Overview of Funding for Transportation Investments

Sun Corridor Transportation Summit
December 11, 2018

Eric Anderson, Executive Director
Maricopa Association of Governments
The policy of the State of Arizona is to reduce funding for streets and highway each year from this day forward.

-ARIZONA GOVERNOR GROVER GOOBER, OCTOBER 1990.
Income per Capita

1991: $20,189
2018 (Q3): $53,689

Increase: 167%
Average Cost of a New Home

1991: $120,000
2018 (Oct): $309,700

158% Increase
Miles Per Gallon
Best Selling Cars
1991 – Ford Taurus
2018 – Honda Civic

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>Highway</th>
<th>Combined</th>
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</thead>
<tbody>
<tr>
<td>1991</td>
<td>16</td>
<td>26</td>
<td>19</td>
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<tr>
<td>2018</td>
<td>31</td>
<td>40</td>
<td>35</td>
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Increase 84%
Gas Tax Revenue Generated
(10,000 miles driven)

1991 – Ford Taurus
2018 – Honda Civic

$95

70%

Less Revenue

$51

$28

1991 Taurus
2018 Honda Civic
2018 Honda Civic (Adjusted for Inflation)
Gas Prices
Average Cost per Gallon

1991: $1.14
2017: $2.74

Increase: 140%
Highway Construction
Cost per Mile
(In Millions)

Pima Freeway
South Mountain

$35.6
$77.3

117% Increase
HURF Revenue Per Capita
FY 1991 and FY 2018
(Dollars per Capita)

1991 HURF/POP: $180
2018 HURF/POP: $204
2018 HURF/POP (Adjusted for Inflation): $111
Change in Per Capita Spending – State of Arizona
FY 1991 to FY 2018
(Dollars per Capita)

- Protection and Public Safety: $83
- Health and Welfare: $187
- Education: $262
- General Fund Total: $525
- Highway Users Revenue Fund: $24
Dedicated County Sales Tax for Streets and Highways
(FY 2017; in millions)

- Maricopa, $276.2
- Pima, $56.5
- Pinal, $15.6
- Coconino, $9.3
- Gila, $1.2
- Yavapai, $6.8

*$Disclaimer: Funding for public transportation is not included in this analysis*
When Did Your State Last Raise Its Gas Tax Rate?

12
Number of states to have gone two decades or more without a gas tax increase

The last time Alaska raised its gas tax, Richard Nixon was President.

32
Number of states to raise or reform gas taxes since 2010

Mississippi last raised its gas tax in 1989, before the Berlin Wall came down.

Source: ITEP.org
Gasoline Taxes
Combined Local, State and Federal
(Cents per Gallon)

34.2¢
National Average State Gas Tax

$38.2m
Revenue Generated per Penny of Arizona Gas & Diesel Tax
Automakers Commit to All-Electric Future

Source: The FUSE, “Key Charts Highlighting Significant Growth In U.S. EV Market,” by SAFE Policy Team | December 05, 2017
Projected U.S. Auto Sales (2030)

- Electric: 20%
- Diesel: 3%
- Gasoline: 48%
- Hybrid: 29%

Road Utility Concept

• Pay for what you use.
• Pay for when you use it.
• Pay for where you use it.
• Incorporate “Life-Line” provisions.
Potential Transportation Revenue Sources
Annual Average Net New Statewide Revenue
2013 to 2022 (in Millions of Dollars)

- $10 drivers' license fee increase: $13
- 10% Surcharge on Luxury Tax Collections: $43
- $10 registration fee increase: $53
- Property tax for transportation: $97
- 5 Cent Local Option Fuel Tax in Maricopa County Indexed: $109
- Index current state fuel tax to CPI: $115
- Replace fuel tax with state sales tax: $116
- Add 5 cents to fuel tax: $178
- Index current state & federal fuel tax to CPI (state & federal): $229
- Add 5 cents and index state fuel taxes to CPI: $316
- Replace fuel tax with state & local sales tax: $337
- Add 5 cents and index state & federal fuel taxes to CPI: $430
- 1/2 cent State Transportation Sales Tax: $605
- Add state sales tax in addition to current fuel taxes: $820
- Add state & local sales tax in addition to current fuel taxes: $1,041

Local: $221
We Can’t Sit Idle!
Cost of Delay – Trucking Industry

$75,000,000,000

Cost of Delays Nationally

10%

Annual Revenue Lost due to National Delay

Source: American Transportation Research Institute.
Cost of Delay - Commuters

$4,600,000,000

Cost of Delays in Phoenix and Tucson

Source: Texas Transportation Institute, Urban Mobility Survey, 2015.
Cost of Delay – Interstate 17

- 400 Accidents per Year
- 7 Fatal Accidents per Year
- 26 Road Closures This Year
- 180 Minutes of Closure per Accident
Funding Shortages For Large Scale Projects

Phoenix

Tucson

North-South