



State of Nevada Department of Transportation

Transportation Funding: Past, Present & Future

April 14th, 2015

*Bill Hoffman
Deputy Director*

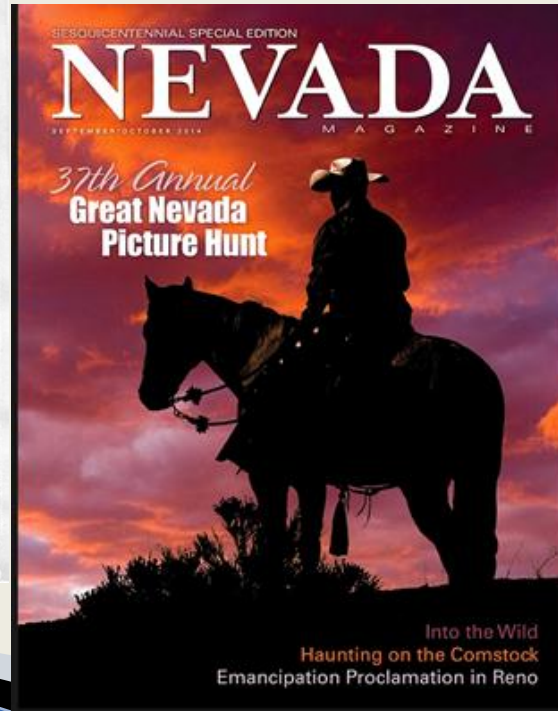


1917-2017

NEVADA HIGHWAYS AND PARKS



PUBLISHED BY THE NEVADA STATE HIGHWAY DEPARTMENT
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History of NDOT / Funding

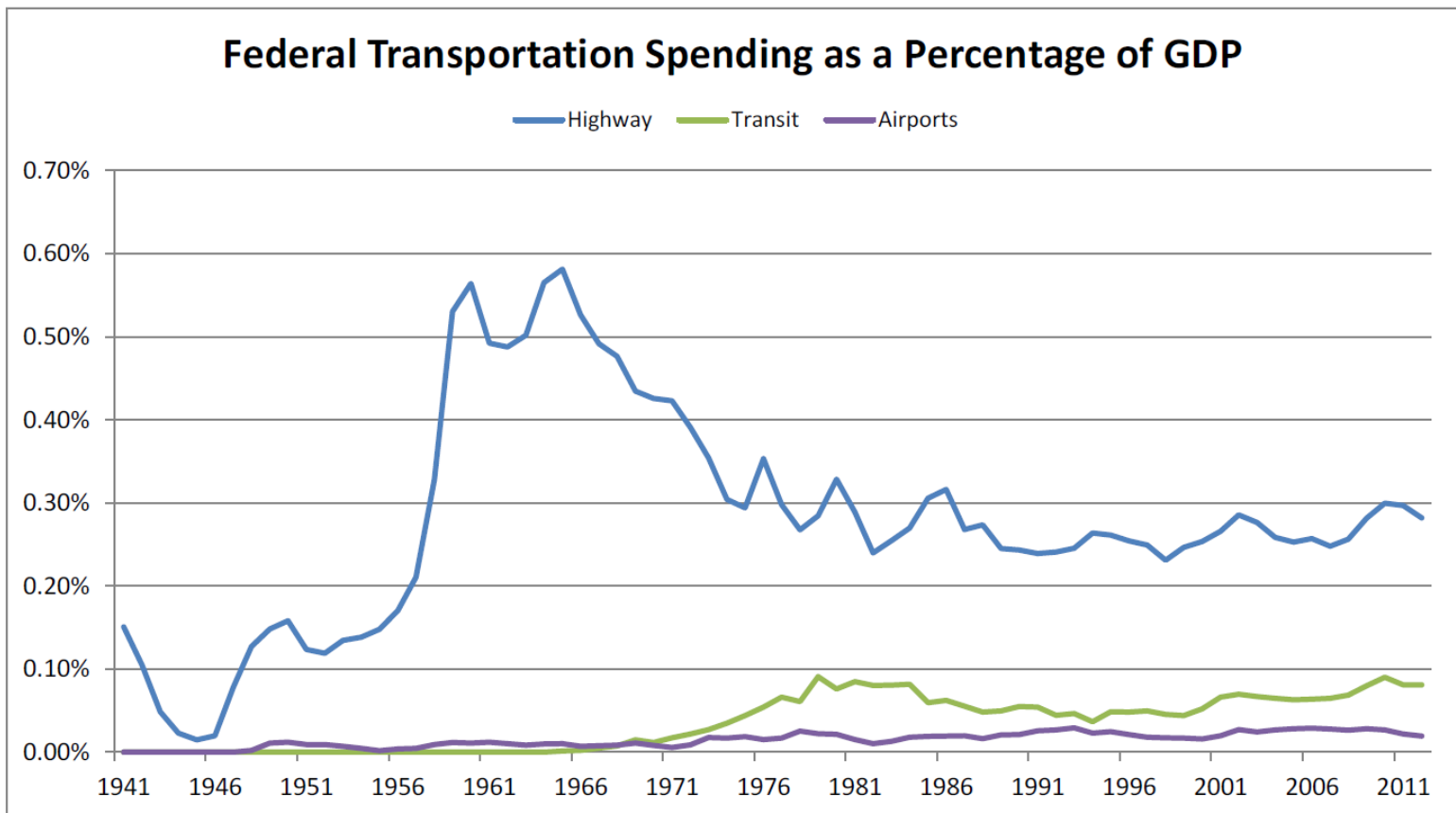
- 1916 – Federal Aid Road Act of 1916 – For construction of new highways (50/50)
- 1917 – State Legislature created the Nevada Department of Highways.
 - Three-member Highway Board – members appointed by Governor
- 1921 – Amendment to Federal Road Act of 1916 – 50/50 to 87/13
 - Created the Forest Hwy. Program
- 1923 – First NV State Fuel Tax Enacted
- 1927 – Hwy. Board Change - Governor, Attorney General & State Controller
- 1933 – National Industrial Recovery Act of 1933 – Allowed Federal Funding of “Emergency” Highway Projects
- 1934 – Hayden-Cartwright Road Act of 1934 – Federal Funding for Urban Highway Projects
- 1940 – Amendment to State Constitution – Protecting the State Highway Fund
- 1944 – Federal Aid Highway Act of 1944 – Improving Farm to Market Roads, Repair Caused by Military Vehicles
- 1954 – Federal Aid Highway Act of 1954 – Substantially Increased Federal Funding to NV
- 1956 – Federal Interstate System – Federal Funding to Build the National Highway Network
- 1956 – Highway Revenue Act – Established the Highway Trust Fund



History of NDOT / Funding (Cont'd)

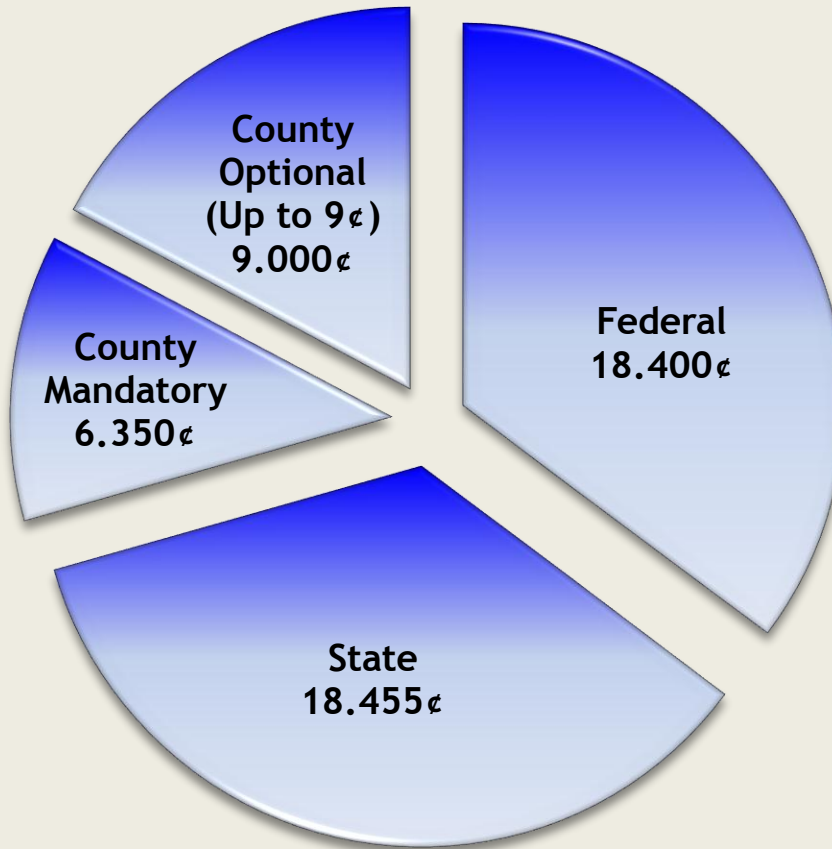
- 1965 – Highway Beautification Act of 1965 – Federal Funding to Control Billboards and Junkyards
- 1966 – Highway Safety Act of 1966 – Federal Funding Focused on Highway Safety
- 1979 – Department of Highways became the Nevada Dept. of Transportation
- 1982 – Surface Transportation Assistance Act (STAA) of 1982 – Fuel Tax Increase (1st since 1959)
- 1984 – Deficit Reduction Act of 1984 – Fuel Tax Increase
- 1989 – Transp. Board Change – Seven-Member Board (Gov., Cont., A.G., Lt. Gov., 3-At-large)
- 1987 – Surface Transportation and Uniform Relocation Assistance Act of 1987 – Speed Limit 65MPH
- 1990 – Omnibus Budget Reconciliation Act of 1990 (OBRA 90) – Fuel Tax Increase
- 1991 – Intermodal Surface Transportation & Efficiency Act – Planning and Intermodal Focus
- 1993 – Omnibus Budget Reconciliation Act of 1993 (OBRA 93) – Last Federal Fuel Tax Increase
- 1998 – Transportation Equity Act for the 21st Century
- 2005 – Safe, Accountable, Flexible, Efficient Transportation Equity Act – Regional Transp. Plans
- 2012 – MAP-21 – Focus on Performance Measures

GRADUAL DECLINE IN NATIONAL TRANSPORTATION INVESTMENT



State Gasoline Tax

Gasoline Tax Per Gallon

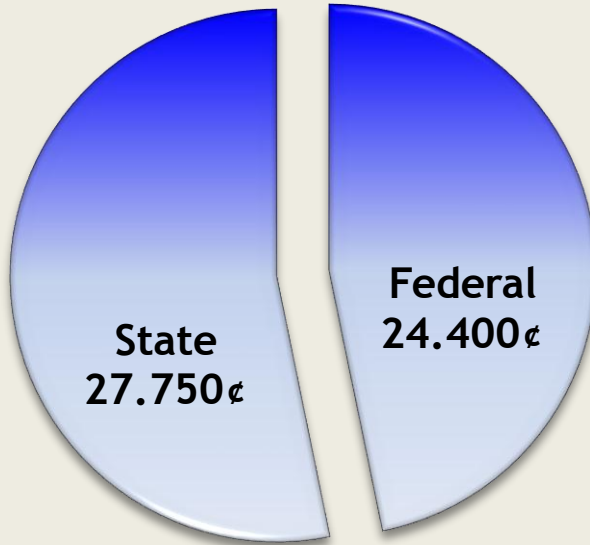


| State Gas Tax History | |
|-----------------------|-----------------|
| Year | Rate Per Gallon |
| 1935 | 4.000¢ |
| 1955 | 4.550¢ |
| 1981 | 8.050¢ |
| 1982 | 9.050¢ |
| 1985 | 10.050¢ |
| 1987 | 11.770¢ |
| 1988 | 12.700¢ |
| 1989 | 13.305¢ |
| 1991 | 15.805¢ |
| 1992 | 18.305¢ |
| 1995 * | 18.455¢ |

** No change since 1995*

State Special Fuel Tax

Diesel Tax Per Gallon



Special Fuel Tax Rates Per Gallon

Diesel

Federal Tax 24.4 ¢

State Tax 27.75 ¢

Propane (Liquefied Petroleum Gas)

Federal Tax 18.3 ¢

State Tax 22 ¢

Methane (Compressed Natural Gas)

Federal Tax 18.3 ¢

State Tax 21 ¢

State Diesel Tax History

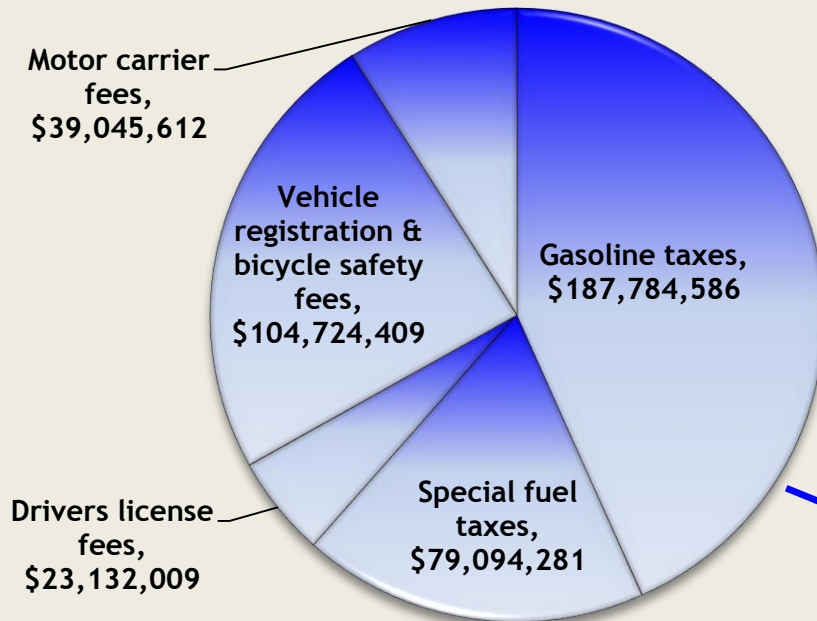
| Year | Rate Per Gallon |
|--------|-----------------|
| 1923 | 2.000¢ |
| 1935 | 4.000¢ |
| 1951 | 5.000¢ |
| 1955 | 6.000¢ |
| 1981 | 10.500¢ |
| 1982 | 12.000¢ |
| 1985 | 13.000¢ |
| 1987 | 17.000¢ |
| 1988 | 20.000¢ |
| 1989 | 20.600¢ |
| 1990 | 22.600¢ |
| 1991 | 25.100¢ |
| 1992 | 27.600¢ |
| 1995 * | 27.750¢ |

* No change since 1995

State Highway Fund Revenue Sources

State Fiscal Year 2014

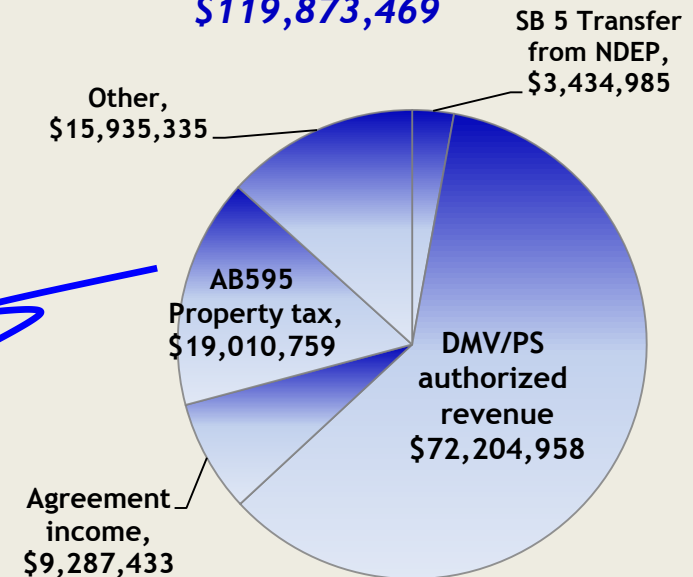
STATE REVENUE \$433,780,897



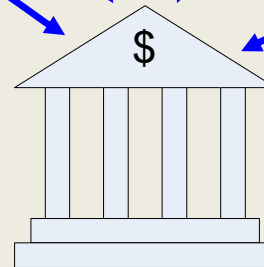
FEDERAL REVENUE



MISCELLANEOUS RECEIPTS \$119,873,469



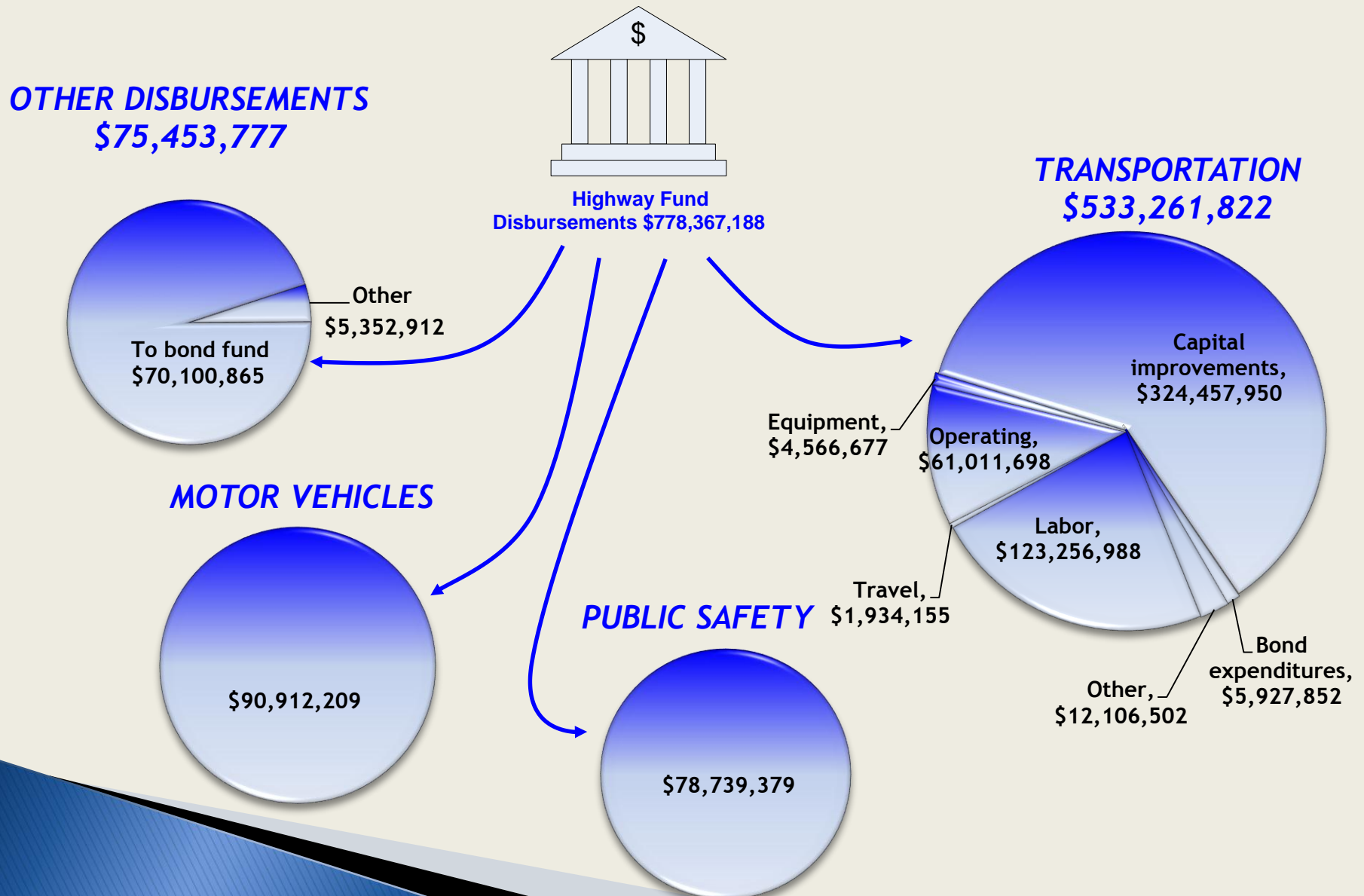
BOND REVENUE



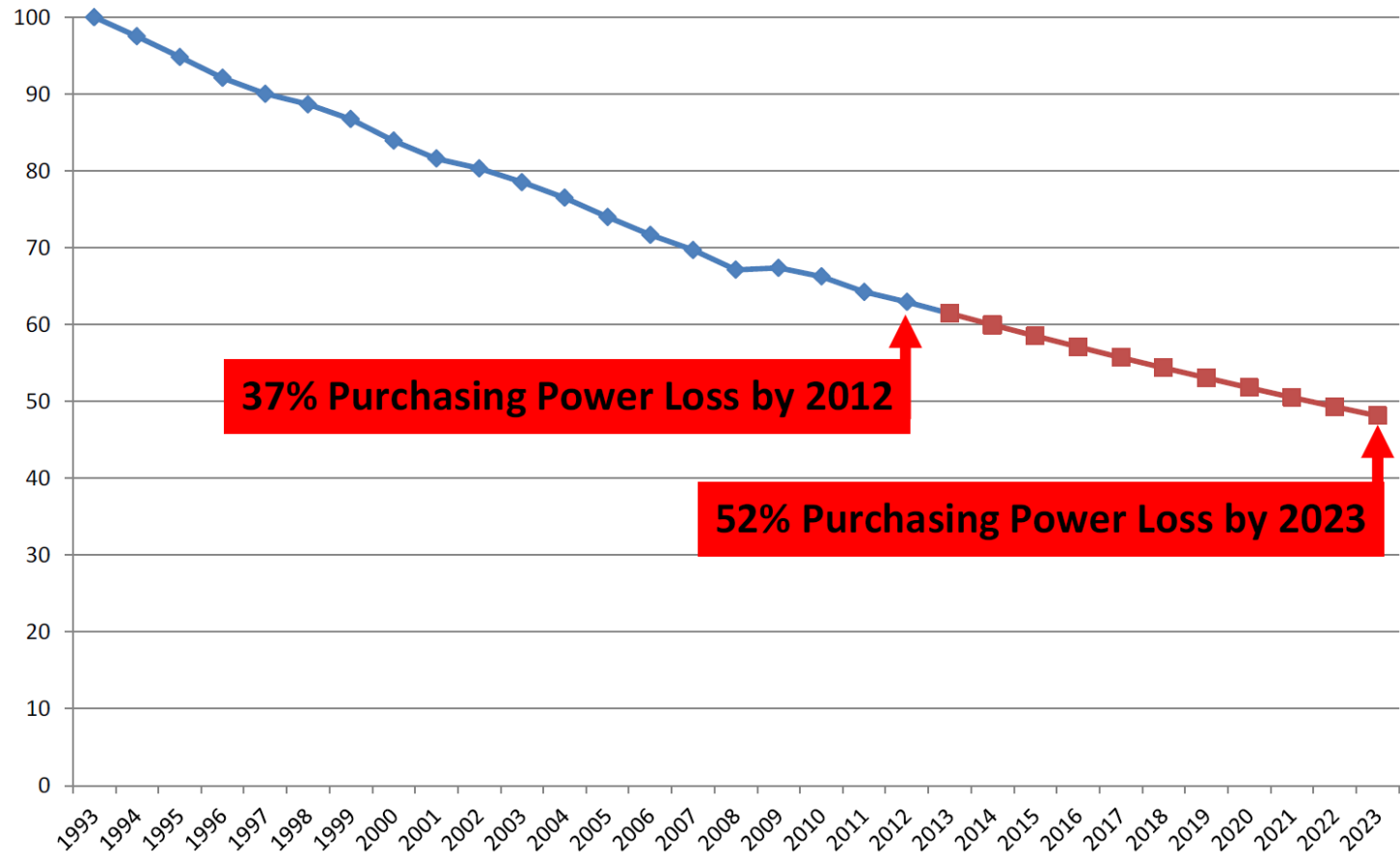
Highway Fund
2014 Revenue
\$984,488,035

State Highway Fund Disbursements

State Fiscal Year 2014



HIGHWAY TRUST FUND HEADWINDS: GAS TAX HAS LOST ITS PURCHASING POWER



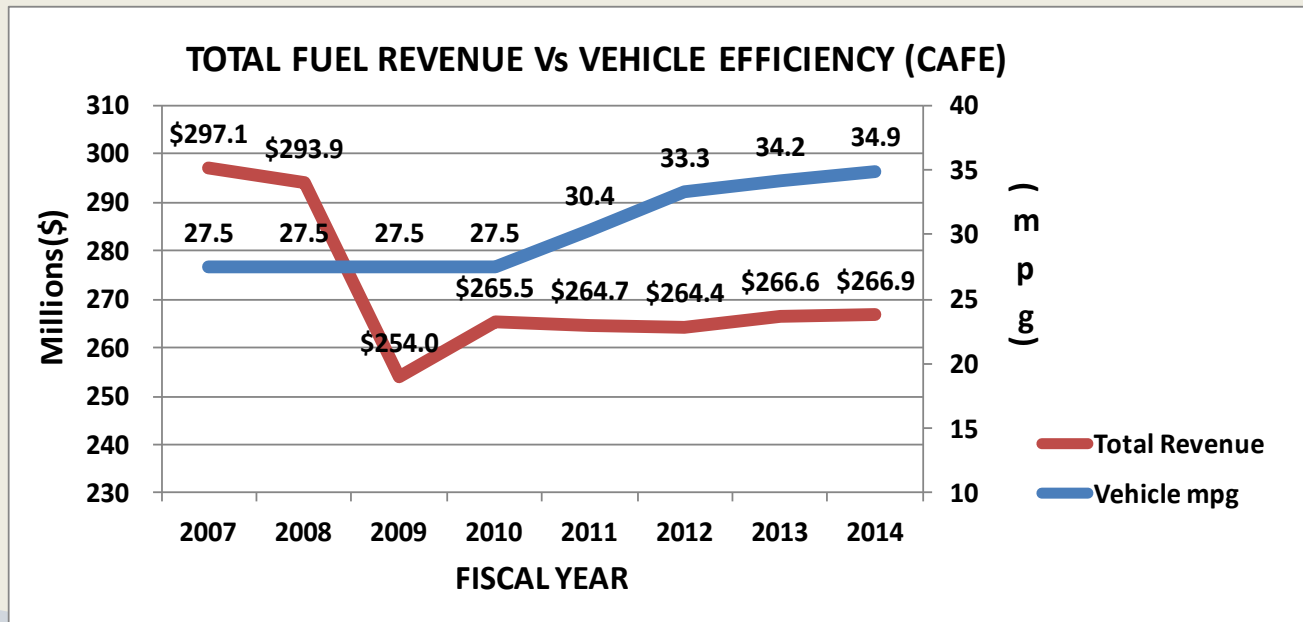
Fuel Revenue Indexing (FRI)

- Fuel Revenue Indexing adjusts the revenues from fuel sales to the rate of inflation, which allows continued development, enhancement and rehabilitation of our infrastructure.
- In 2009 the State Legislature allowed Washoe County to index its fuel revenue indefinitely, and in 2013 the State Legislature allowed Clark County to index its fuel revenue through 2016.
- FRI dollars are helping fund NDOT projects in Clark County with the Interstate 11 Boulder City Bypass - Phase 1 starting in 2015. Without FRI funding, Phase 1 was scheduled for 2018 and Phase 2 was unfunded. US 95 widening improvements are also being funded with FRI dollars.
- RTC Washoe used FRI funding for the Southeast Connector, which will relieve I-580 traffic and free up other federal funds for joint projects.



Electric/Hybrid Vehicles and VMT

- ▶ Electric vehicle ownership has been increasing since 1999. It increased 108% nationwide from 2011 to 2013.
- ▶ **Average fuel economy has increased from 24 MPG in 1982 to 34.9 MPG in 2014.** It is required to go up to 54.5 MPG by 2025. This has led to decreased per capita fuel consumption and increased vehicle-miles-traveled.
- ▶ **In Nevada, between 2007 and 2013, VMT increased from 12.6 billion VMT to 23.5 billion VMT,** while highway revenue declined from \$297,141,989 in FY 2007 to \$266,878,866 in FY 2014.



What Now ?

- ▶ Increase the Gas Tax ?
- ▶ Look for other revenue sources, i.e., sales tax ?
- ▶ Hope US Congress increases Funding ?
- ▶ Road Usage Charge ?



Thank you !

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*Bill Hoffman
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