

# Transportation Funding



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# Overview



- Transportation Funding Act of 2015  
(HB 170)
- Single County TSPLOST
- Regional TSPLOST
- Questions

# HB 170



The passage of HB 170 during the 2015 legislative session sought to add \$800-900 million in new funding for transportation purposes by doing the following:

- ✓ Converted state sales tax on motor fuel to an excise tax
  - ✓ Added a highway impact fee for heavy trucks
  - ✓ Added a \$5 per night hotel/motel fee
  - ✓ Added a \$200-300 alternative fuel vehicle fee
  - ✓ Repealed the electric car tax credit and the jet fuel exemption
- No exemptions for state or local governments for these new fees & taxes.

# HB 170



- Overview of Bill

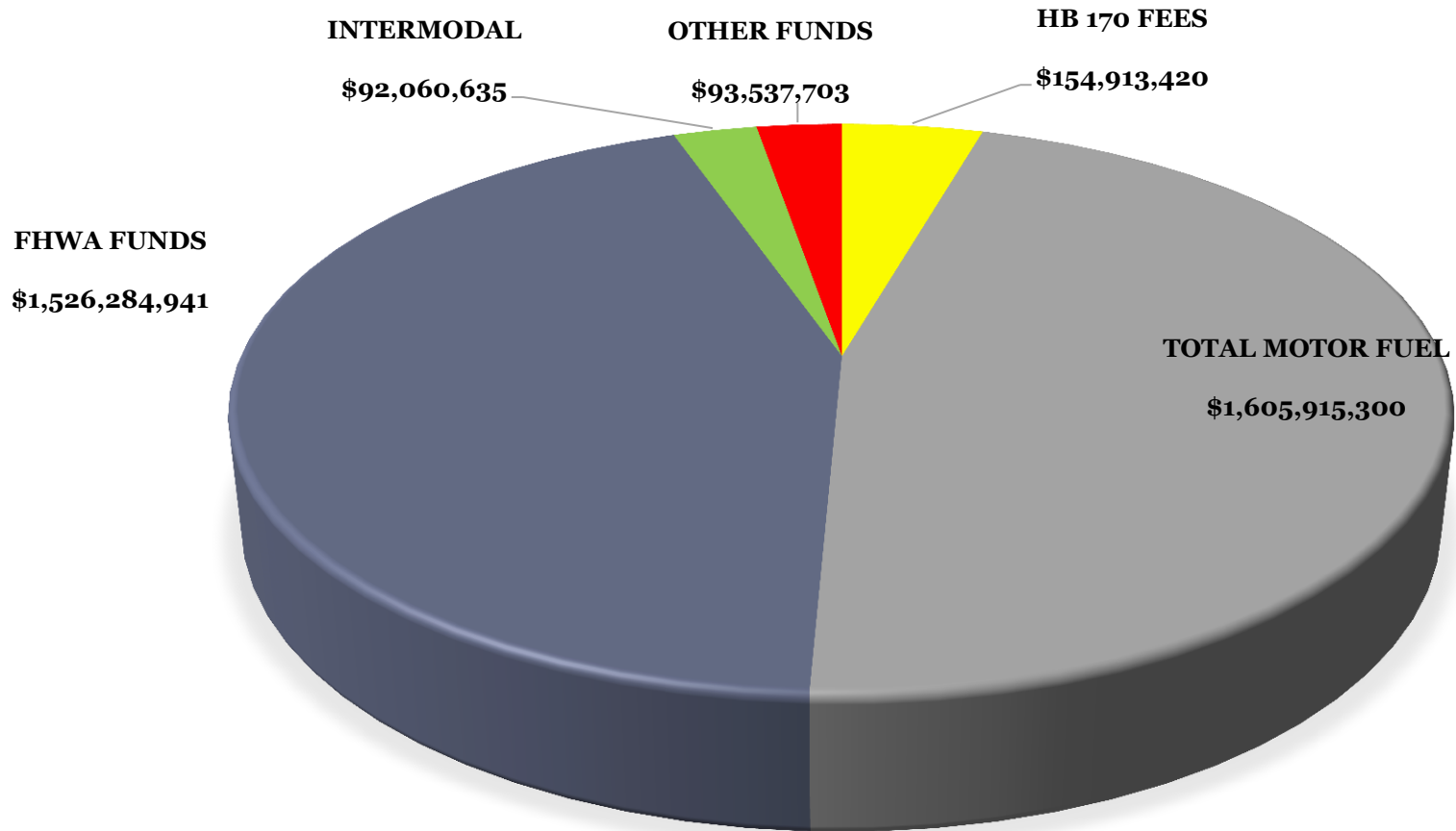
- Converted all state motor fuel taxes (4 % sales tax and 7.5 cent excise tax) to a state excise tax at a rate of 26 cents per gallon for gas and 29 cents per gallon for diesel
- Indexes the state excise tax based on Corporate Average Fuel Economy (CAFÉ) standards and Consumer Pricing Index (CPI)
- Establishes an alternative fuel vehicle fee for vehicles powered solely by electricity, natural gas, or propane of \$200 per year for private use and \$300 per year for commercial use
  - ✦ Compressed natural gas, liquefied natural gas, and liquefied petroleum gas is exempted from the annual fee

# HB 170



- Establishes an annual highway impact fee of \$50 for vehicles weighing 15,500-26,000lbs and \$100 for 26,001 and above
- Repeals electric vehicle tax credit and jet fuel exemption
- Establishes a \$5 per day hotel/motel fee
- Requires GDOT to provide a 10yr strategic plan to General Assembly
- Provisions of Local Impact
  - Local sales and use taxes levied on motor fuel will no longer be collected on an average retail price of gas or diesel above \$3 per gallon
    - ✦ Effective July 1, 2015, the average retail price for gas is \$2.35 and \$2.549 for diesel

# Fiscal Year 2016 GDOT Funding Sources



# Revenue Impact



## LMIG

- Law requires a min 10% appropriation by the State
- At 10% funding, every cent per gallon increase in state excise is expected to generate an additional \$6m in LMIG funding
- HB 170 increased state excise ~ 7 cents per gallon which is ~ \$42m in add'l LMIG revenue (30% increase)
- Commitment made to double LMIG over the next couple of years

## Gas Cap

- Legislation provides for a cap of \$3 for the average retail price of motor fuel
- Effective July 1, 2015, the average for gas is \$2.35 per gallon, and \$2.549 for diesel
- For example, if diesel had remained at \$3.16, the projected impact would have been as follows:
  - 1/2 of 1 cent lost for every gallon sold on diesel based on a 3% local sales tax.
  - That's \$50k for every 1m gallons sold in the jurisdiction

# Local Maintenance & Improvement Grant (LMIG)



2017 LMIG reflects first increase  
as a result of HB 170

**FY 2017 LMIG Program**

\$165 million allocated for the 2017 program

30% increase over 2016

**FY 2018 LMIG**

\$179 million allocated for the 2018 Program

8% increase over 2017



# Single County TSPLOST



- After July 1, 2017, all counties can levy so long as they are not in an existing TIA region.
- To qualify, county must already impose a regular SPLOST.
- Single County T-SPLOST can be levied up to 5 years at a fractional rate up to 1 percent in .05 percent increments if there is an intergovernmental agreement with the qualified cities within the county.
- If there is no intergovernmental agreement in place, the tax can be levied up to .75 percent.
- Requires a meet and confer w/ municipalities.
- Process for project list development similar to that of SPLOST.
- More than one Single County TSPLOST to be levied at the same time as long as the combined rate does not exceed 1 percent.
- No reduction in LMIG Match (remains at 30%)

# Single County TSPLOST



- **When there is an IGA between the county and all cities:**
  - Can levy a fractional rate up to 1%
  - 30% of the projected revenues must be used on projects consistent with the Statewide Strategic Transportation Plan (SSTP):
    - ✦ The SSTP is a policy document and does not include an exhaustive list of projects.
    - ✦ For example, projects that would be considered consistent include interchange projects, safety projects, operational improvement projects, etc.
  - Distribution between county and cities is based on the terms of the IGA

# Single County TSPLOST



- **When there is no IGA:**
  - Can levy a fractional rate up to .75%
  - There is no 30% SSTP requirement
  - The distribution formula between the county and its cities defaults to a formula based on the amount of expenditures made for transportation in the most recent 3 fiscal years
  - The proportional amount is determined by dividing the average expended in previous 3 fiscal years by the aggregate average expended on transportation by county and all qualified municipalities during the same time frame
  - Amounts include maintenance and operations
  - Distribution amounts shall be certified by the state auditor

# Single County TSPLOST FAQ



## **How much money will be raised with a single county TSPLOST?**

- Many counties use estimates generated by GA State University's Center for State & Local Finance & Fiscal Research Center and consultation with the Georgia Department of Revenue. Projections based on current SPLOST Collections are also valuable.

## **How long will the single county TSPLOST last?**

- The tax ceases to be imposed on the earliest of the following dates:
  - On the final day of the maximum period of time (5 years)
  - OR the end of the calendar quarter that the state revenue commissioner determines that the tax will have raised revenues sufficient to provide funds specified as the maximum amount of funds to be raised by the tax.

## **Can one County partner or cooperate with another County?**

- Proceeds of a Single County TSPLOST can only be expended ONLY within the special district (that is the county) in which it is levied. Two counties could each agree to levy the tax within their boundaries and each county expend the proceeds of its tax inside the county in which levied.

# Fulton County TSPLOST

- Fulton County was the first Georgia county to pass a Single County TSPLOST referendum – November 8, 2016 ballot.
- City of Atlanta TSPLOST and a City of Atlanta MARTA sales tax also passed.



# Single County TSPLOST



## **Counties considering a Single County TSPLOST:**

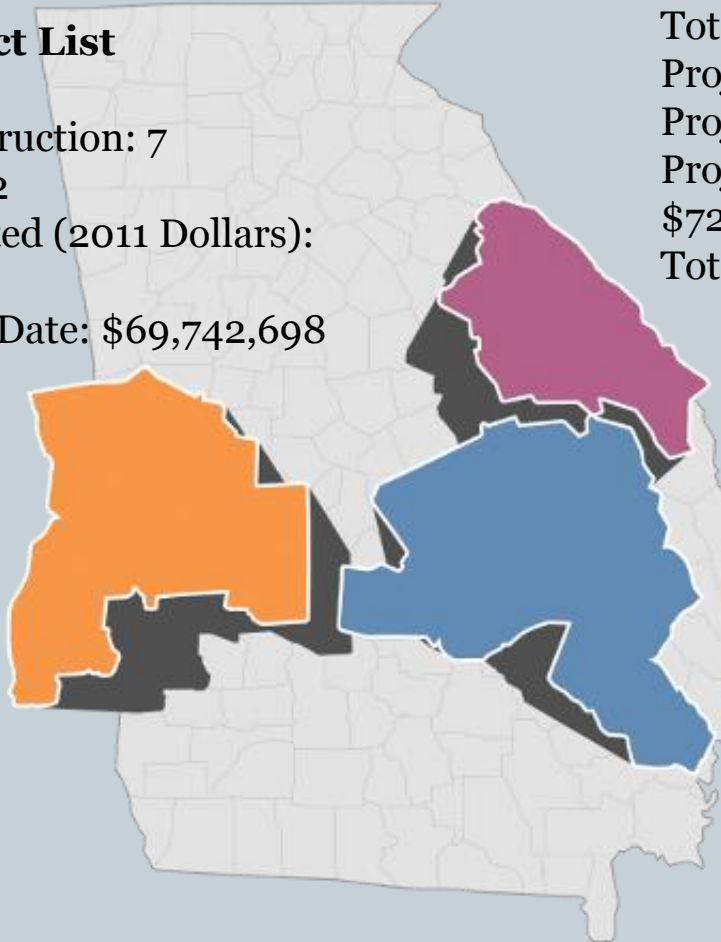
- Athens-Clarke
- Bulloch (May, 2018)
- Colquitt
- Dade
- Decatur
- Haralson
- Putnam
- Spalding
- Walker

# Transportation Investment Act (TIA) Regional TSPLOST



## River Valley Project List

Total Projects: 23  
Projects Under Construction: 7  
Projects Completed: 2  
Project Funds Budgeted (2011 Dollars):  
\$410,754,730  
Total Expenditure to Date: \$69,742,698



## Central Savannah River Project List

Total Projects: 84  
Projects Under Construction: 32  
Projects Completed: 21  
Project Funds Budgeted (2011 Dollars):  
\$728,259,334  
Total Expenditure to Date: \$108,998,145

## Heart of Georgia Altamaha Project List

Total Projects: 764  
Projects Under Construction: 96  
Projects Completed: 308  
Project Funds Budgeted (2011  
Dollars): \$334,975,267  
Total Expenditure to Date:  
\$64,964,817

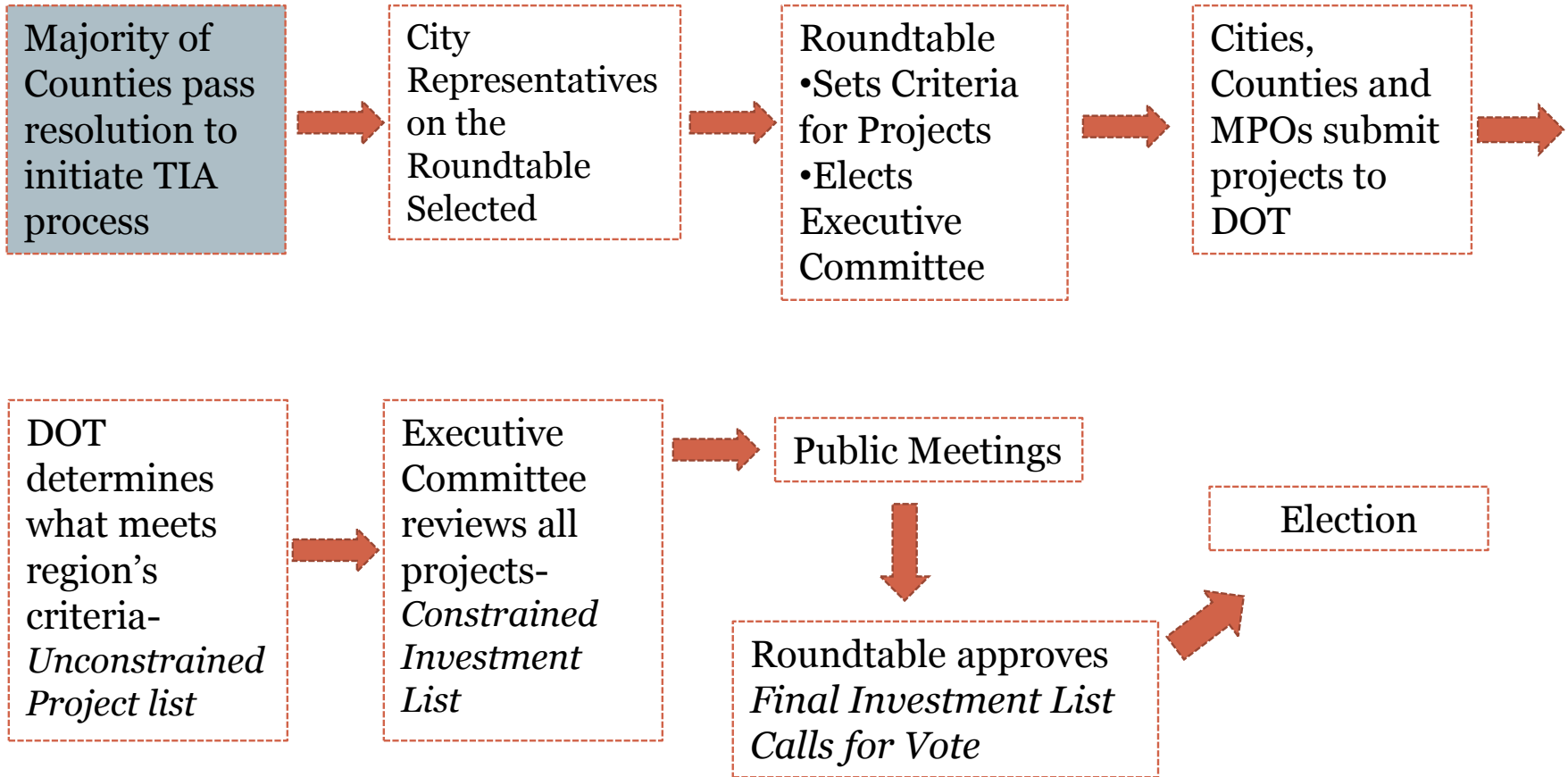
# Regional TSPLOST



- Counties can “self-start” the process by adoption of a resolution from a majority of the counties in the region
  - “Regions” are the current Regional Commission boundaries
  - County decision (no city action required to start process)
- Majority of counties initiate process, region will proceed
  - Regional Roundtable - 2 representatives from each County (County Commission Chairman and a Mayor)
    - ✦ Task: Establish Criteria, approve Final Investment List, call for the Election
- Rate can be fractional up to 1 percent (in .05% increments)
  - 75% to investment list projects (minimum 30% to STIP projects)
  - 25% discretionary money that goes back to each individual county
- Tax can be levied up to 10 years
- Lower LMIG match - 10% (non Regional T-SPLOST counties must match 30%)



# Regional Transportation Sales Tax Process



# Regional TSPLOST



## **Regions Considering a Regional TSPLOST - May, 2018:**

### • **Middle Georgia Region**

- Baldwin County
- Crawford County
- Houston County
- Jones County
- Macon-Bibb County
- Monroe County
- Peach County
- Pulaski County
- Putnam County
- Twiggs County
- Wilkinson County

### • **Southern Region**

- Atkinson County
- Bacon County
- Ben Hill County
- Berrien County
- Brantley County
- Brooks County
- Charlton County
- Clinch County
- Coffee County
- Cook County
- Echols County Consolidated Government
- Irwin County
- Lanier County
- Lowndes County
- Pierce County
- Tift County
- Turner County
- Ware County

# Regional vs. Single County TSPLOST



- HB 134 clarifies that after January 1, 2018, a Regional T-SPLOST and a Single County TSPLOST cannot be on the ballot at the same time.
  - ✦ For the November 7, 2017 election, both a Single County TSPLOST and a Regional TSPLOST can be on the same ballot. The law is unclear as to what happens if both referendums passed.
- It may be possible that a Single County TSPLOST and a Regional TSPLOST tax can be collected at the same time if the single county TSPLOST is imposed first, or, if prior to January 1, 2018, both are on the same ballot. The law is unclear.
- After January 1, 2018, a county would only be allowed to put a Single County TSPLOST on the ballot if the Regional TSPLOST process had not begun in that county's region.
  - The Regional TSPLOST process begins when a majority of the County Boards of Commissioners in the region passes a resolution calling for the Regional TSPLOST process to begun.

# Advantages/Disadvantages of Regional vs. Single County TSPLOST



## Regional:

- 25% discretionary money goes back to each individual county.
- Ease of funding projects across county lines
- Lower LMIG match: 10 % vs. 30%

## Other Considerations:

- Retail County vs. Non-Retail County
- Duration of tax – 10 years vs. 5 years

# Questions?

