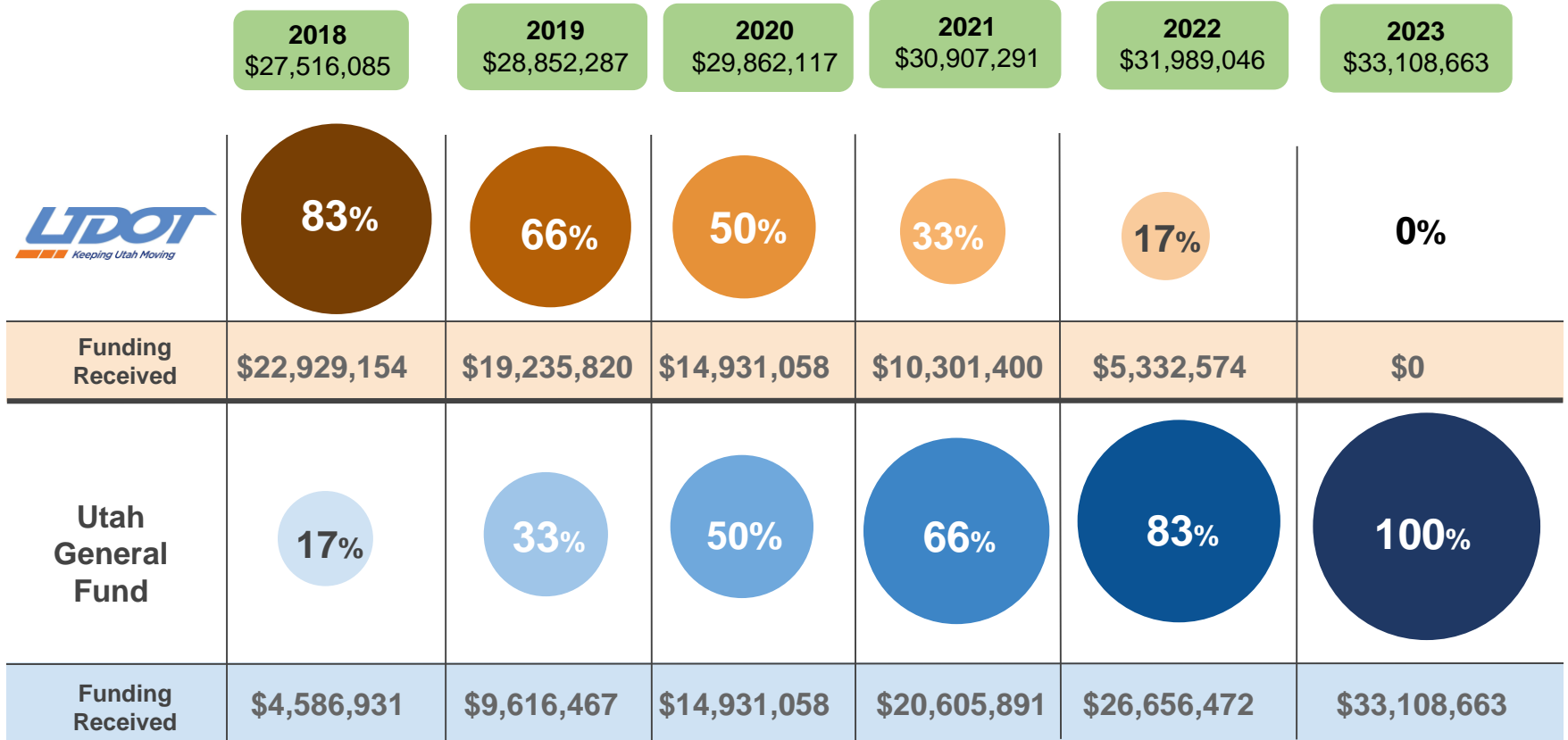
Estimated Outstanding Debt & Constitutional Debt Limits



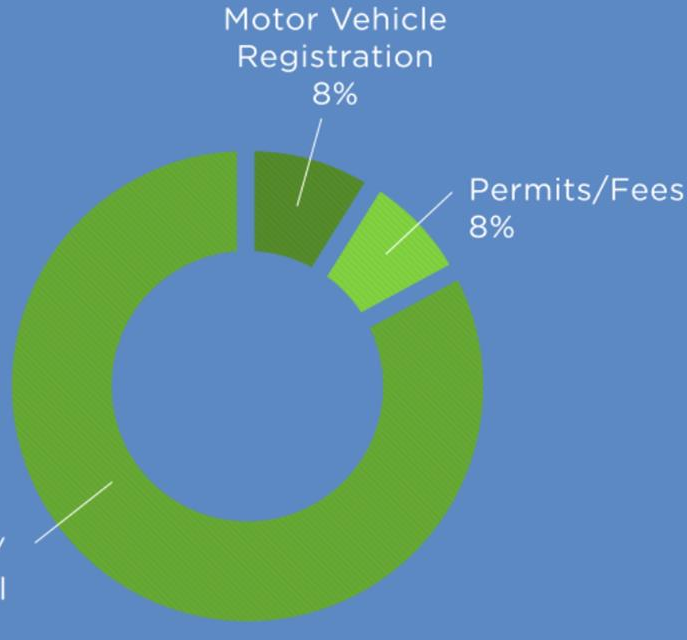
S.B. 80 (2016) – 1/16th¢

	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

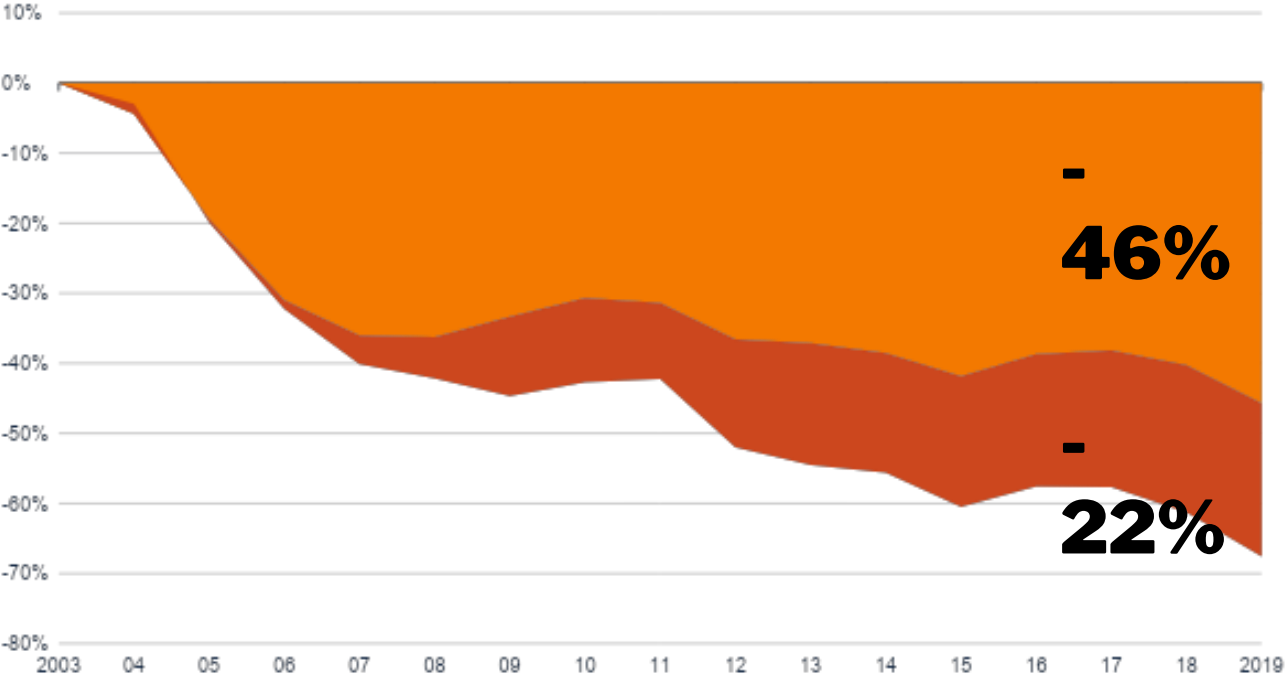


Transportation Fund Revenue



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

National Fuel Tax Purchasing Power Decline

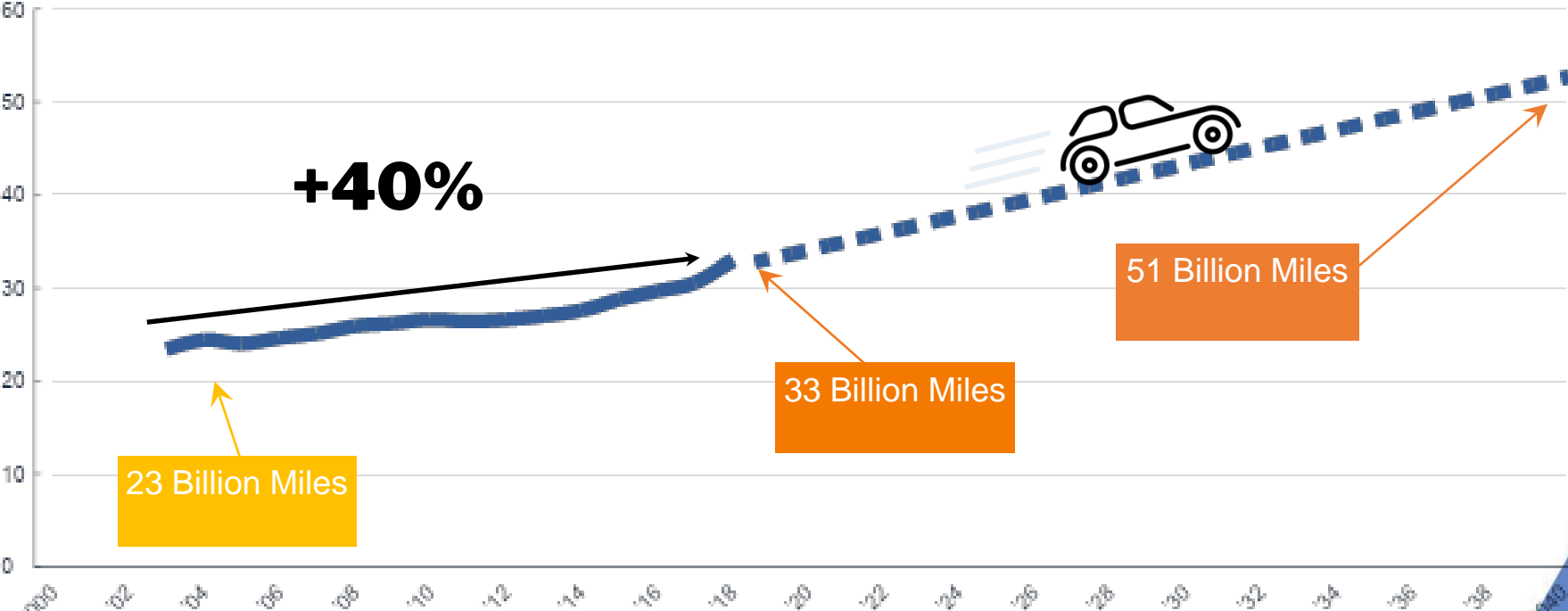


Utah Legislative Countermeasures:

Indexing to CPI

Road Usage Fees

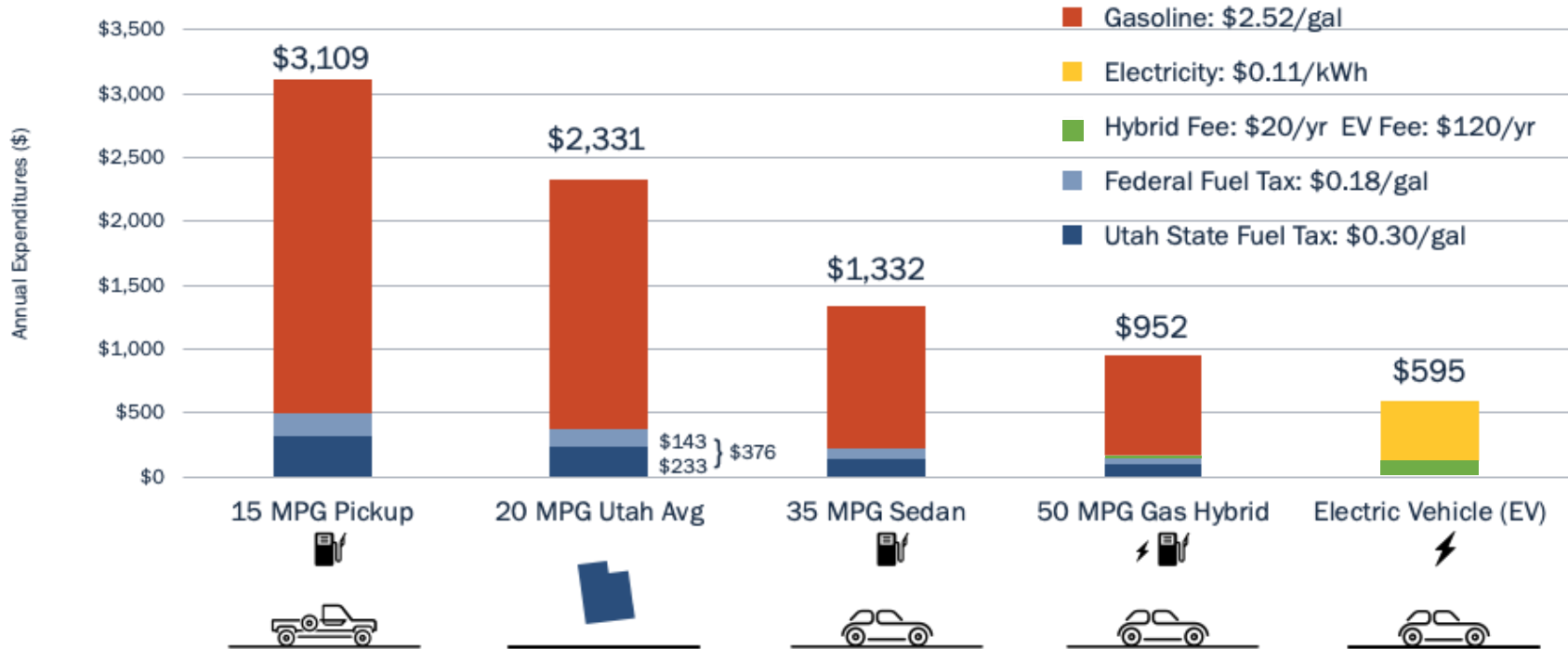
Utah Vehicle Miles Traveled (VMT) Projection



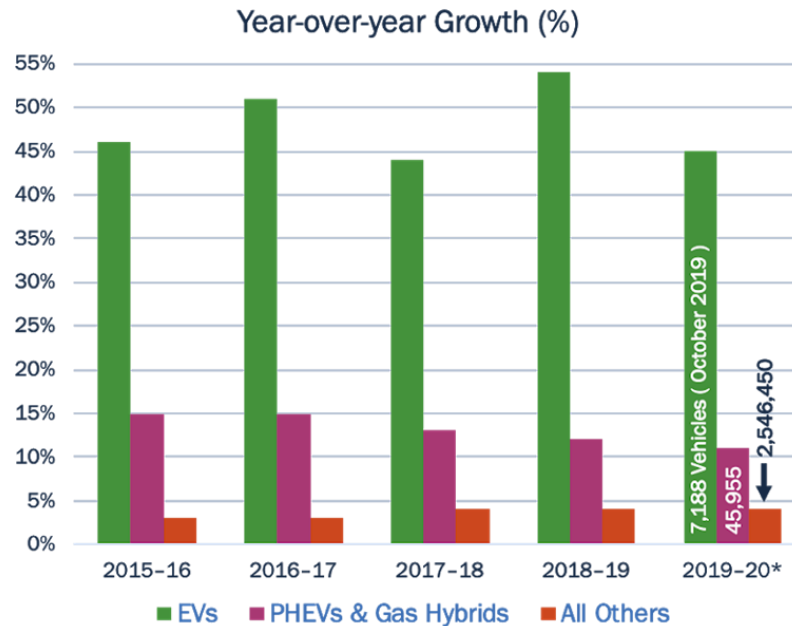
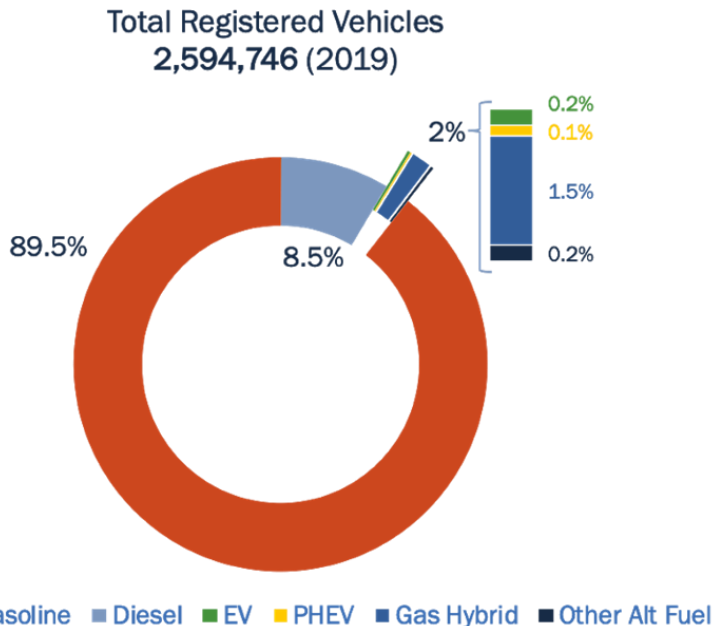
The Case for a Road Usage Charge Program

	Scales With Inflation	User Pays Principle (Fairness)	Long-Term Sustainable Funding Source
Registration Fee	Somewhat	No	No
Fuel Tax	Somewhat	Somewhat	Somewhat
Road Usage Charge	Yes	Yes	Yes

Total Annual Gas Tax Costs for Utah Drivers

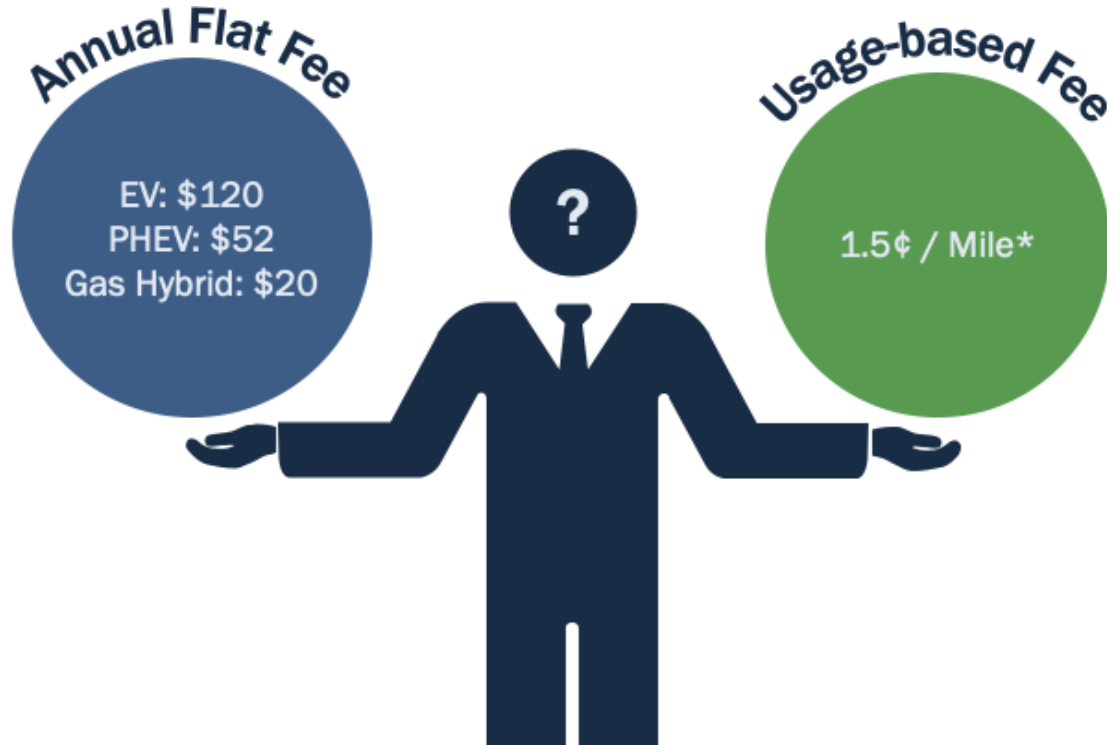


Size & Growth of Utah's Electric Vehicle Fleet



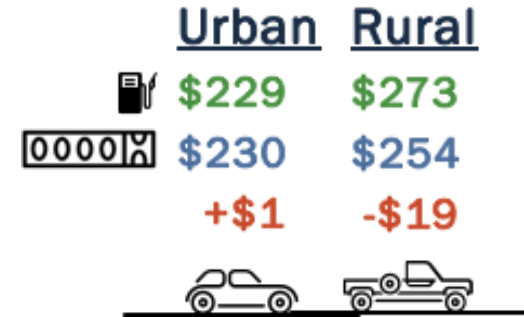
*Projected annual growth as of Oct 2019

Utah's Alt-Fuel Vehicle Payment Choice



Rural & Low-income Households Benefit From RUC

Characteristic	Urban	Rural
% of Utah Households	94%	6%
Average Daily Miles/Household	47.7	52.6
Average Fuel Efficiency (mpg)	22.8	21.1
Average Vehicle Age (years)	9.5	10.7



Utah's Road Usage Charge Program Implementation Timeline

- S.B. 136 (2017)
- Administrative rules filed
- RUC rate set at 1.5 cents/mile
- Vendor began system testing in October 2019
- Full system launches to the public on January 1, 2020

Current RUC System Challenges

- Public education
- Technology
- Administrative costs
- Out-of-state driving
- Privacy perceptions
- Data accuracy

