Summaries of Select Transportation Funding Initiatives

Prepared for:

Prepared by:

April 2015

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Introduction

In recent years, state legislators around the U.S. have introduced bills intended to raise transportation revenue for highway, rail and public transportation expansion, preservation and modernization. This scan provides an at-a-glance review of several states' transportation funding initiatives:

- **Virginia**
- **Massachusetts**
- **Pennsylvania**
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- **Kansas**
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- **Wyoming**
- **New Hampshire**
- **Michigan**

An overview of transit and tolling completes the review

Virginia

What They Did

In 2013, Virginia enacted a transportation funding package that at the time was estimated to provide $5.9 billion in the first 5 years ($3.4 billion statewide, $1.5 billion Northern Virginia, $1 billion Hampton Roads).

- **Gas Tax** – Replaced 17.5 cents-per-gallon tax with a percent tax on the wholesale-price of gas (5.1%) and diesel (6%).
- **Sales Tax** – Raised sales tax from 4.0% to 4.3%, dedicating increase to transportation; also increased transportation's share of existing sales tax from 0.5% to 0.675% over four years.
- **Hybrid Registration Fee** – Imposed $64 annual registration fee on hybrid, alternative fuel, and electric vehicles.
- **Car Titling (Sales) Tax** – Increased motor vehicle titling (sales) tax from 3% to 4.15% over four years.
- **Regional Taxes –** *Northern Virginia*: additional 0.7% local sales tax, $0.15/$100 grantor's tax, 2% transient occupancy tax; *Hampton Roads*: additional 0.7% local sales tax, 2.1% fuel wholesale distributors tax)

Revenues
- Replaced flat gas tax with wholesale percent tax
- Increased general sales tax
- Increased hybrid registration fee
- Increased motor vehicle sales tax

Use
- Modal program
- Statewide and two regions
- Prioritized enhancement project program (HB2)

What It Funded

In first five years, it will fund a variety of multimodal projects, including the following:

- Maintenance ($1.8 billion in additional funding)
- New construction ($2.4 billion – existing freed maintenance funds and $660 million in new funding)
- Transit ($509 million)
- Intercity passenger rail ($256 million)
- Airports and seaports
- Northern Virginia local and regional projects ($272 million to $335 million annually)
- Hampton Roads regional projects ($172 million to $226 million annually)
- 2 Specific Projects: Dulles Metro Phase II ($300 million); Rt 58 Corridor Fund ($20 million/year)

Virginia also passed legislation (HB2) requiringg a statewide prioritization process for enhancement projects, weighing factors such as congestion mitigation, economic development, accessibility, safety, and environmental quality.

Strategy for Success

- Transportation was a priority of Governor McDonnell's administration.
  - After 2017, Virginia would not have been able to pay for new projects or match federal funds.
  - The Governor worked with both parties to pass a general strategy to increase sales tax and decrease gas tax.
  - Addressed criticisms of VDOT, closed out projects, reformed project delivery methods.

- Let's Go Virginia public awareness campaign – economic studies, polling data, news articles, letter writing campaigns, social media (website, twitter #letsgoVA, YouTube).
- Support – broad coalition, bi-partisan.
  - McAuliffe, the Democrat running to replace McDonnell supported the legislation.
  - Over 60 organizations, public and private, urban, rural, transit, and road constituencies
  - Virginia Chamber of Commerce, Virginia Business Council, and nine local chambers
  - Small businesses, including cab drivers and moving services, voiced they would save money.
- Opposition – environmental, anti-tax, and smarter growth concerns
- During the debate, other states passed transportation funding legislation.

Massachusetts

What They Did

In 2013, Massachusetts enacted the Transportation Finance Legislative Plan which is projected to raise approximately $5.4 billion over ten years.

- **Gas Tax –** Increased motor fuels tax by 3 cents-per-gallon (to $0.24) and indexed to inflation (voters subsequently repealed indexing in 2014, reducing forecasted revenues by $1.1 billion over 10 years).
- **Fares, Fees, Tolls & Reforms** – Reforms and policies for increases in fares, fees, and tolls
- **Motor Vehicle Sales Tax** – Dedicated all motor vehicle sales tax revenue and redirects portion of meals sales tax back to General Fund from transportation.
- **Underground Storage Tank Fee** – Dedicated existing UST fee revenue.
- **General Funds** – Transfer from the General Fund in FY 2018
- **Tolling** – Requires study of opportunities to expand tolling at borders on state roads and bridges.
- **Bonding** – Passed a 5-year, $12.7-billion transportation bond bill in 2014.

Revenues

- Three cents-per-gallon increase to gas tax
- Fares and toll increase policies
- Dedicated motor vehicle sales tax
- Dedicated underground storage tank fee
- Transferred general funds

Use

- Outlined specific prioritization of investments over ten years

What It Funded

MassDOT outlined a prioritization of investments including programs and specific projects for the next ten years in a plan—*The Way Forward*—issued in January 2013. Ongoing updates to the capital plan document those projects that are being pursued and those which cannot be afforded at the current time.

Strategy for Success

- Transportation funding package was one of Governor Patrick's main legislative priorities.
- In 2008, a government-appointed commission announced the state would need between $15 and $19 billion in additional revenue to fund the state transportation system.
  - Also addressed the perception that state agencies weren't well managed and were spending inefficiently by devoting much of its report to structural reforms and cost-saving measures.
- Initially, Governor and Legislature were divided – with Governor seeking a higher gas tax increase.
- In 2009, after Governor proposed a 19 cent per gallon tax increase, the Legislature approved the following, which paving the way for the 2013 legislation:
  - Sales tax increase from 5% to 6.25% ($275 million per year to transportation)
  - Reforms and consolidation into a single new state DOT oversight of highways, mass transit, aeronautics, and Registry of Motor Vehicles (saving $6.5 billion over 20 years).
- In January 2013, MassDOT's Board of Directors issued 'The Way Forward', a plan that lays out how to address the gap between resources and needs and prioritize the state's investments.
- In July 2013, after several proposed amendments and vetoes, the bill was passed by the Legislature. The Legislature overrode a veto from Governor Patrick and enacted the Transportation Finance Legislative Plan. Governor Patrick had pushed for an even more ambitious plan.
- Support – Transportation for Massachusetts proved to be a powerful coalition that successfully unified organizations.
- Opposition – Package passed despite a lack of bipartisan support, with many republicans opposing any tax increases for transportation and many democrats thinking the bill did not go far enough.

Pennsylvania

What They Did

In 2013, Pennsylvania enacted the Comprehensive Transportation Funding Plan which at the time was estimated to reach full collections of $2.3 billion annually in 2018.

- **Gas Tax** – Eliminated flat motor fuel tax of 12 cents-per-gallon; adjusted wholesale fuel tax to offset flat tax elimination and removed inflationary cap on wholesale fuel price

Revenues

- Replaces flat motor fuel tax with wholesale percent tax
- Increases traffic violation fines
- Increases motor vehicle and licensing fees

Use

- State and local roads and bridges
- Public transportation
- Multi-modal
- Pennsylvania Turnpike expansion
- Dirt/gravel/low volume roads

- **Traffic Fines** – Increased fines on serious moving traffic violations

- **Motor Vehicle & Driver Fees** – Increased motor vehicle registration and driver licensing fees

What It Funded

Invests additional amounts in the following (figures represent annual estimates in year 5):

- State roads and bridges ($1.3 billion)
- Public transportation ($480 million)
- Local roads and bridges ($237 million)
- Multi-modal ($144 million)
- Pennsylvania Turnpike expansion ($86 million)
- Dirt/gravel/low volume roads ($30 million)

Strategy for Success

- Studies quantified funding gap and developed a proposal to address the gap:
  - State Transportation Advisory Committee (May 2010)
  - Governor's Transportation Funding Advisory Commission (April 2011)

- Governor Corbett proposed (February 2013):
  - 17 percent reduction in the flat liquid fuels tax paid at pump, and
  - 5-year phase out of inflationary cap on wholesale fuel price.

- Legislation stalled in spring of 2013 when Senate passed it, but the House did not.

- House passed a new bill in fall of 2013, which was confirmed by Senate and signed by Governor.

- Key Compromise: Prevailing wage threshold for locally funded transportation projects was raised from $25,000 to $100,000.

- Support – Tripnet, Pennsylvania Highway Information Association, Keystone Transportation Funding Coalition (broad coalition of 152 organizations), Walk & Ride PA.

- Opposition – related to linkage of liquor privatization legislation and prevailing wage issue.

- Campaign advertising – websites (reconnectpa.org, walkandridepa.org), survey, PA Coalition letter, polling.

Maryland

What They Did

In 2013, Maryland enacted the Transportation Infrastructure Investment Act, raising more than $600 million annually by 2018.

- **Gas Tax** – Indexed flat motor fuel tax rates to CPI; established sales tax on wholesale price phased in over 4 years (if federal government doesn't empower states to apply Internet sales tax by 12/1/15, 3.0% wholesale tax will increase to 4.0% on 1/1/16, and to 5.0% on 7/1/16).
- **Fares** – Indexed public transportation fares to CPI.
- **Vehicle Registration Fees** – Increased registration fee by $3.50 per year.
- **Lockbox** – Approved via voter referenda, prohibits transfers from Transportation Trust Fund unless 3/5ths of the full standing committee in each chamber approve; or Governor declares a state of emergency and declares the funds are needed for defense or relief from a major catastrophe or invasion; specifies minimum repayment percentages over 5 years.
- **Task Force** – Established a Local and Regional Transportation Funding Task Force to make recommendations on feasibility of regional transit financing entities and local-option revenues.
- **Bonds –** Increased MDOT's bonds outstanding cap from $2.6 billion to $4.5 billion.

Revenues
- Indexes motor fuel tax and implements sales tax on wholesale price
- Indexes fares
- Vehicle registration fees
- Lockbox
- Bonding

Use
- Multimodal projects
- Specific projects were part of the policy discussion

What It Funded

While the legislation is not tied to specific projects, Governor O'Malley's administration released a series of project proposals totaling $1.2 billion. Projects such as the following were part of the discussion:

- Metro line between Bethesda and New Carrollton
- Rapid bus line for the Corridor Cities Transitway
- Baltimore Beltway widening
- Highway projects in the rural parts of Maryland

Vehicle registration fee increase is dedicated to the Emergency Medical Systems Operations Fund for EMS communication upgrades; flight operation safety improvements within Aviation Division of State Police; and enhanced funding for Shock Trauma and Sen. William H. Amoss Fire, Rescue, and Ambulance Fund.

Strategy for Success

- Transportation priority for Governor
  - Without an increase, Maryland would only be able to maintain, not add any capacity, after 2017.
  - Maryland had not raised the gasoline tax —to keep up with inflation—in over 20 years.
- In 2012, Blue Ribbon Commission made recommendations on investment needs and funding options.

- Framed the gas tax debate in pragmatic and economic terms.
- Virginia's passage of similar legislation (and the resulting stepped up investment in a competing neighboring state) as well as other states bolstered the Governor's proposal.
- Support – Business and labor leaders from Washington and Baltimore regions, Greater Washington Board of Trade, 1000 Friends of Maryland (environmental); transit fare indexing helped gain support from moderate democrats to address criticism from the AAA, among others.
- Opposition – Change Maryland, AAA Mid-Atlantic, Maryland Republican Party (lacked bi-partisan (Republican) support – nearly every republican in both houses voted no.

Kansas

What They Did

In 2010, Kansas enacted Transportation Works for Kansas (T-Works), increasing transportation funding by more than $4 billion over 10 years.

- **Sales Tax** – Increased sales tax 0.4% (A 1% sales tax increase for the general fund remained in effect until 2013 at which time 0.6% of the tax sunset and remaining 0.4% funded transportation)
- **Vehicle Fees** – Increased registration fees for trucks.
- **Bonding** – Authorized $1.7 billion in bonding over ten years.

Revenues
- Sales tax
- Vehicle fees
- Bonding

Use
- Multimodal program of projects
- Outlines new project selection process

What It Funded

Unlike the two previous transportation programs, T-WORKS does not specify any transportation projects. Rather, it authorizes a new process by which projects are to be selected. As a result of T-WORKS, funding for construction increased across modes of transportation over the ten-year period:

- Highway preservation ($4.6 billion, up from $3.8 billion)
- Highway modernization and expansion ($1.7 billion new funding)
- Economic development program ($100 million new funding)
- Transit ($100 million, up from $60 million)
- Aviation ($46 million, up from $30 million)
- Rail ($40 million new funding)
- Local roads ($1.6 billion level funding)
- Minimum of $8 million in each of the state's 105 counties over the 10 years

Strategy for Success

- Groundwork for the bill began in 2006 with the long range transportation plan update; focused on strategic needs and included extensive stakeholder outreach and working groups.

- In 2008, Governor Sebelius established the Transportation-Leveraging Investments in Kansas (T-Link) to develop programmatic, policy, and funding recommendations to frame a transportation bill.
- In 2009, efforts to pass new funding failed but a foundation of support was established.
- Including general fund sales tax was critical to gaining broad support as the state faced budget struggles.
- Minimum $8 million in every county also broadened support by guaranteeing all would see direct benefit.
- Messages that resonated and garnered support:
  - "We must protect our past investments"
  - "KDOT needs the flexibility to meet emerging economic needs" (this also relates to why there aren't specific projects in the law)
- State legislators focused on creation of new jobs through transportation investment; Governor Parkinson described it as one of the most important jobs bills in the state's history.
- Support – Representatives from Economic Lifelines, a transportation advocacy group, asserted the bill was necessary to help the state recover from the economic downturn.
- Opposition – anti-tax and anti-debt (existing bonds not yet repaid), concerns that tax increases would limit job growth and hurt businesses.

Iowa

What They Did

In early 2015, Iowa enacted transportation funding legislation that took effect on March 1. The fund will generate an estimated $204 million annually.

Revenues
- Motor fuel taxes
- Permit fees
- Bonding
- Efficiencies

Use
- Road and bridge backlog

- Gas Tax –
  - Increased motor fuel tax 10 cents-per-gallon
  - Required similar increases for liquefied petroleum gas, compressed natural gas and liquefied natural gas used as motor vehicle fuels
  - Altered fuel distribution tax formulas to increase state fees on ethanol-blended gasoline and biodiesel but also provided favorable pricing differentials to encourage use of blends
  - Increased per-gallon tax on special fuel for aircraft
- **Permit Fees** – Increased various trucking permit fees
- **Bonding** – Limited length of county debt for road projects to no more than life of asset being financed
- **Efficiencies** – Required Iowa DOT to save $10 million in cost-cutting efficiencies in next 2 fiscal years

What It Funded

The funding will replenish the state's road funding and tackle infrastructure project backlogs.

Strategy for Success

- Since winning a sixth non-consecutive term in November 2014, Governor Branstad was vocal about the need for more infrastructure dollars in the state.
- In 2015, below normal gas prices may have played a role (AAA reported average gasoline pump prices in Iowa were $2.24 on Feb. 25, down from $3.41 last year).
- Bipartisan support in the Legislature
- Motor fuel tax had not been raised since 1989.
- A prior effort to raise the fuel tax was not successful
  - In 2012, Governor Branstad appointed the Transportation 2020 Citizen Advisory Commission which recommended an 8 to 10 cent-per-gallon tax increase to fully fund backlogged road maintenance.
  - Initially, Governor Branstad stated his willingness to consider a gas tax increase if the Legislature passed tax reform (property tax relief).
  - In May 2013, the Legislature delivered a sweeping tax cut, but due to lack of citizen support a gas tax increase amendment was withdrawn prior to a vote.

Wyoming

What They Did

In 2013, Wyoming enacted transportation funding legislation which will generate approximately $70 million annually.

- **Gas Tax** – Increased rate on gas and diesel by 10 cents-per-gallon

Revenues
- Motor fuel tax

Use
- State highways
- County and city roads
- State parks

What It Funded

The additional estimated annual revenues are planned to be allocated to the following uses:

- State highways ($47.4 million)
- County roads ($16.4 million)
- City streets ($6.7 million)
- State parks ($1.2 million)

Strategy for Success

- Transportation funding legislation was a priority of Governor Mead; advocated in State of the State speech.
- Wyoming had not raised its 14 cents-per-gallon tax rate since 1998.

- Bi-partisan passage – although there are not many Democrats in the Legislature, all voted yes with the Republican majority.

- Regional gasoline market resulted in Wyoming subsidizing gasoline for nearby states.

- Support – Broad from the business community including:
  - Wyoming's Taxpayers Association – lobbied and argued that Wyoming DOT needed a steady source of state funding to allow it to plan projects more efficiently
  - Fuel Tax Coalition Partners – 17 organizations joined forces to support the gas tax increase
  - SaveWyomingRoads.com (Wyoming Contractors Association) – a broad coalition to raise the fuel tax
  - Others – Wyoming Association of Municipalities, Wyoming Association of County Commissioners, Wyoming Lodging and Restaurant Association, Wyoming Trucking Association

- Opposition – Minimal, however, a common argument was that citizens are already taxed too much and that the Wyoming DOT should improve financial management to more effectively use funds; entities opposed included Wyoming Farm Bureau Federation, National Federation of Independent Businesses (Wyoming Branch), Wyoming Freedom.

New Hampshire

What They Did

In 2014, New Hampshire enacted Senate Bill (SB) 367, which increased the gas tax by 4.2 cents per gallon, the first increase since 1991. Once the bonding for the widening of Interstate 93 project is complete, the adjustments will be repealed. The tax increase is projected to generate approximately $32.5 million per year.

Revenues
- Increased gas tax for a finite time frame

Use
- Bridge repair and reconstruction
- Roadway resurfacing and reconstruction
- Widening of I-93

- **Gas Tax** – Increased the gas tax by 4.2 cents per gallon from 18 cents to 22.4 cents.

- **Tolling** – Eliminated certain ramp tolls on Everett turnpike in the town of Merrimack.

- **Organizational Review** – Established a committee to study the effectiveness and efficiency of the DOT.

What It Funded

The funds raised are dedicated to Block Grant Aid Projects, State Aid Bridge Projects, bond debt service payments and betterment funds for secondary roads. The projects these funds pay for include roadway resurfacing and reconstruction, bridge repairs, and the widening of Interstate 93.

Strategy for Success

- In 2013, HB 617, a proposal to raise the gas tax by 12 cents over a three-year period, failed to pass.
  - HB 617 received bipartisan support in the House of Representatives but not the Senate, and it did not have strong support from the Governor.

- Supporters of HB 617 placed their support behind SB 367.
- SB 367 involved a smaller one-time increase tied to changes in the cost of living during the past decade (per the Consumer Price Index), and which would expire after a certain amount of time. These changes garnered a greater level of support from state senators.

- SB 367, as introduced, included a provision in which the gas tax would be adjusted in 2018 and every four years thereafter according to changes in the Consumer Price Index. Several business groups raised objections to this provision, and as a result it was removed from the final version.
- Received strong gubernatorial support: Governor Hassan called the bill "the most significant state-level investment in transportation infrastructure in 23 years."
- Support – supporters included the New Hampshire Business and Industry Association, New Hampshire Lodging and Restaurant Association, New Hampshire Municipal Association, the A Safer Road to Tomorrow coalition, many local chambers of commerce and legislators from both major parties.
- Opposition – several opposition groups and legislators argued against raising taxes in any form.

Michigan

What They Did

In December 2014, the Michigan Legislature and Michigan's Governor, Rick Snyder, passed a road funding bill package known as Public Acts 267-477 of 2014. ***The bills require voter approval before going into effect***. Highlights of the plan include:

- **Wholesale tax on gas and diesel:** Removes current sales tax on fuel and switches to a 14.9% wholesale tax. The new tax would be subject to a rate floor and ceiling. If the tax is enacted by voters in 2015, the rate floor would be 41.7 cents per gallon. In subsequent years, the rate floor would be determined by multiplying the prior year's rate floor and adding either .05 or the rate of inflation (whatever is less). The rate ceiling would be set at five cents per gallon above the rate floor. In addition to setting this wholesale tax on gas and diesel, all gas taxes collected under the new funding package will be used to support transportation. The current gas tax is constitutionally dedicated to schools and local governments as opposed to road maintenance.

Revenues

- Removes sales tax on gas and institutes wholesale tax with revenue dedicated to transportation.
- Introduces state sales tax and retail use tax to protect monies for schools and local government.
- Increases use of pavement warranties.

Use

- Road and bridge improvements and reconstruction throughout the state.
- Transit improvements.

- **State sales tax and use tax:** Protects schools and local governments from lost revenue the bills include a 1 percent increase in the state sales and use tax on retail purchases – resulting in an increase from 6 to 7 percent. The projected result is an additional $300 million a year for schools and $94 million a year for local governments.

- **Tax parity:** Makes wholesale tax rates on diesel and gasoline equal.
- **Registration depreciation tax:** Freezes the registration depreciation tax on current vehicles and eliminates its applicability on new vehicles. Increases the registration rate for trucks over 26,000 pounds.
- **Earned Income Tax Credit:** Restores the tax credit to its full level, after having been reduced in 2011.
- **Performance based payment:** Requires at least 20 percent of all maintenance contracts entered into by MDOT to provide for payment based on performance outputs or outcomes. Includes the state's seven largest road agencies in this system.
- **Pavement warranties:** Increases the use of pavement warranties as much as possible, by establishing them on all projects where appropriate for state and local governments. Establishes a reporting requirement under which the government entity must explain if it did not secure a warranty for a project over $1 million.

What It Funded

If approved by voters, the funding package is estimated to result in $1.3 billion a year for transportation.

- During the first two years, the major priority for the revenue raised from the funding package would be dedicated to debt reduction.
- After the first two years, nearly $1.2 billion would be raised for the maintenance, repair, and reconstruction of roads and bridges, and $127 million would be used for public transit improvements.

Strategy for Success

- Bipartisan support for funding package.
- Proposes a change to dedicating gas tax revenue to schools, but simultaneously proposes a different approach to providing similar funds through the state sales tax and use tax on retail purchases.
- Broad support from business and education communities as well as transportation advocates.
- Funding package includes funding benefits for local governments, recreation opportunities, and low-income families.
- Michigan's roads and bridges are in need of major investment and repairs – this is widely recognized as a problem as the state ranks 50th out of 50 in per capita spending on infrastructure.
- Public website with YouTube videos, fact sheets, and interactive presentation of the importance and need for investing in transportation in the state.

Transit and Tolling

Federal laws on tolling (including Section 129 and tolling pilot programs) restrict the use of toll revenues. Revenues from toll facilities must be used for improvements on the tolled highway including debt service, costs related to toll collection, and operations and maintenance of the tolled highway. Under the law, operating costs include investment in projects that mitigate potential negative impacts of tolling on low-income drivers. Thus, investment in transit improvements and expansion is a possible use of toll revenue. The following case studies describe the states where revenue from tolling has been reinvested in transit.

San Francisco-Oakland Bay Area

What They Did

The Bay Area Toll Authority (BATA) collects tolls both manually and electronically in one direction on each state-owned bridge. Toll schedules are established by BATA and the state legislature. Approximately 18 percent of the base toll collected from the bridges has been statutorily set aside for transit improvement purposes.

What It Funded

This toll revenue is transferred from BATA into three separate MTC reserve accounts: A) AB 664 Net Toll Revenue Reserves, B) Five Percent Reserves, and C) Regional Measure (RM) 1 Rail Extension Reserves.

- **The AB 664 Net Toll Revenue Reserves:** Funds are collected from the Dumbarton, San Mateo-Hayward and San Francisco-Oakland Bay bridges and are used to fund capital projects that further the development of public transit in the vicinity of the bridges. Most AB 664 funding is programmed to various transit agencies as a match for federal funds to cover the cost of replacing buses and improving capital facilities.

- **The Five Percent Reserves:** The Five Percent Reserves were originally funded from 5 percent of the 1988 RM 1 toll increase on the bridges and were to be used for congestion-relieving transit operations and capital projects in the bridge corridors. However, since 2000, to make capital bridge improvements eligible for federal funding, the transit operations portion of this reserve is funded directly by the state. To effect this change, two sub-accounts were created — the 5 Percent Unrestricted State Fund Account for transit operations and bicycle planning, and the 2 Percent Toll Reserve Account for ferry capital projects.

- **The Rail Extension Reserves:** The Rail Extension Reserves are funded from 90 percent of the 25-cent RM 1 toll increase on autos on the San Francisco-Oakland Bay Bridge. These reserves have funded the Pittsburg/Bay Point and Dublin/Pleasanton BART extensions, and various Caltrain and Muni Metro improvements.

  Currently, the Rail Extension Reserves are being used primarily to finance the BART-to-SFO extension project, with $3 million being directly allocated to the project and an additional $7 million loaned to the project to cover cash-flow needs annually. The extension was completed and began carrying fare-paying passengers in 2003.

San Diego

What They Did

San Diego's FasTrak program of all-electronic dynamic variable-pricing includes a goal of providing funding for transit services in the corridor. Specifically, the goal is to provide $1 million per year for two new express lanes in the corridor and to cover 85 percent of the operating costs for the region's BRT, Inland Breeze.

What It Funded

San Diego's High Occupancy Toll (HOT) lanes on I-15 generate approximately $1-2 million in toll revenues, annually. Approximately half of the toll revenues are used to fund the Inland Breeze bus express service between northern San Diego County and downtown San Diego which operates along the HOT lanes. Public transportation improvements funded by toll revenues contributed to a 25 percent increase in bus ridership.

Virginia – Dulles Toll Road

What They Did

Constructed in 1984, the Dulles toll road provides access to activity centers in the Northern Virginia region, such as Tysons Corner, the Reston-Herndon area, Dulles International Airport, and eastern Loudoun County. The facility has four lanes in each direction and toll collection is by means of cash and electronic (E-ZPass) tolling.

What It Funded

Dulles Metrorail is a 23-mile extension of the existing Metro Orange Line. The purpose of Dulles Metrorail is to provide high-quality, high-capacity transit service in the Dulles Corridor. New Metrorail service in the corridor will result in travel time savings between the corridor and downtown D.C., expand the reach of the existing regional rail system, offer a viable alternative to automobile travel, and support future development along the corridor. Revenue from the Dulles Toll Road, under the authority of the Metropolitan Washington Airport Authority, will fund just over 48 percent of the total project costs.

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