

MPOAC REVENUE STUDY

The logo for MPOAC, featuring the letters "MPOAC" in white, uppercase font inside a dark blue oval, which is centered on a yellow rectangular background.

MPOAC Revenue Study  
Governing Board and Staff Directors Joint  
WORKSHOP  
January 26, 2012  
Tallahassee, FL

# Study History

2008

- **Florida Senate Bill – 1688**
- Recommend funding mechanism
- 13 members- 3 governor's, 3 Senate, 3 House, FDOT, MPOAC, FL Association of Counties, League of Cities
- \$400,000 in non-recurring general funds to finance the study effort

2009

- **Florida Senate Bill – 582**
- Report due January 1, 2011 – 18 months +/-
- 13 members in SB 1688 plus labor
- \$450,000 in federal metropolitan planning funds

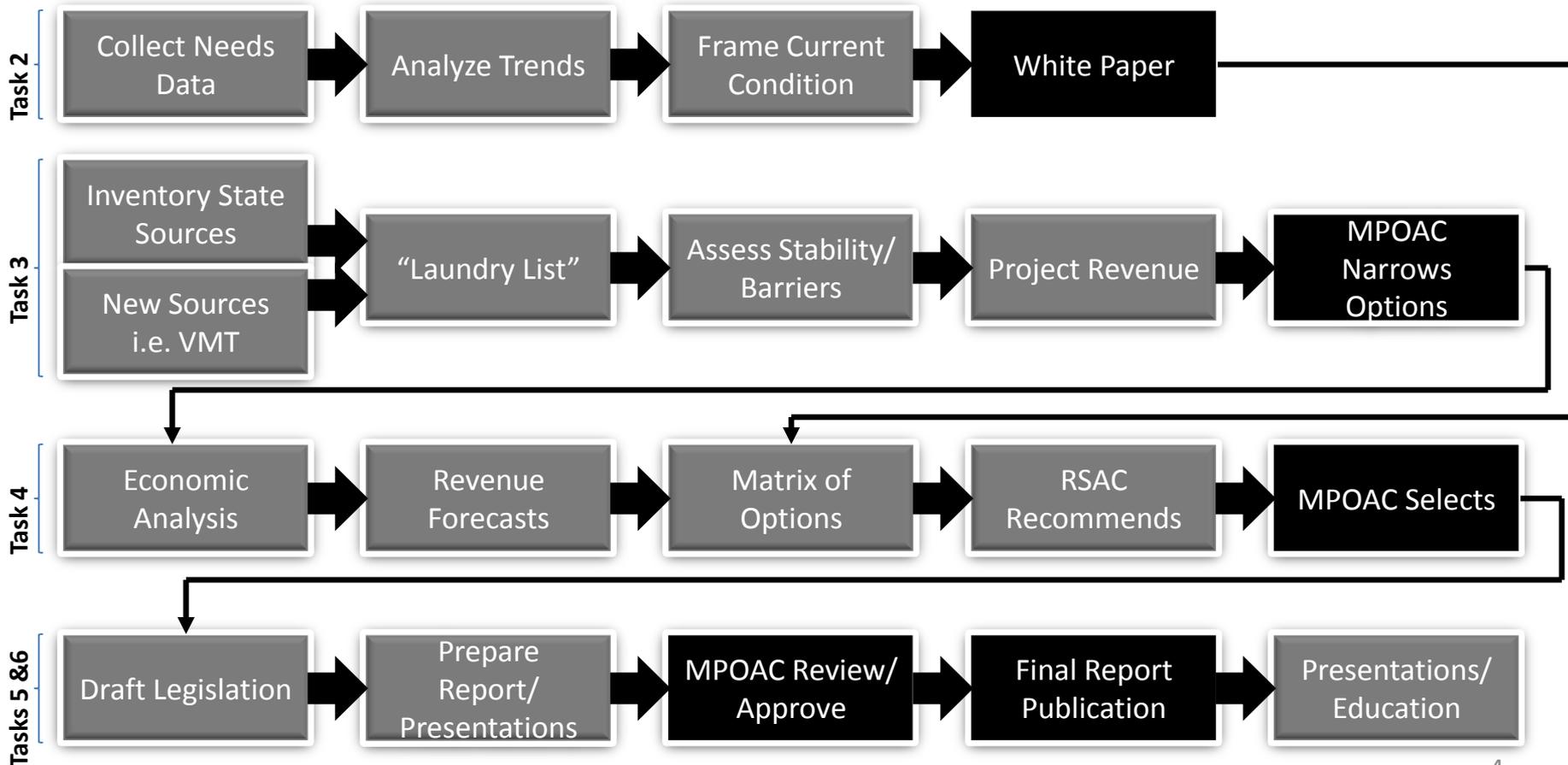
2010

- **Fall 2009 MPOAC Policy & Technical Subcommittee recommended proceeding w/o legislation**
- Subcommittee discussed and reviewed draft scope – December 2009
- Final Scope of Work reviewed and approved by Staff Directors and MPOAC Board – Orlando, January 28, 2010
- Work commenced – June 2010, RSAC established, met in September and December

# Purpose

- Develop legislative approaches to implement a set of revenue measures that address transportation funding needs in Florida.
- Recommendations will focus on the identification of sustainable, innovative and politically acceptable measures to assist in meeting the mobility needs for Floridians.

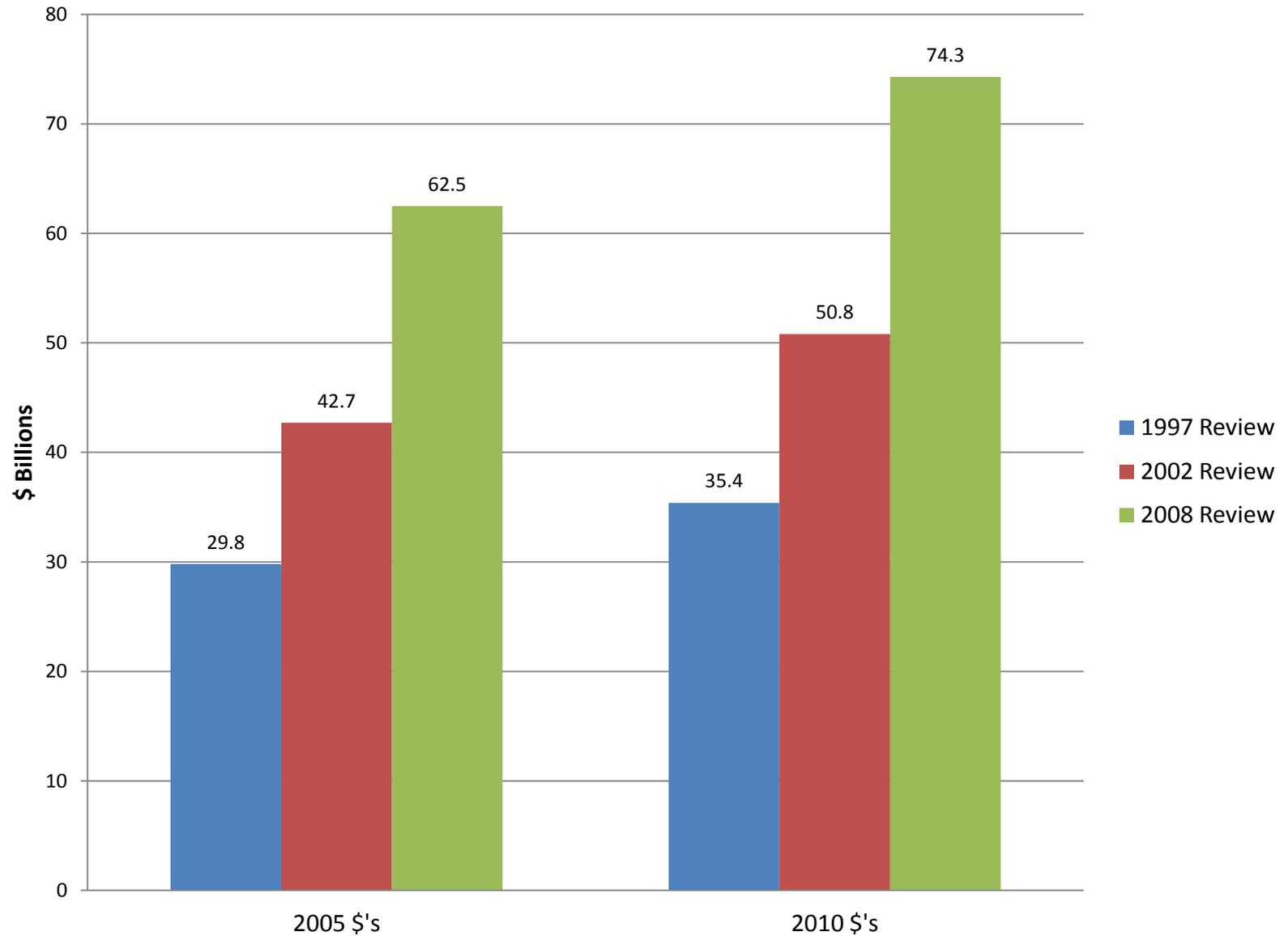
# MPOAC Revenue Study Process



# Revenue Study Advisory Committee

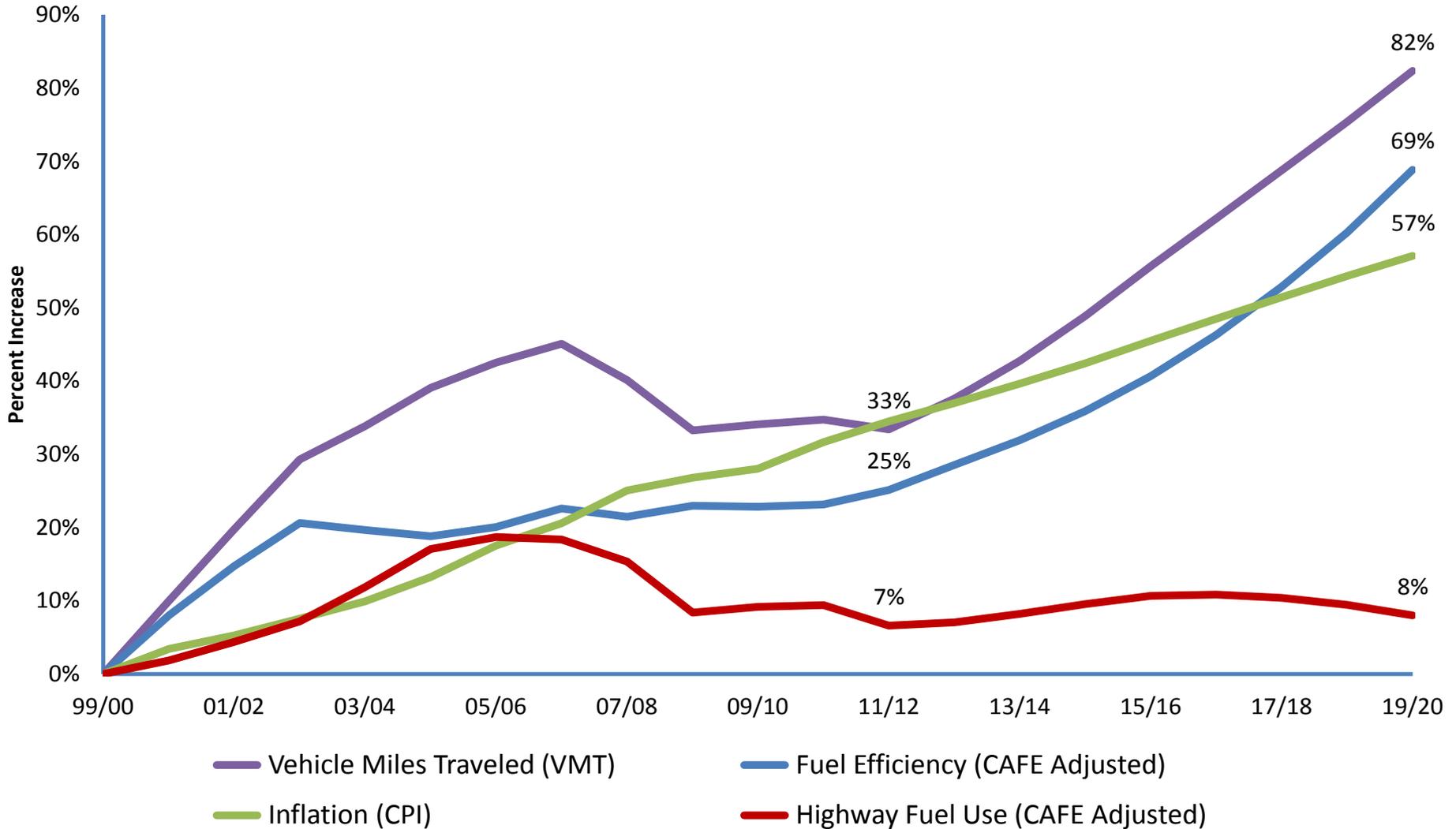
- Florida Airports Council
- Florida Transportation Builders Association
- Florida Chamber of Commerce
- Florida League of Cities
- Floridians for Better Transportation
- Florida Association of Counties
- The Nature Conservancy in Florida
- Florida Trucking Association
- MPOAC Staff Directors Representative - Chair
- Florida Ports Council
- Chair MPOAC Governing Board
- Florida Transportation Commission
- American Public Works Association, Florida Chapter
- Public Transportation Association

# Florida Metro Area Transportation Funding Shortfall Estimates



# Variables Affecting The Purchasing Power of Transportation Revenues

Sources: FDOT 2009 Source Book of Florida Highway Data, Oct 2011 REC & 2012-2025 CAFE Preliminary Estimate



**Transportation Taxes and Fees**  
**Purchasing Power Value Lost Due to Inflation**  
**Rate Increases Required to Restore Lost Purchasing Power**

Table Excludes the Surcharges to General Revenue Enacted in 2009

Tax/Fee	Rate (to STTF)	Unit of Measure	Last STTF Rate Increase	Years Since Last Increase	CPI-U Index Level	Inflation Adjusted Value of \$1.00	To Restore Original Purchasing Power		
							% Rate Increase Needed	Inflation Adjusted Rate	Rate Increase Needed
State Fuel Use	12.3	per gal	2011	0	224.9	\$1.00	0%	12.3	0.0
SCETS	6.8	per gal	2011	0	224.9	\$1.00	0%	6.8	0.0
Off Highway	12.0	per gal	2011	0	224.9	\$1.00	0%	12.0	0.0
Federal Highway Fuel	18.4	per gal	1997	14	160.5	\$0.71	40%	25.8	7.4
Federal Highway Diesel	24.4	per gal	1997	14	160.5	\$0.71	40%	34.2	9.8
Local Option Fuel	12.0	per gal	1993	18	144.5	\$0.64	56%	18.7	6.7
Title Fee	various	one time	1991	20	136.2	\$0.61	65%	various	various
Aviation Fuel	6.9	per gal	1990	21	130.7	\$0.58	72%	11.9	5.0
Initial Registration Fee	\$100.00	one time	1990	21	130.7	\$0.58	72%	\$172.07	\$72.07
Rental Car Surcharge	\$2.00	per day	1990	21	130.7	\$0.58	72%	\$3.44	\$1.44
MVL Fees	various	annual	1983	28	99.6	\$0.44	126%	various	various
Municipal Fuel	1.0	per gal	1971	40	40.5	\$0.18	455%	5.6	4.6
Constitutional Fuel	2.0	per gal	1943	68	17.3	\$0.08	1200%	26.0	24.0
County Fuel	1.0	per gal	1941	70	14.7	\$0.07	1430%	15.3	14.3

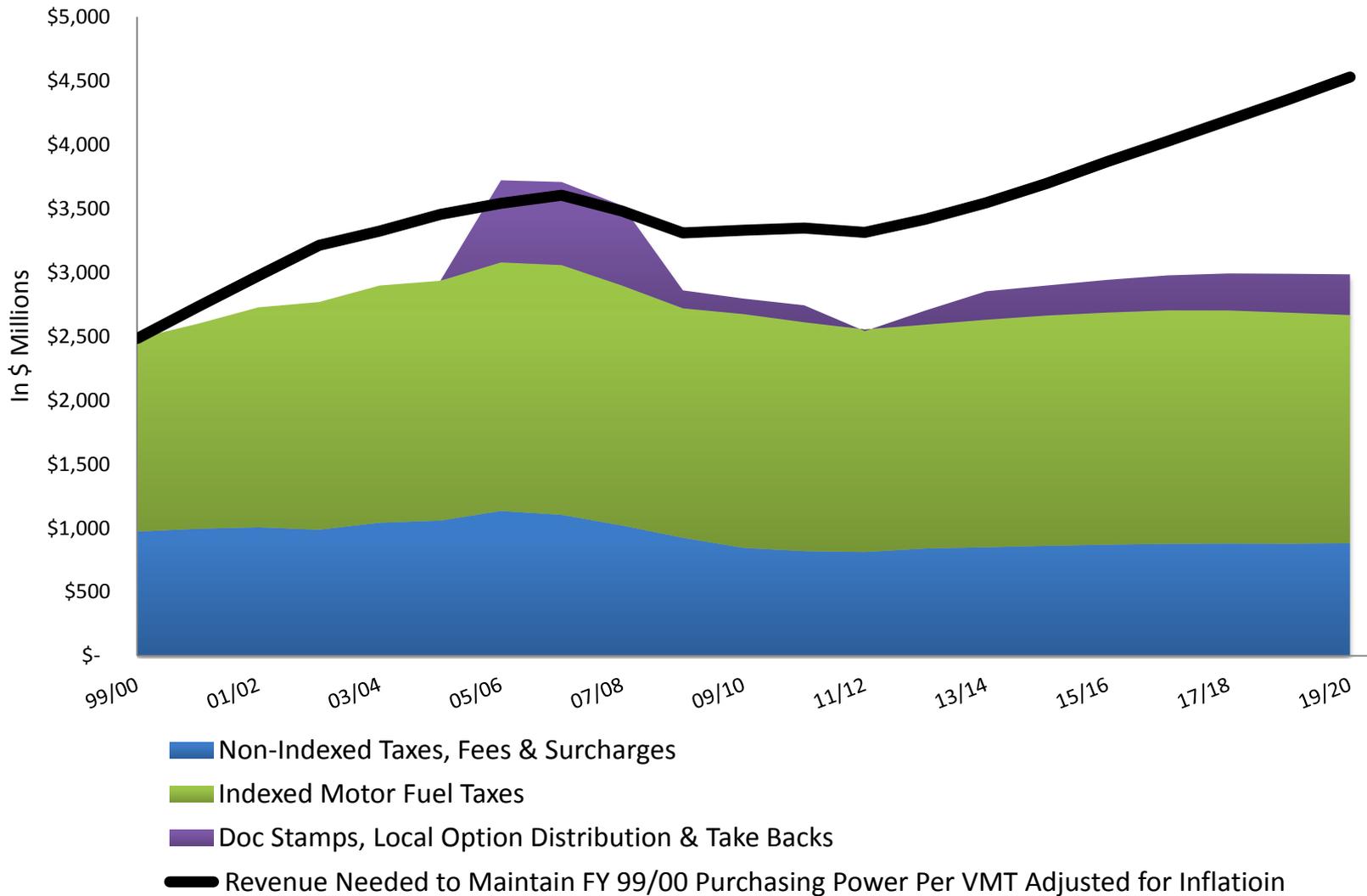
Purchasing Power Calculations for Non-Indexed Taxes & Fees Are Calculated Using April 2011 CPI Index of 224.9.

The 2010 General Revenue Surcharges imposed on MVL Fees, Initial Registration Fees, Title Fees and Rental Car Surcharges are excluded from this analysis since they did not impact the purchasing power of the respective share of revenues directed to the State Transportation Trust Fund.

# State Transportation Taxes & Fees

## \$12.1 Billion In Lost Purchasing Power

In Current \$ - Adjusted for Growth In Vehicle Miles Traveled



# RSAC recommendations for further analysis – MPOAC

## Adopted

1. Fuel Tax – examine various levels and indexing those not currently indexed  
Analyze indexing of federal 18.4 cents for STTF  
Investigate raising of Local Option Motor Fuel Tax
2. Fees – look at indexing of existing fees remitted to the State Transportation Trust Fund
3. Vehicle Sales Tax – currently not going to STTF. Research various levels to the Trust Fund
4. Cost Savings – investigate revisions to property acquisition procedures
5. Return Fees to STTF – examine implications of returning fee increase revenues to STTF by 2014
6. Sales Tax on Motor Fuels - research replacing cents per gallon state fuel tax with a percentage tax including a “floor“
7. VMT Charges – examine replacement of state motor fuel tax with a vehicle miles traveled charge that is basic in its implementation
8. Maximization of Local Option Taxes – research issues surrounding incentives to take advantage of existing avenues to raise transportation revenue
9. Mobility Fees – document previous research and analyze financial impacts of statewide adoption
10. Toll Rate Making – research options for authority to set toll rates on state facilities
11. Regional Transportation Financing Authorities – review legislative proposals on the concept and develop potential alternatives
12. Sales Tax on Motor Vehicle Parts/ Accessories – investigate revenue potential of assessing or dedicating an existing portion of sales tax on vehicle related goods and services to the STTF
13. Optional Municipal Sales Tax for Transportation – research and document the potential for broadening the Local Option Sales Tax to municipalities of a certain size
14. County Vehicle Registration Fee – investigate the issues surrounding and revenue potential of a county decal program
15. Alternative Fuel Decal Program Changes – re-examine the existing state requirement for an alternative fuel decal and fee
16. Expansion of Tolls and Increase Local Expressway Authority Role – explore options to increase contributions by existing or new expressway and transportation authorities

# RSAC Recommendations for Consideration by MPOAC

- **Option 1.c** - Increase state motor fuel sales tax 2 cents per year for 5 years – indexed
- **Option 3.e** - State sales tax on all electric vehicles to State Transportation Trust Fund
- **Option 5.d** - Redirect 2009 General Revenue Motor Vehicle License Fee Surcharges and Initial Registration Fee Surcharges from the State General Fund to the State Transportation Trust Fund
- **Option 6.b** - Replace existing State Motor Fuels Sales Tax and the SCETS Tax with a 6% tax on motor fuels on the retail price – existing tax with index as a floor
- **Option 7** - VMT Study – Development of a “User-Fee Business Plan” to guide the implementation of a mileage based transportation funding mechanism.
- **Option 8.a** - Establish a 5 cent diesel fuel tax in each county (the 1 to 5 cent local option tax) for the purpose of investments in projects to enhance commercial traffic
- **Option 10.a** - Create a State Toll Rate Setting Commission to independently study evaluate and establish toll rates for State-owned toll facilities based upon criteria established by the Governor and Florida Legislature - Florida Transportation Commission is an option.
- **Option 11.** – Create and fund Regional Transportation Authorities with incremental new revenue sources
- **Option 12.b** - Shift Sales Tax on vehicle accessories, parts, repairs and service from General Revenue Fund to State Transportation Trust Fund
- **Option 13.** - One cent local option Municipal Sales Tax for Transportation for cities over 150,000 or for the largest municipality in a county with none larger than 150,000. Cannot exceed one cent in combination with the current County Option
- **Option 14.** - Optional County Vehicle Registration Fee for Public Transportation - \$10 per vehicle, each county can elect to implement, targeted for public transit (operating or capital) bondable revenue stream
- **Option 15.** - Expand current alternative fuel decal program to all vehicles using alternative fuels or not propelled via an internal combustion engine (e.g. electric) – pro rata for hybrid electric
- **Option 16.a** - Increase the levels of State Funding invested in the Florida Turnpike Enterprise and Regional Expressway Authorities in order to leverage new project toll revenues and increase total transportation infrastructure financing capacity. Use incremental new revenue.

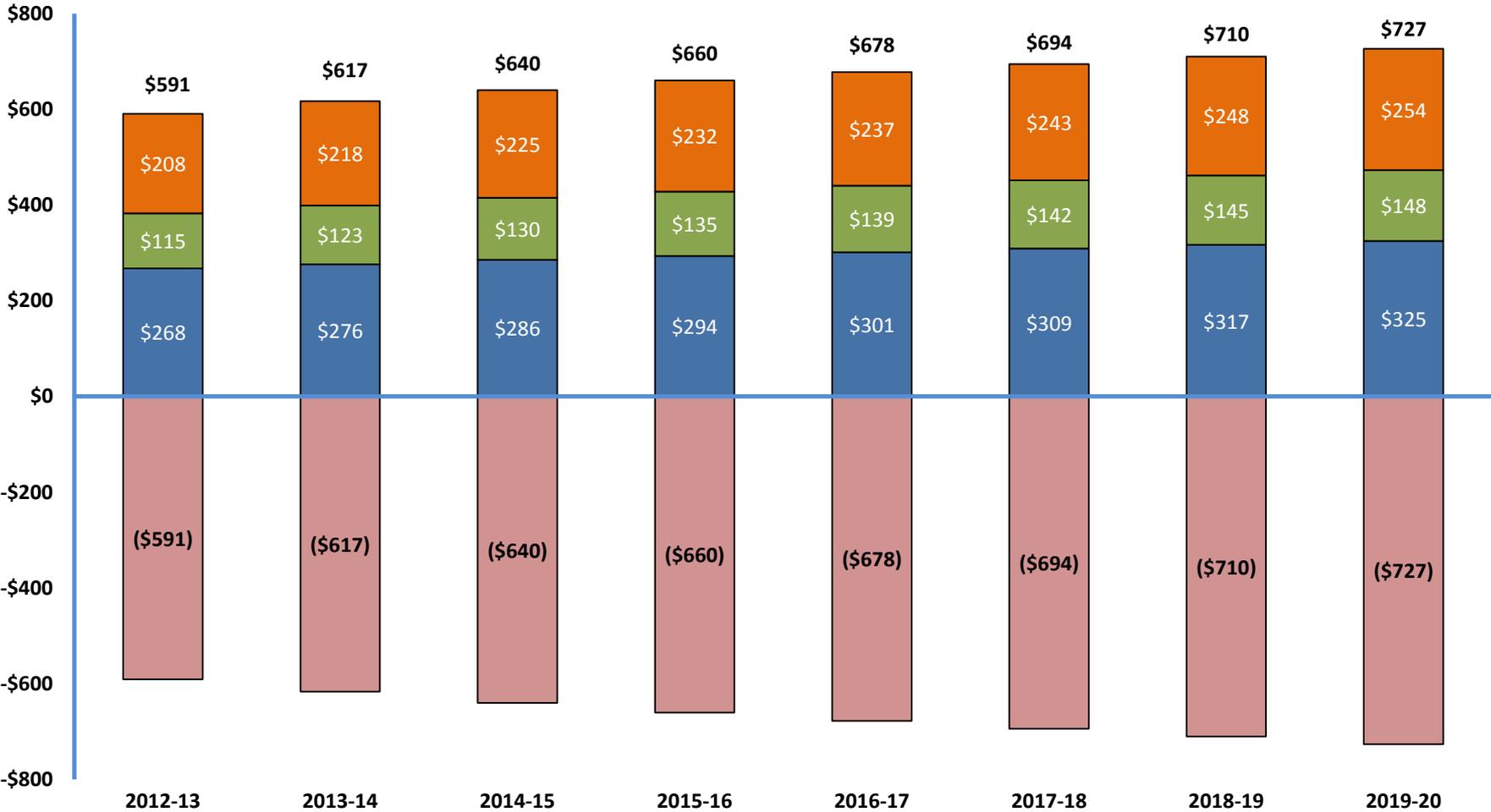
# Options Analyzed by Type

- Restoration of Funds to Trust Fund
- Increased Flexibility for Local Governments
- Protection of existing funds
- Recommended uses for new, incremental funds
- New/ additional revenue sources
- Policy recommendations related to funding

# Restoration of Funds to Trust Fund

- ✓ Return Fees to STTF – examine implications of returning fee increase revenues to STTF by 2014
- ✓ State sales tax on all electric vehicles to State Transportation Trust Fund
- ✓ Alternative Fuel Decal Program Changes – re-examine the existing state requirement for an alternative fuel decal and fee

# 5.d - Return Transportation Fees to STTF In \$ millions

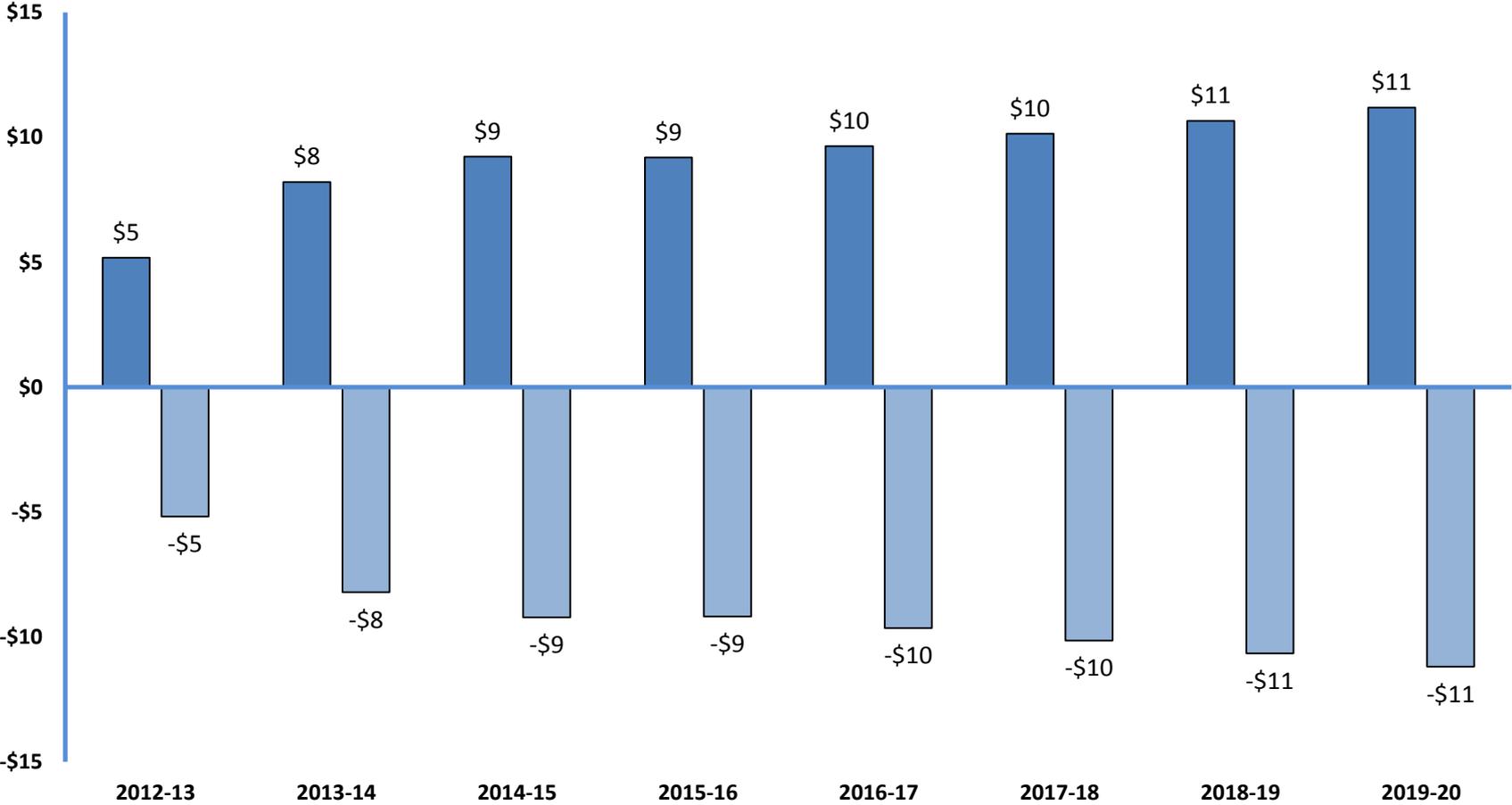


■ a. MVL Fees STTF   
 ■ b. \$125 Initial Reg. Fee STTF   
 ■ c. Title Fee (\$46) STTF   
 ■ d. All Fees GR   
 d. All Fees STTF

# 3.e - Vehicle Sales Tax Options

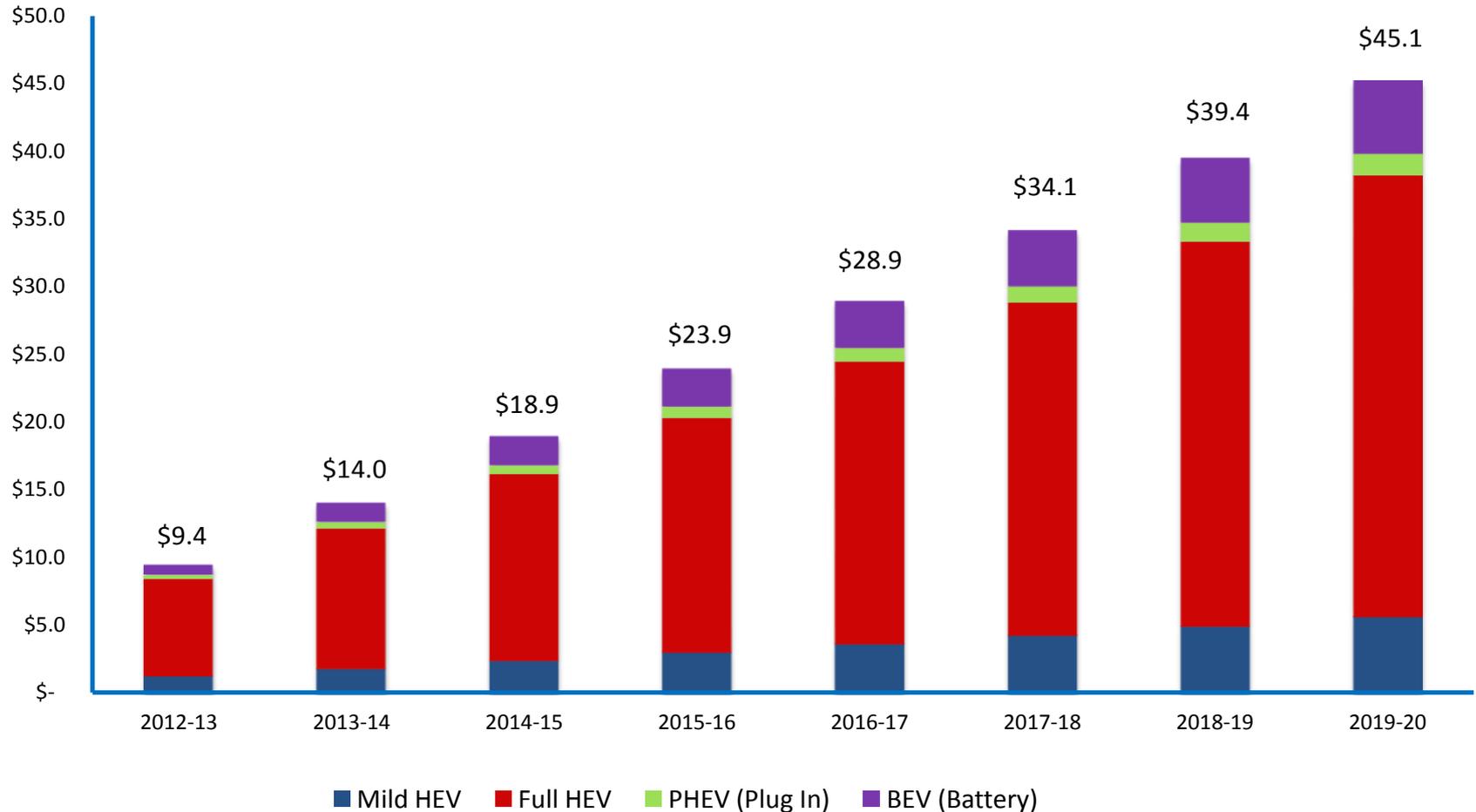
## Transfer State Sales Tax on All-Electric Vehicles to STTF

### STTF and GR Impacts - \$ millions



■ 3.e. State sales tax on all-electric vehicles - STTF  
 ■ 3.e. State sales tax on all-electric vehicles - GR Fund

## 15. - Expand Current Alternative Fuel Decal Program Pro Rated for Hybrid Electric - \$ Millions



# Summary of Revenue Yields - \$millions

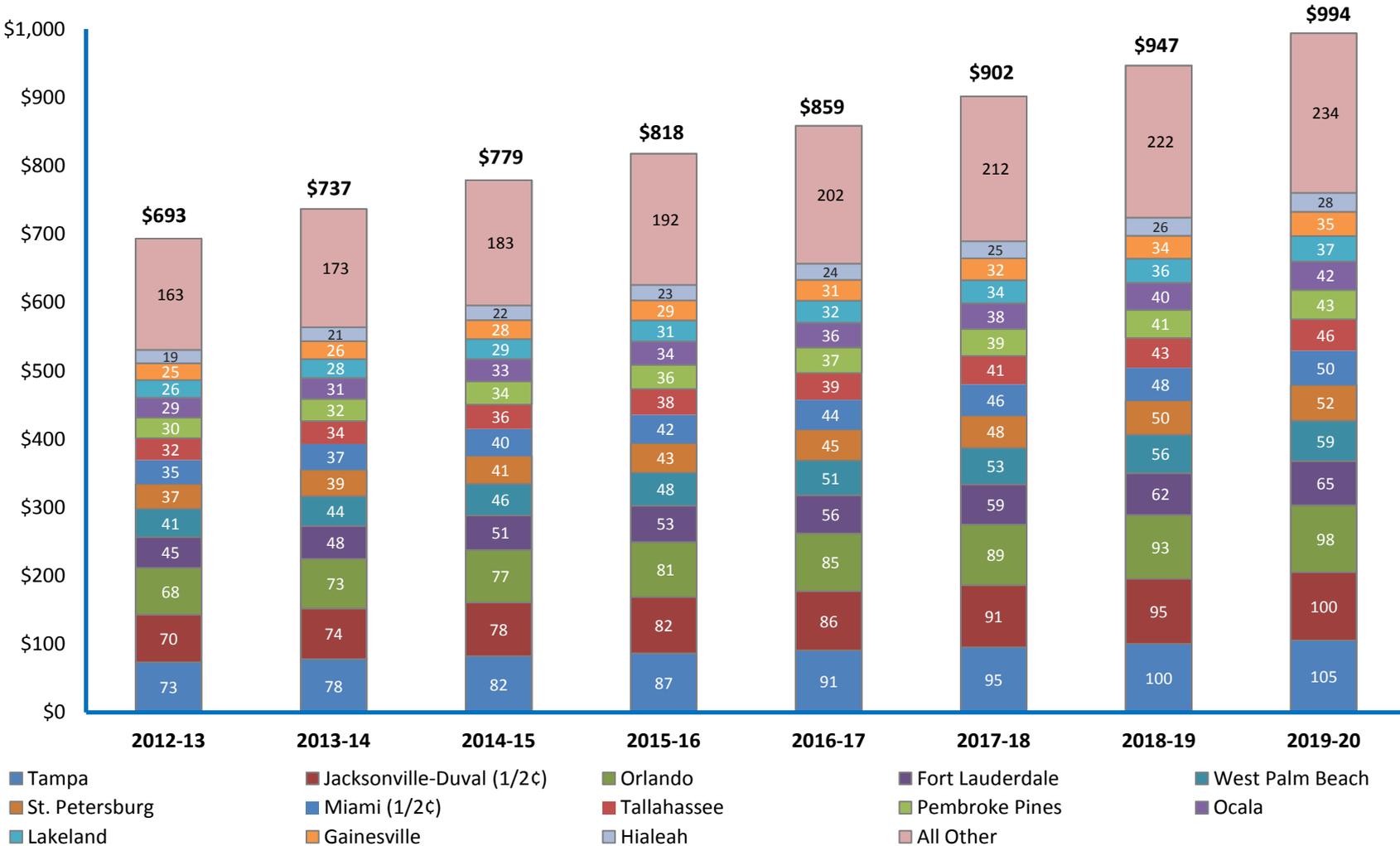
## Restoration of Funds to Trust Fund

Revenue Option	8 yr Total	Annual Average
Sales Tax Battery Electric Vehicles to STTF (GR)	73.5	9.2
Return MVL, Reg., Title increases to STTF (GR)	5318.3	664.8
Alternative Fuel Decal Expansion	213.7	26.7

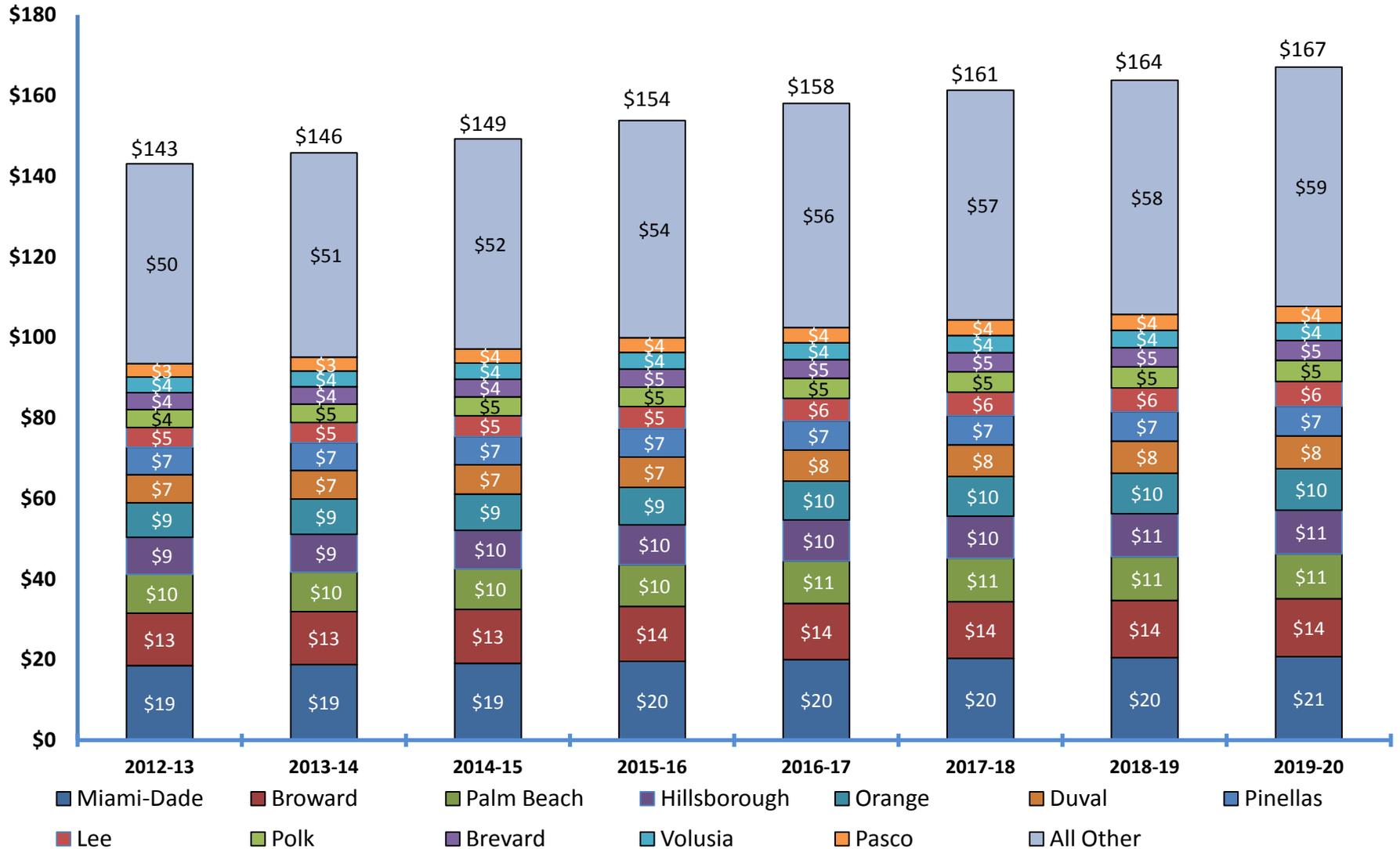
# Increased Flexibility for Local Governments

- ✓ Optional Municipal Sales Tax for Transportation – research and document the potential for broadening the Local Option Sales Tax to municipalities of a certain size
- ✓ County Vehicle Registration Fee – investigate the issues surrounding and revenue potential of a county decal program

# 13. - One Cent Local Option Municipal Sales Tax (approximate) For Cities With Population > 150,000 and Largest City in County Net Revenue - In \$ Millions



# 14. \$10 Annual County Vehicle Registration Decal Fee Net Revenue - In \$ Millions



# Summary of Revenue Yields - \$millions

## Increased Flexibility for Local Governments

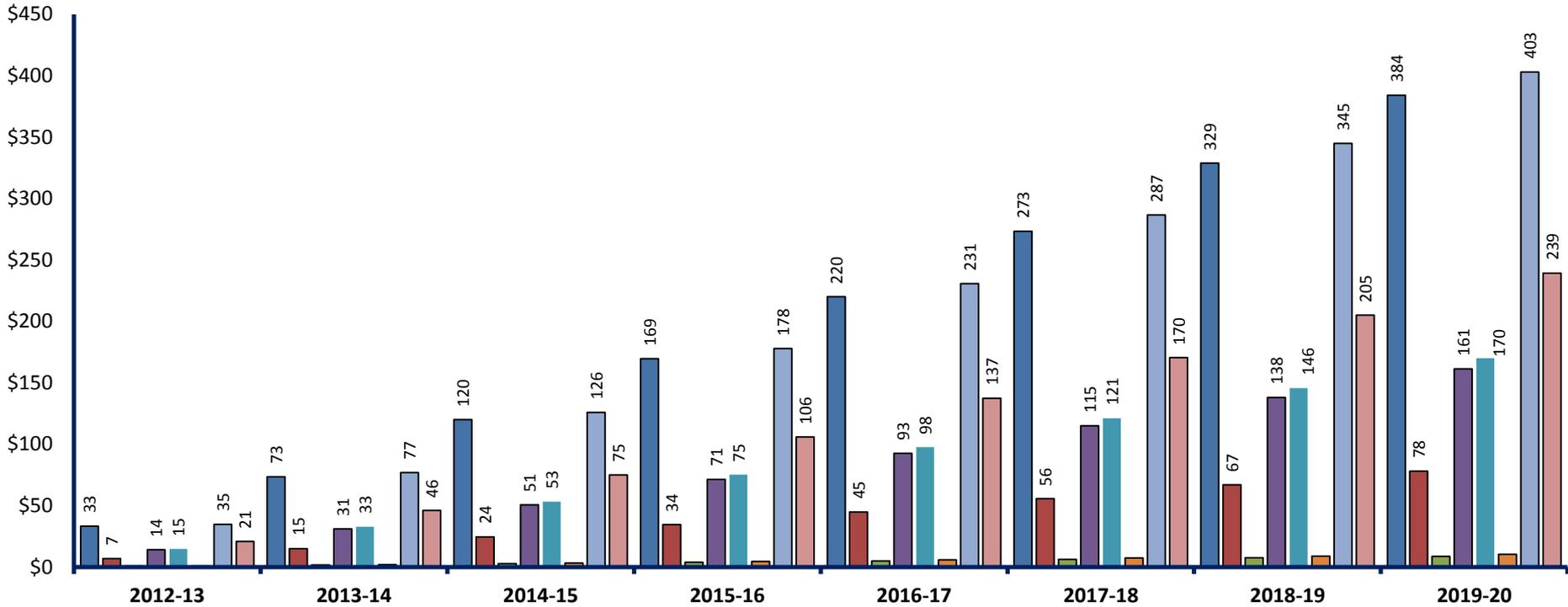
Revenue Option	8 yr Total	Annual Average
1 cent Municipal Optional Sales Tax	6729.2	841.2
County \$10 Annual Vehicle Registration Fee	1242.2	155.3

# Protection of existing funds

- Fuel Tax – examine indexing of those not indexed
- Fees – indexing of existing fees remitted to the State Transportation Trust Fund
- ✓ VMT Charges – examine replacement of state motor fuel tax with a vehicle miles traveled charge that is basic in its implementation

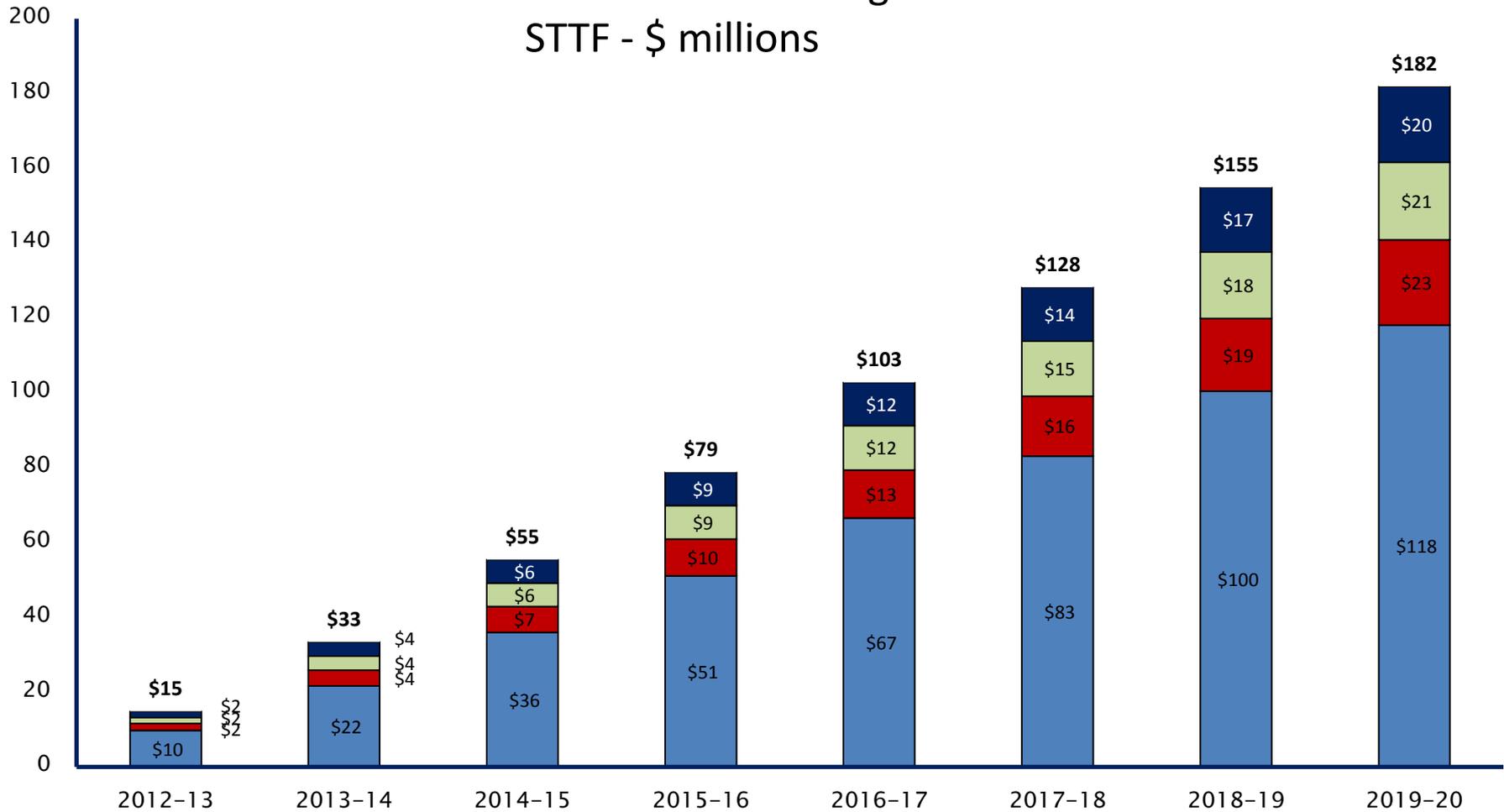
# 1.f – 1.i Indexing Options

## Fuel Tax Indexing Options - \$millions



- 1.f. Index Federal Motor Fuel Taxes - Revenues to STTF STTF
- 1.g. Index Constitutional, County & Municipal Motor Fuel Taxes - Local Gov'ts (4¢/gal) LOCAL
- 1.h. Index Local Option Fuel Taxes STTF
- 1.h. Index Local Option Fuel Taxes LOCAL
- 1.i. Index Aviation Fuel Tax STTF
- 1.j. Index All Fuel Tax Sources That Currently Are Not Indexed (1f, 1g, 1h & 1i combined) STTF
- 1.j. Index All Fuel Tax Sources That Currently Are Not Indexed (1f, 1g, 1h & 1i combined) LOCAL

## 2.a - 2.d Index FDOT Share of Existing Fees- Yield to STTF - \$ millions



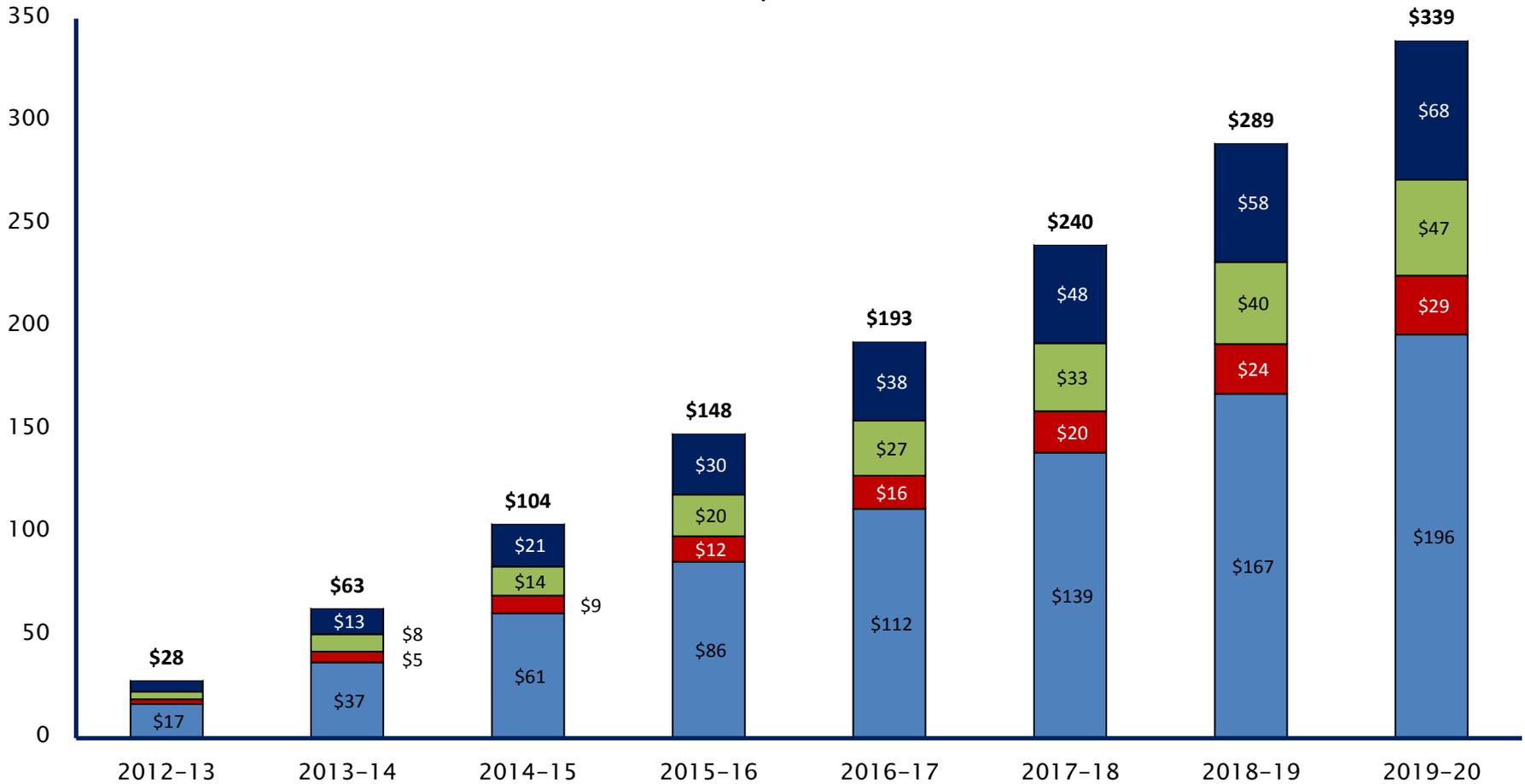
■ a. Motor Vehicle License Fees (varies)

■ b. Rental Car Surcharge (\$1.60/day)

■ c. Initial Registration Fee (\$100.00)

■ d. Title Fee (\$21.00)

## 2.f - 2.i Index Total Existing Fees – All Proceeds to STTF - \$ millions



- f. Motor Vehicle License Fees (varies)
- g. Rental Car Surcharge (\$2.00)
- h. Initial Registration Fee (\$225)
- i. Title Fee (\$70)

# Summary of Revenue Yields - \$millions

## Protection of Existing Funds

<u>Indexing Options</u>	<u>\$ TO:</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
1.f. Index Federal Motor Fuel Taxes (Equivalent Rate)	STTF	\$ 33.2	\$ 73.4	\$ 120.0	\$ 169.5	\$ 220.0	\$ 273.2	\$ 328.7	\$ 384.0
1.g. Index Constitutional, County & Municipal Fuel Taxes (4¢/gal)	LOCAL	\$ 6.8	\$ 15.0	\$ 24.4	\$ 34.5	\$ 44.7	\$ 55.5	\$ 66.8	\$ 78.0
1.h. Index Local Option Fuel Taxes	LOCAL	\$ 14.0	\$ 31.0	\$ 50.6	\$ 71.4	\$ 92.6	\$ 114.9	\$ 138.1	\$ 161.3
<u>Indexing Options</u>	<u>\$ TO:</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<i>FDOT Share of Fee Only</i>									
2.a. Index FDOT Share of Motor Vehicle License Fees	STTF	\$ 9.7	\$ 21.7	\$ 36.0	\$ 51.0	\$ 66.5	\$ 83.1	\$ 100.4	\$ 118.1
2.b. Index FDOT Share of Rental Car Surcharge (\$1.60/day)	STTF	\$ 1.9	\$ 4.2	\$ 6.9	\$ 9.8	\$ 12.8	\$ 16.0	\$ 19.4	\$ 22.8
2.c. Index FDOT Share of Initial Registration Fee (\$100.00)	STTF	\$ 1.6	\$ 3.8	\$ 6.3	\$ 9.0	\$ 11.8	\$ 14.7	\$ 17.7	\$ 20.7
2.d. Index FDOT Share of Title Fee (\$21.00)	STTF	\$ 1.7	\$ 3.8	\$ 6.2	\$ 8.9	\$ 11.5	\$ 14.4	\$ 17.3	\$ 20.3
2.e. Index All MVL Related Fees and Rental Car Surcharge (2.a - 2.d above)	STTF	\$ 14.9	\$ 33.4	\$ 55.4	\$ 78.8	\$ 102.8	\$ 128.2	\$ 154.9	\$ 181.9
<u>Indexing Options</u>	<u>\$ TO:</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<i>Total Fee - Revenue to STTF</i>									
2.f. Index Total Motor Vehicle License Fees	STTF	\$ 16.6	\$ 36.8	\$ 60.7	\$ 85.8	\$ 111.5	\$ 138.8	\$ 167.4	\$ 196.3
2.g. Index Total Rental Car Surcharge (\$2.00)	STTF	\$ 2.3	\$ 5.3	\$ 8.7	\$ 12.4	\$ 16.2	\$ 20.2	\$ 24.2	\$ 28.7
2.h. Index Total Initial Registration Fee (\$225)	STTF	\$ 3.7	\$ 8.4	\$ 14.2	\$ 20.3	\$ 26.7	\$ 33.2	\$ 39.9	\$ 46.7
2.i. Index Total Title Fee (\$70)	STTF	\$ 5.6	\$ 12.6	\$ 20.8	\$ 29.6	\$ 38.5	\$ 47.9	\$ 57.8	\$ 67.7
2.j. Index All MVL Related Total Fees and Rental Car Surcharge (2.f - 2.i above)	STTF	\$ 28.2	\$ 63.1	\$ 104.3	\$ 148.1	\$ 192.9	\$ 240.0	\$ 289.4	\$ 339.4

# Recommended uses for new, incremental funds

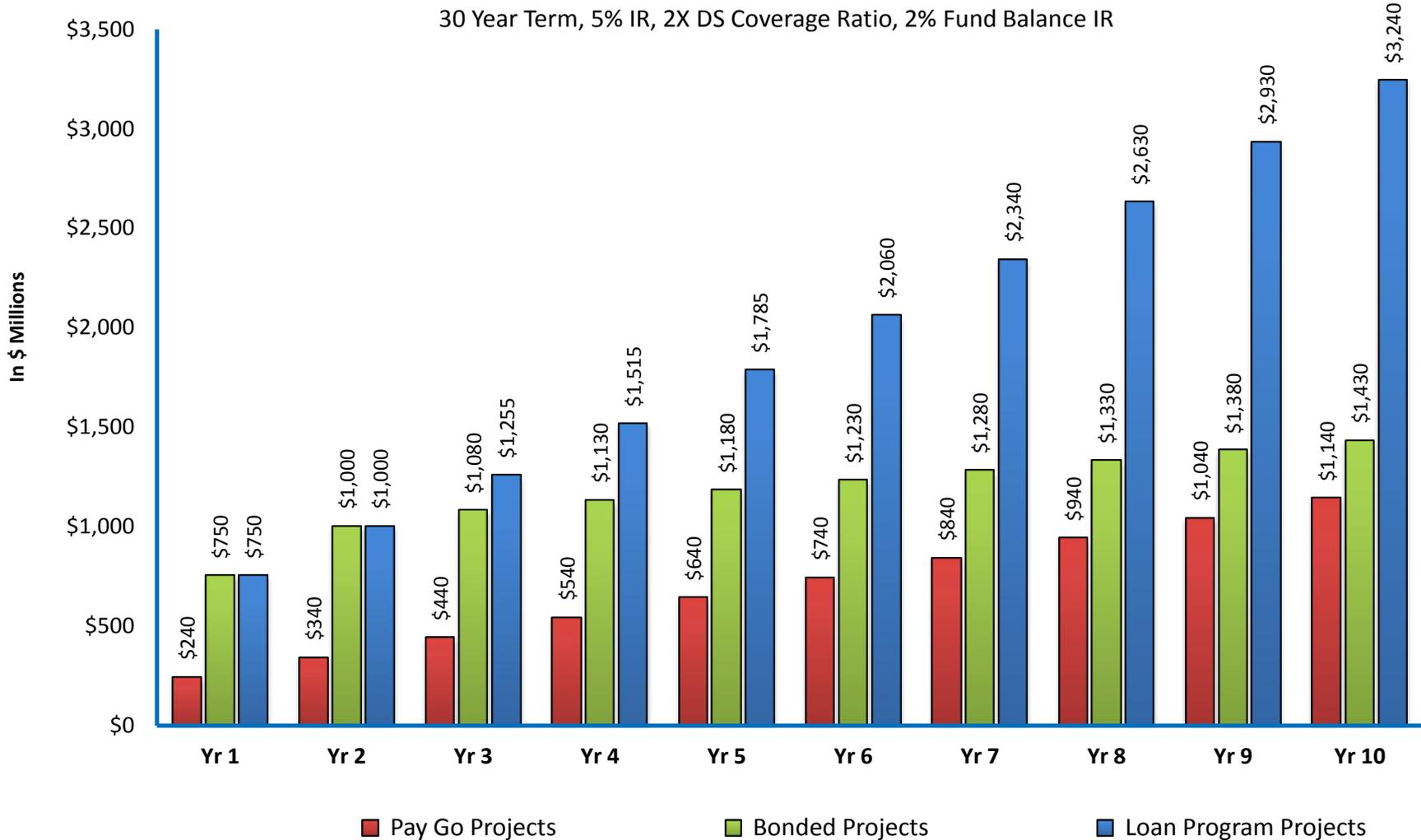
- ✓ Regional Transportation Financing Authorities  
– review legislative proposals on the concept and develop potential alternatives
- ✓ Expansion of Tolls and Increase Local Expressway Authority Role – explore options to increase contributions by existing or new expressway and transportation authorities

# 11. - Regional Transportation Financing Authority "Pay Go", Debt Financing & Loan Program Comparison

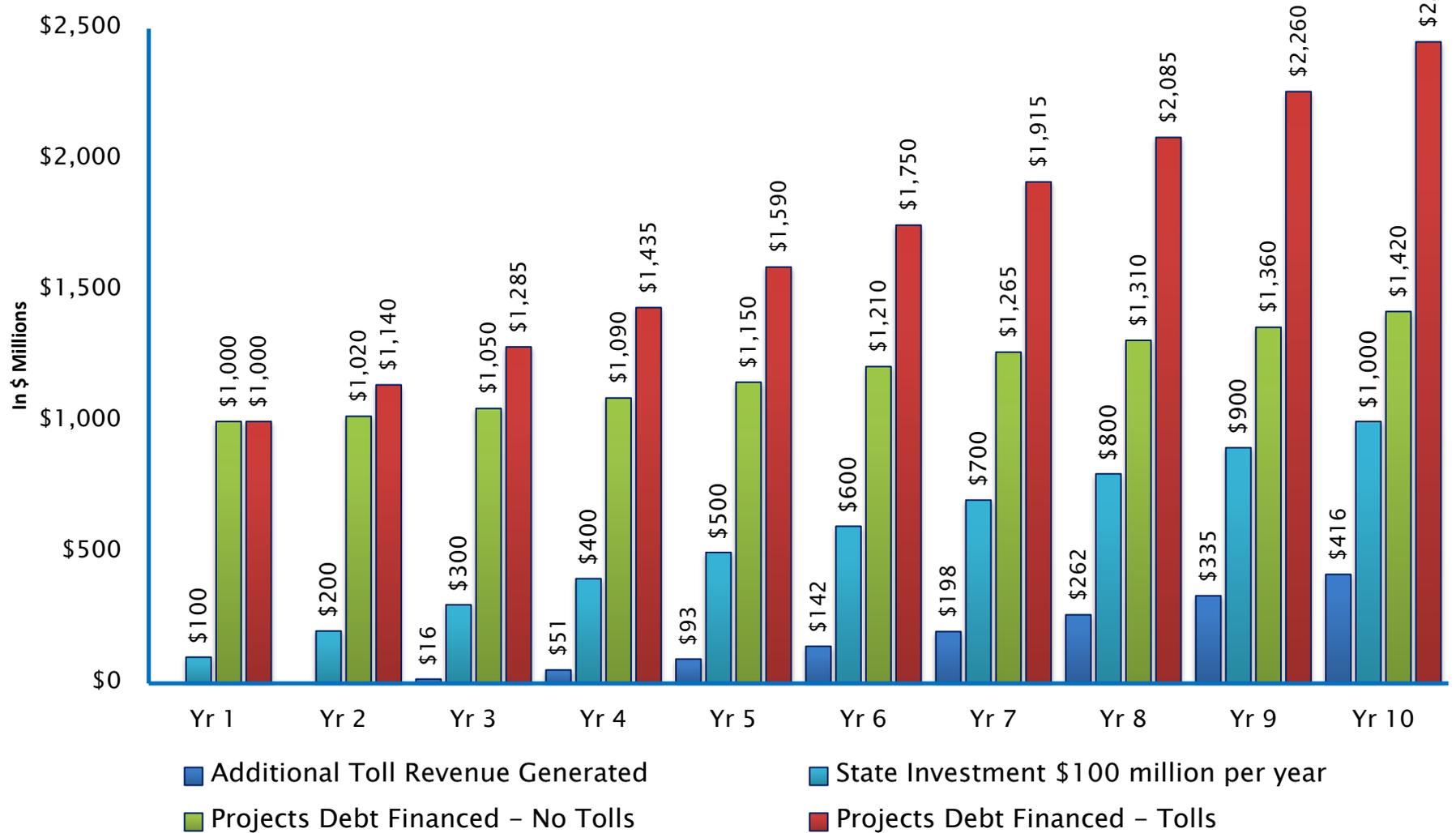
Cumulative Dollar Value of New Project Starts

Capitalized at \$100 Million Per Year

30 Year Term, 5% IR, 2X DS Coverage Ratio, 2% Fund Balance IR



# 16.a - Invest \$100 Million Per Year In New Toll Projects Comparative Dollar Value of Projects Debt Financed Cumulative - In \$ Millions



# Summary of Revenue Yields - \$millions

## Recommended uses for new, incremental funds

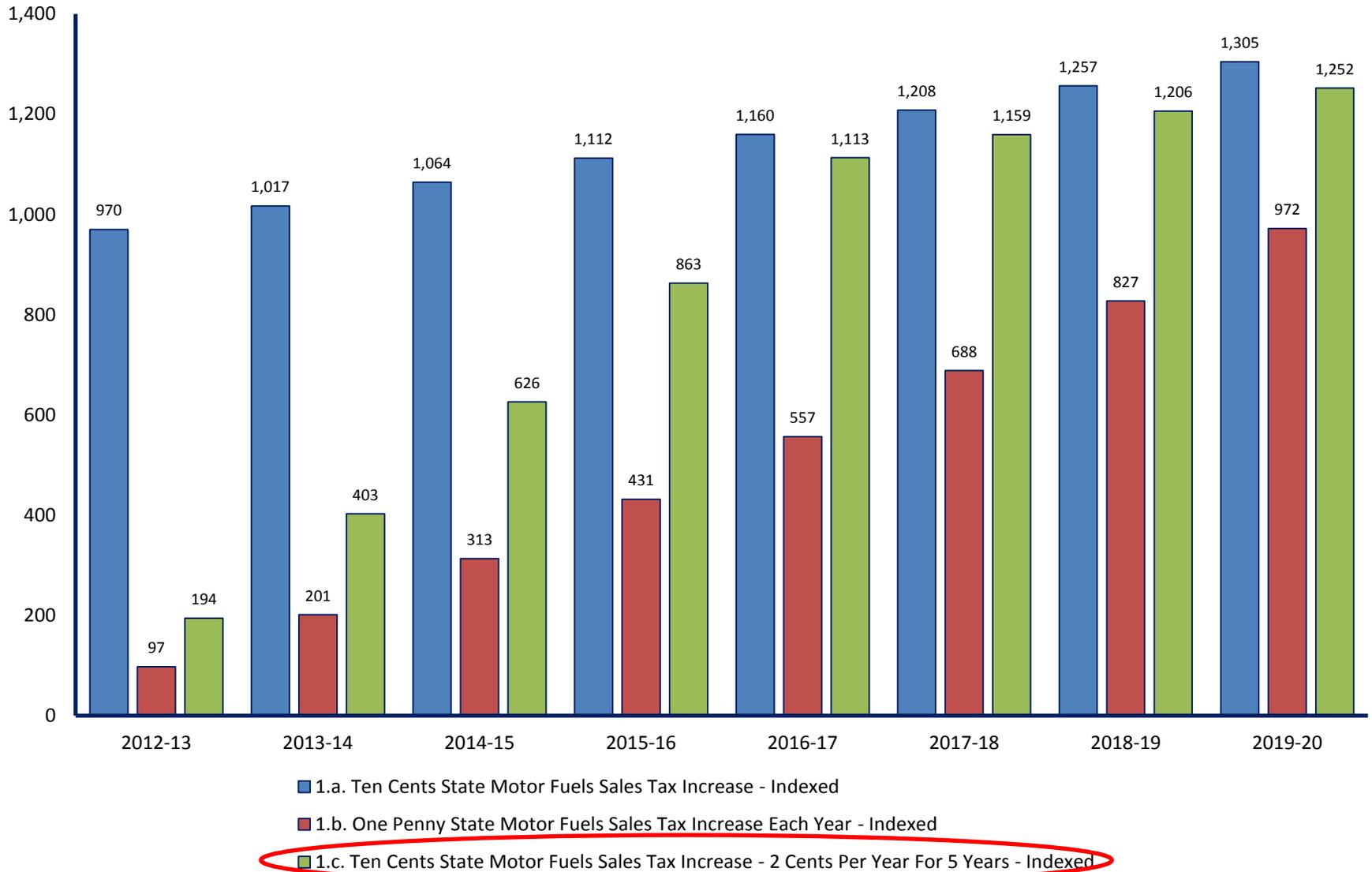
Revenue Option	8 yr Total	Annual Average
Fund Regional Transportation Financing Authorities @ \$100mill/ yr	3200.0	400.0
Fund \$100 mill in new toll projects/ year	2450.0	306.3

# New/ additional revenue sources

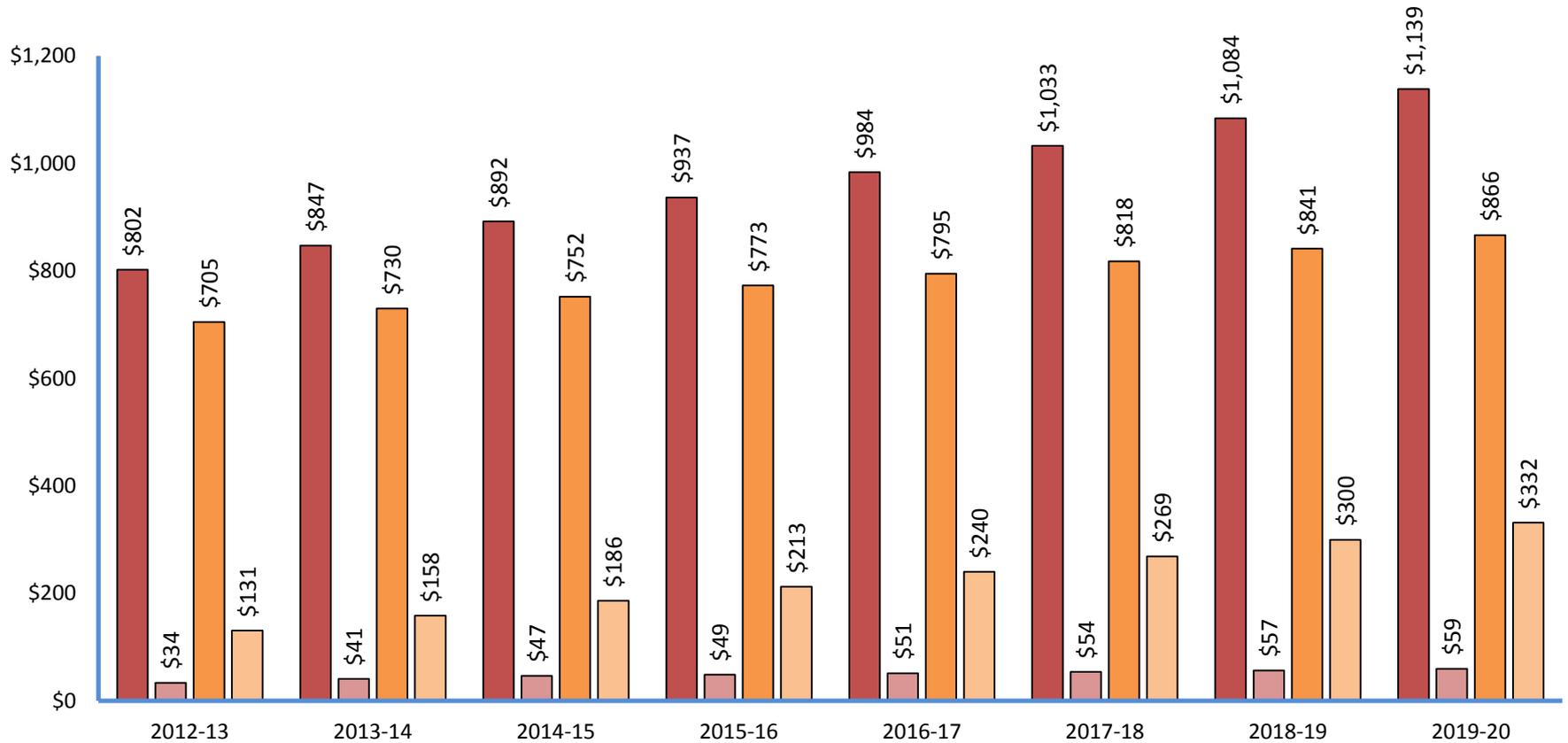
- ✓ Fuel Tax – examine various levels
- Vehicle Sales Tax – currently not going to STTF. Research various levels to the Trust Fund
- ✓ Sales Tax on Motor Fuels - research replacing cents per gallon state fuel tax with a percentage tax including a “floor”
- ✓ Establish a 5 cent diesel fuel tax in each county (the 1 to 5 cent local option tax) for the purpose of investments in projects to enhance commercial traffic
- Sales Tax on Motor Vehicle Parts/ Accessories – investigate revenue potential of assessing or dedicating an existing portion of sales tax on vehicle related goods and services to the STTF

# 1.a – 1.c Fuel Tax Options

## Motor Fuel Sales Tax Increases STTF - Yield - \$millions

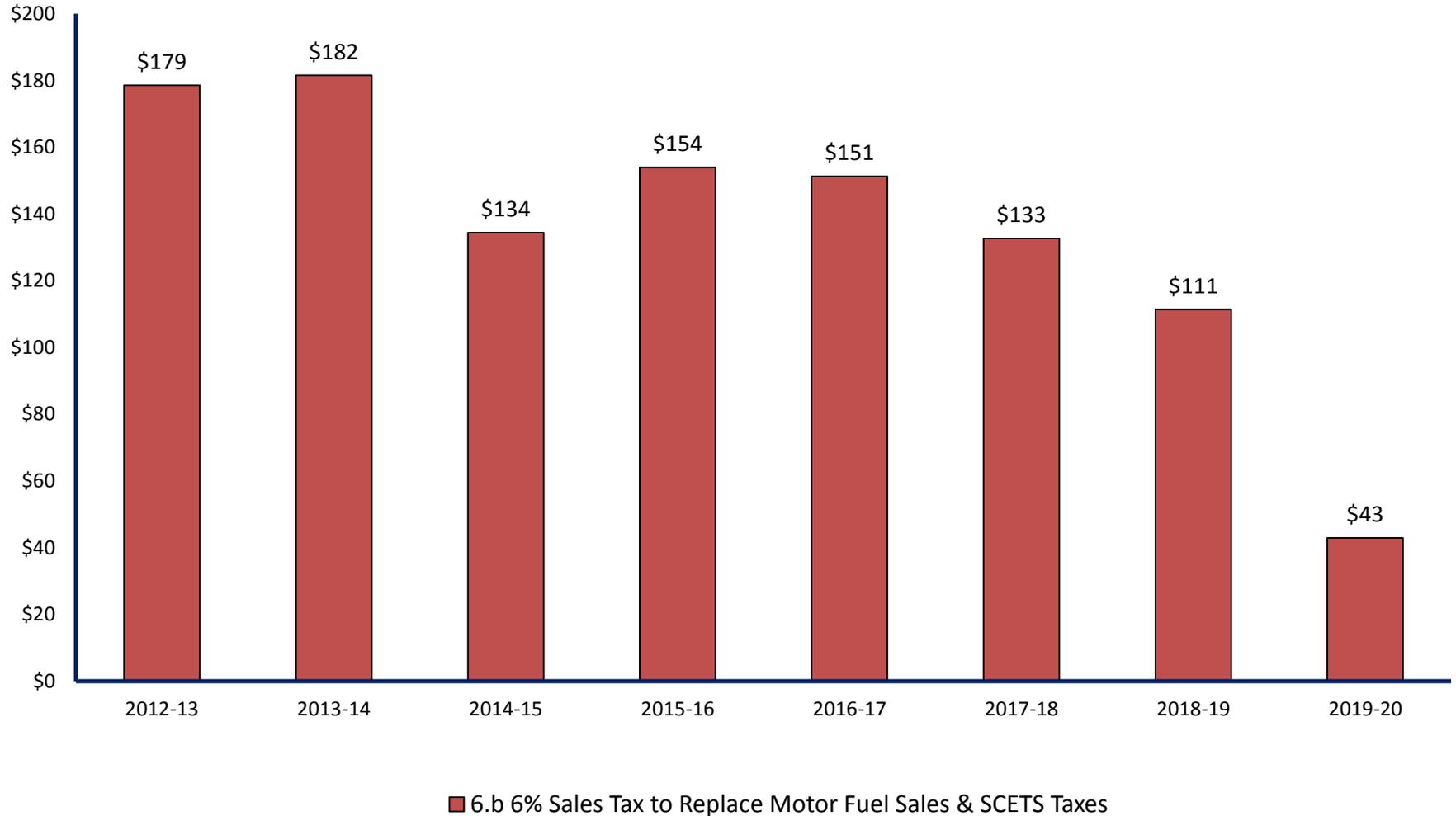


# 3.c - 3.d - Vehicle Sales Tax Options- STTF and GR Impacts - \$ millions

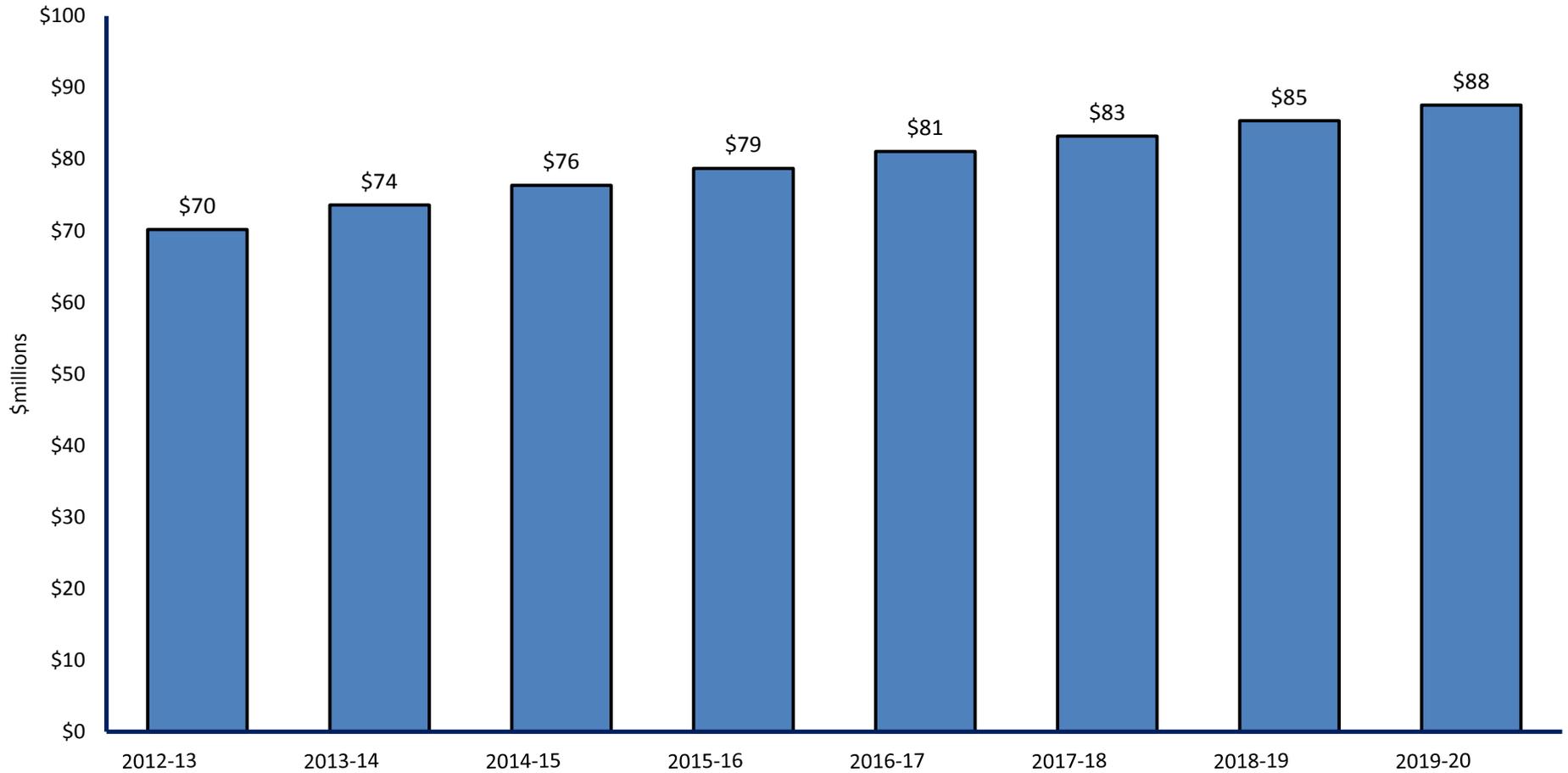


- 3.c. Shift 1/4 of Autos & Accessories Sales Tax to STTF. Increase State Sales Tax 1/4 Percent- Trust Fund
- 3.c. Shift 1/4 of Autos & Accessories Sales Tax to STTF. Increase State Sales Tax 1/4 Percent- General Fund
- 3.d. Transfer \$250 Sales Tax on each Vehicle Sale to STTF. Increase State Sales Tax 1/4 Percent- Trust Fund
- 3.d. Transfer \$250 Sales Tax on each Vehicle Sale to STTF. Increase State Sales Tax 1/4 Percent- General Fund

## 6.b. State Sales Tax with Existing Fuel Tax Rates as a "Floor" Net Revenue - \$millions

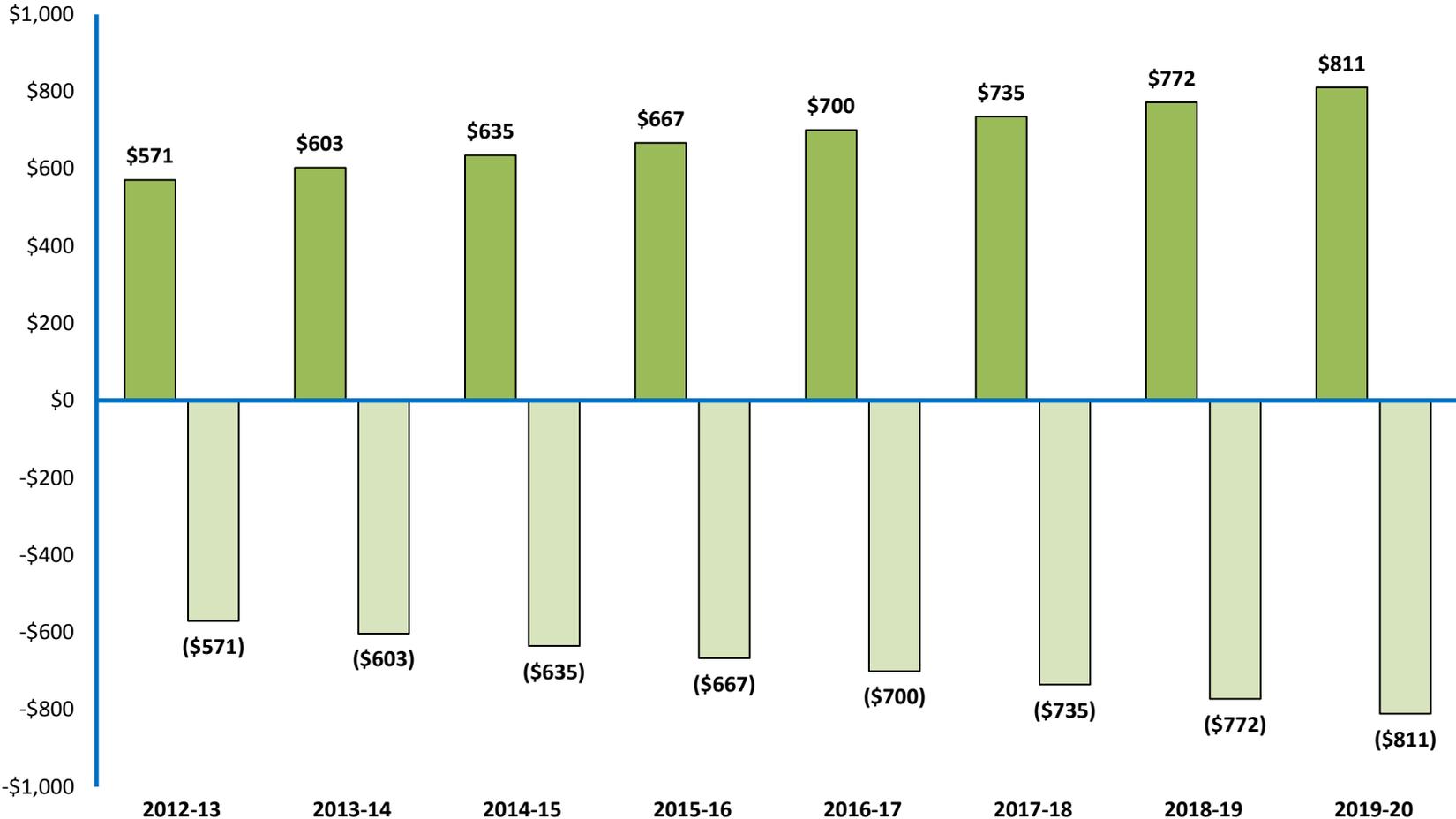


## 8.a - Standardize Local Option Fuel Tax



■ 8.a Apply the 1-5 Cents Local Option Fuel Tax to Diesel @ 5 Cents in all Counties

# 12.b - Sales Tax Options - Vehicle Parts & Accessories STTF and GR Impacts - \$millions



- 12.b. Shift Sales Tax on Vehicle Accessories, Parts, Repairs & Services STTF
- 12.b. Shift Sales Tax on Vehicle Accessories, Parts, Repairs & Services GR

# Summary of Revenue Yields - \$millions

## New/ additional revenue sources

Revenue Option	8 yr Total	Annual Average
2 cent increase for 5 years state motor fuel indexed STTF	6815.7	852.0
State Sales Tax@ 6% in lieu of fuel taxes, w/ floor	1086.6	135.8
5 cent local diesel tax for commercial traffic improvements	636.0	79.5

# Policy recommendations related to funding

- Toll Rate Making – research options for authority to set toll rates on state facilities
- Expansion of Tolls and Increase Local Expressway Authority Role – explore options to increase contributions by existing or new expressway and transportation authorities

# Policy Recommendations

- 10.a. Create a State Toll Rate Setting Commission - perhaps within the Florida Transportation Commission - to study, evaluate and propose or establish toll rates for FDOT and FTE toll facilities, based upon criteria established by the Governor and Florida Legislature.**
  
- 16.a. Increase the levels of State funding Invested in the Florida Turnpike Enterprise and Regional Expressway Authorities in order to leverage new project toll revenues and increase total transportation infrastructure financing capacity.**

# Summary of Revenue Yields - \$millions

Revenue Option	8 yr Total	Annual Average	
1.c - 2 cent increase indexed STTF	6815.7	State	852.0
3.e - Sales Tax BEV to STTF (GR)	73.5	State	9.2
5.d - Return MVL, Reg., Title increases to STTF (GR)	5318.3	State	664.8
6.b - State Sales Tax@ 6% in lieu of fuel taxes, w/ floor	1086.6	State	135.8
7. - VMT Study			
8.a - 5 cent local diesel tax	636.0	Local	79.5
10. - Toll Rate Making			
11. - Regional Trans Financing Auth @ \$100mill/ yr	3200.0	State & Local	400.0
12.b - Sales tax on MV parts & Services (GR)	5495.5		686.9
13. - 1 cent Muni Optional Sales Tax	6729.2	Local	841.2
14. - County \$10 Reg. Fee	1242.2	Local	155.3
15. – Alt. Fuel Decal Expansion	213.7	State	26.7
16.A - \$100 mill in new toll projects	2450.0	State & Local	306.3

MPOAC REVENUE STUDY



**QUESTIONS/ DISCUSSION**