HB 362

TRANSPORTATION INFRASTRUCTURE FUNDING

BACKGROUND

HB 362 **reforms** the motor fuel tax by converting it to a **sales tax on fuel** <u>and</u> provides an opportunity for counties to impose a **0.25% sales tax** on all sales (except food) dedicated to transportation. Cumulatively, if each county imposes the local option, HB 362 could provide nearly **$200 million annually**.

GAS TAX REFORM

On January 1, 2016, the motor fuel tax will automatically change from 24.5 cents per gallon to a **12% sales tax per gallon**. The 12% rate is the equivalent of a **4.9 cent** motor fuel tax increase.

[$2.45 x .12 = $0.294 = $.245 + $0.049]

LOCAL OPTION: SALES TAX

The local option will be a **0.25% general sales tax** for counties, cities, towns, and transit systems. Within the 0.25%, cities and towns (and unincorporated counties) will receive 0.10%. Transit systems will also receive 0.10%. Counties will receive 0.05% in the areas with transit systems and 0.15% in the areas without transit systems.

HOW DO CITIES GET THESE FUNDS?

- The new motor fuel tax revenues will automatically come to Orem via the B&C allocation process.
- The local option sales tax will be subject to county imposition and voter approval. The county must impose and voters must approve the entire 0.25%. The county, city, town, and transit portions are “all in it together.”

LOCAL OPTION TIMELINE

1. HB 362 authorizes a county legislative body to impose a quarter cent sales tax
2. Voters in the county must approve the tax during a November election
3. A county must decide to put the tax on the ballot by late August
4. After voter approval, the county imposes the tax & provides notice to the Tax Commission
5. The Tax Commission needs 90 days to prepare the tax.
6. The tax will be effective on the first calendar day of the new full quarter.
7. Counties, cities, towns, and transit systems will start receiving funds 2-3 months later.

HOW CAN CITIES SPEND THIS REVENUE?

- The municipal portion of the motor fuel tax reform and increase must be spent within class C right-of-ways according to existing law on class C revenues.
- The local option sales tax may be spent on a larger range of transportation infrastructure. The municipal 0.10% portion may be spent on a class C road, pedestrian safety facility, active transportation facility, public transit, or multimodal transportation facility.

PERMITTED CLASS C USES

1. All construction and maintenance on eligible Class B & C roads (Utah Code 72-3-103 to 72-3-104)
2. Enhancement of traffic and pedestrian safety including but not limited to: sidewalks, curb and gutter (on all eligible B & C roads and state highways), safety features, traffic signals, traffic signs, street lighting and construction of bicycle facilities in the highway right-of-way. (Utah Code 72-8-101 to 72-8-105)
3. Investments for interest purposes (interest to be kept in fund)
4. Equipment purchases or equipment leases and rentals
5. Engineering and Administration
6. Future reimbursement of other funds for large construction projects
7. Rights of Way acquisition, fencing and cattle guards
8. Matching Federal Funds. (Utah Code 72-2-110)
9. Equipment purchased with B & C funds may be leased from the road department to another department or agency using schedule of Equipment Rates posted on the FEMA website at http://www.fema.gov/government/grant/pa/eqrates_2005.shtm.
10. Construction of road maintenance buildings, storage sheds, and yards. Multiple use facilities may be constructed by mixing funds on a proportional basis.
11. B & C funds can be used to pay the costs of asserting, defending, or litigating RS 2477 issues per HB 278 (2009).

HOW MUCH POTENTIAL REVENUE COULD OREM RECEIVE?

- New Gas Tax: $440,000
- Local Option Sales Tax: $1.64 million
- Total: $2.08 million

Totals	New Gas Tax Revenue*	Potential Local Option Revenue**	Total Potential Revenue HB 362
Statewide Total	$75,952,853	$113,159,687	$189,112,540
Municipal Total	$14,511,889	$40,375,351	$54,887,240
County Total	$8,273,967	$32,621,287	$40,895,254
Transit Total	$0	$40,163,049	$40,163,049

Entity	Transportation Funding Shortfall*	New Gas Tax Revenue**	Potential Local Option Revenue***	Total Potential Revenue - HB 362
Utah County	-$14,145,790	$508,142	$3,345,558	$3,853,701
Alpine	-$33,493	$62,972	$93,317	$156,289
American Fork	-$3,100,035	$150,119	$593,667	$743,786
Cedar Fort	$40,248	$4,824	$3,763	$8,587
Cedar Hills	-$479,979	$48,758	$100,666	$149,423
Eagle Mountain	-$635,317	$139,034	$212,691	$351,725
Elk Ridge	-$35,083	$17,316	$24,761	$42,077
Fairfield	$27,694	$5,477	$1,491	$6,969
Genola	-$80,881	$18,267	$14,384	$32,651
Goshen	$329	$6,504	$7,987	$14,491
Highland	-$84,153	$99,066	$165,997	$265,063
Lehi	-$794,177	$279,552	$730,625	$1,010,178
Lindon	-$268,532	$63,456	$308,015	$371,472
Mapleton	-$53,667	$56,777	$83,947	$140,724
Orem	-$3,263,792	$443,145	$1,642,163	$2,085,308
Payson	$82,451	$108,645	$235,555	$344,201
Pleasant Grove	$23,255	$177,341	$374,122	$551,464
Provo	-$666,043	$550,026	$1,477,178	$2,027,205
Salem	-$79,757	$51,613	$70,024	$121,637
Santaquin	$844,202	$61,427	$92,504	$153,931
Saratoga Springs	-$216,407	$103,739	$236,050	$339,790
Spanish Fork	-$2,560,613	$192,929	$458,814	$651,743
Springville	-$4,060,291	$174,051	$403,888	$577,939
Vineyard	$6,192	$3,316	$21,048	$24,364
Woodland Hills	-$59,479	$12,033	$12,742	$24,775
Utah Transit Authority	—	—	$6,408,718	$6,408,718
Countywide Totals	-$29,593,118	$3,338,531	$17,119,677	$20,458,208

DRAFT

DISCUSSION

City of Orem Transportation Master Plan

City Council Work Session

June 9, 2015

Transportation Master Plan Process

- Public Comment – Phase I and Phase II
- Transportation Planning
  - Level of Service (Roads & Intersections)
  - MAG's Travel Demand Model: High Level Regional Analysis
  - Micro-simulation Model (VISSIM/Synchro): Corridors and Intersections
    - Turn lanes
    - Signal timings

Transportation Master Plan Process

- Capital Improvement Plan
  - High, Medium, Low Build Projects
- Geneva Road and Lakeview Parkway Cross-Sections
- Traffic Calming Guidelines
- Traffic Study Guidelines
- Access Management Program
- Speed Limits Review

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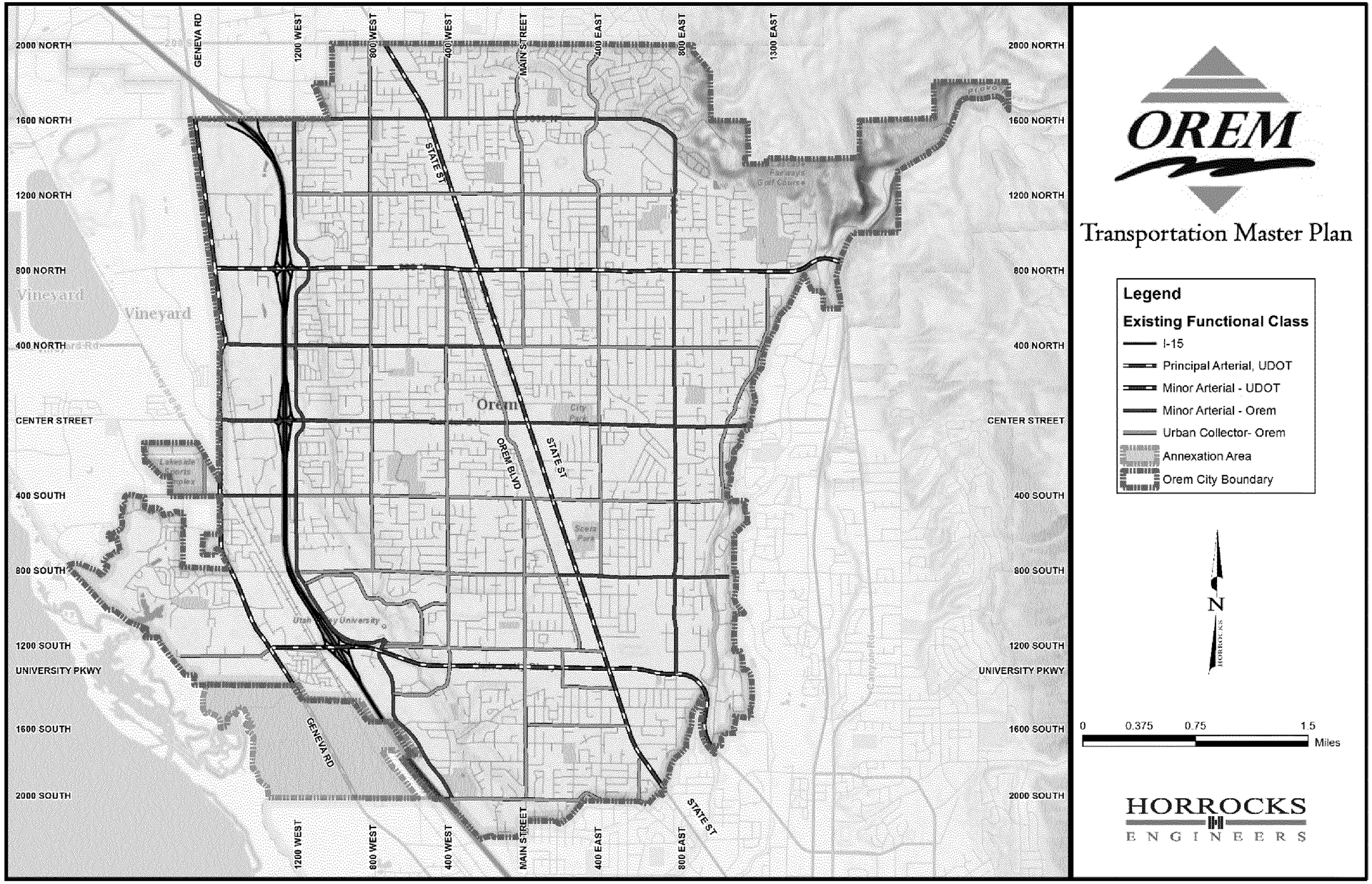
Existing Functional Classification



Road Segment Level of Service

LOS C or Better

400 North

400 East

LOS D

North State Street

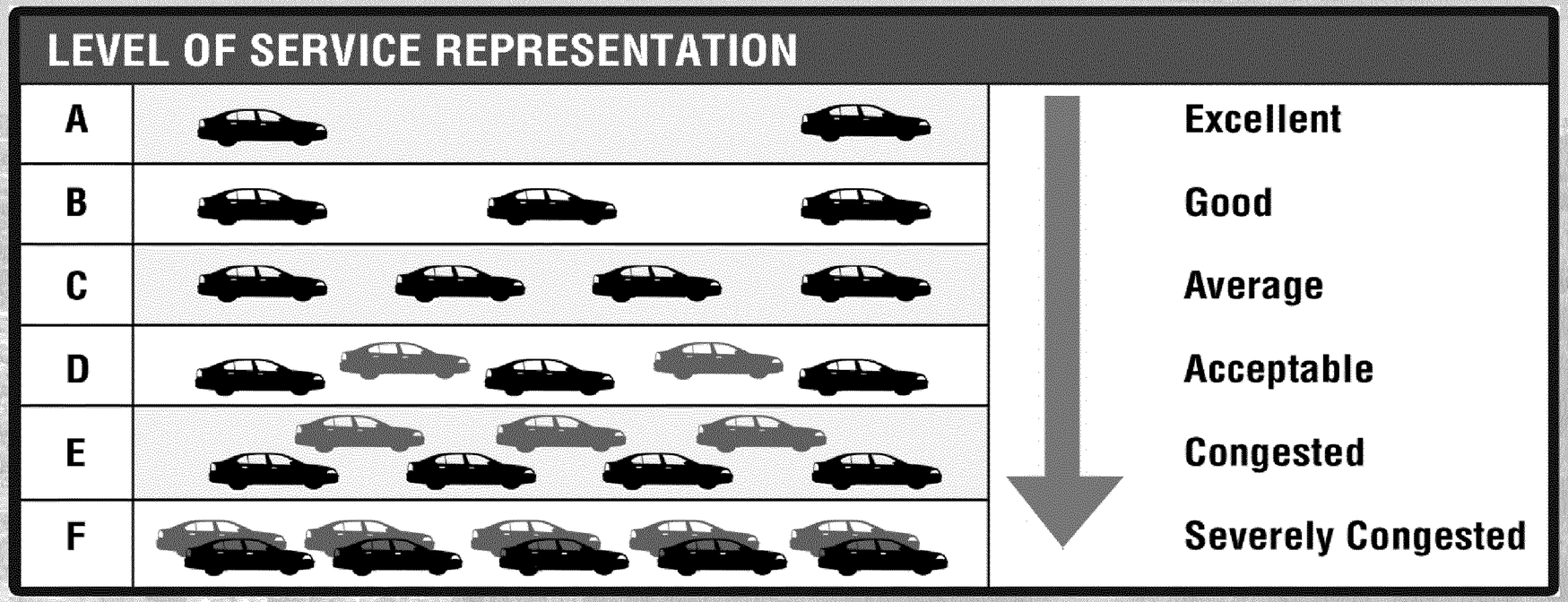
Center Street

LOS E or Worse

University Parkway

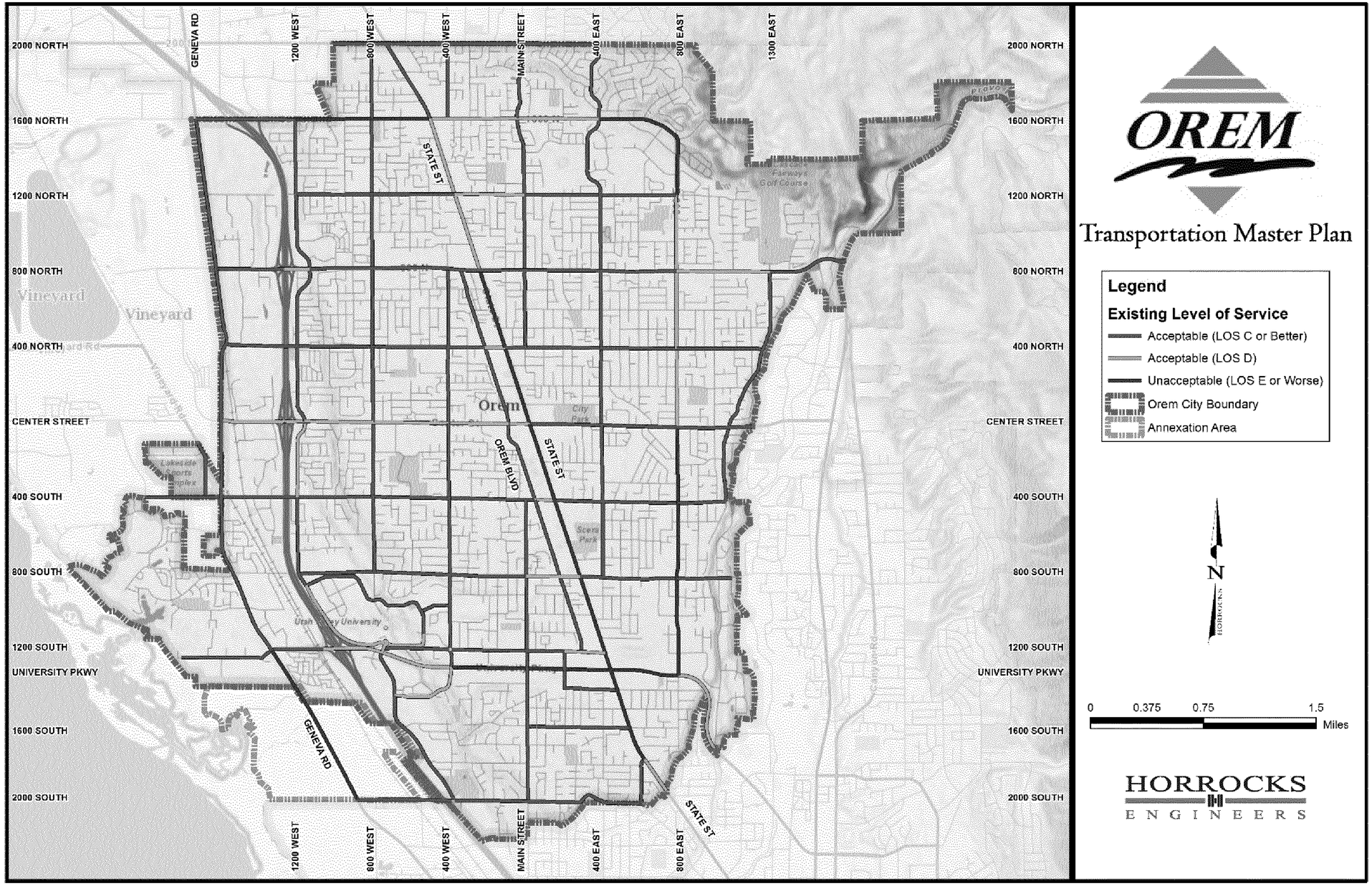
South State Street

1600 North



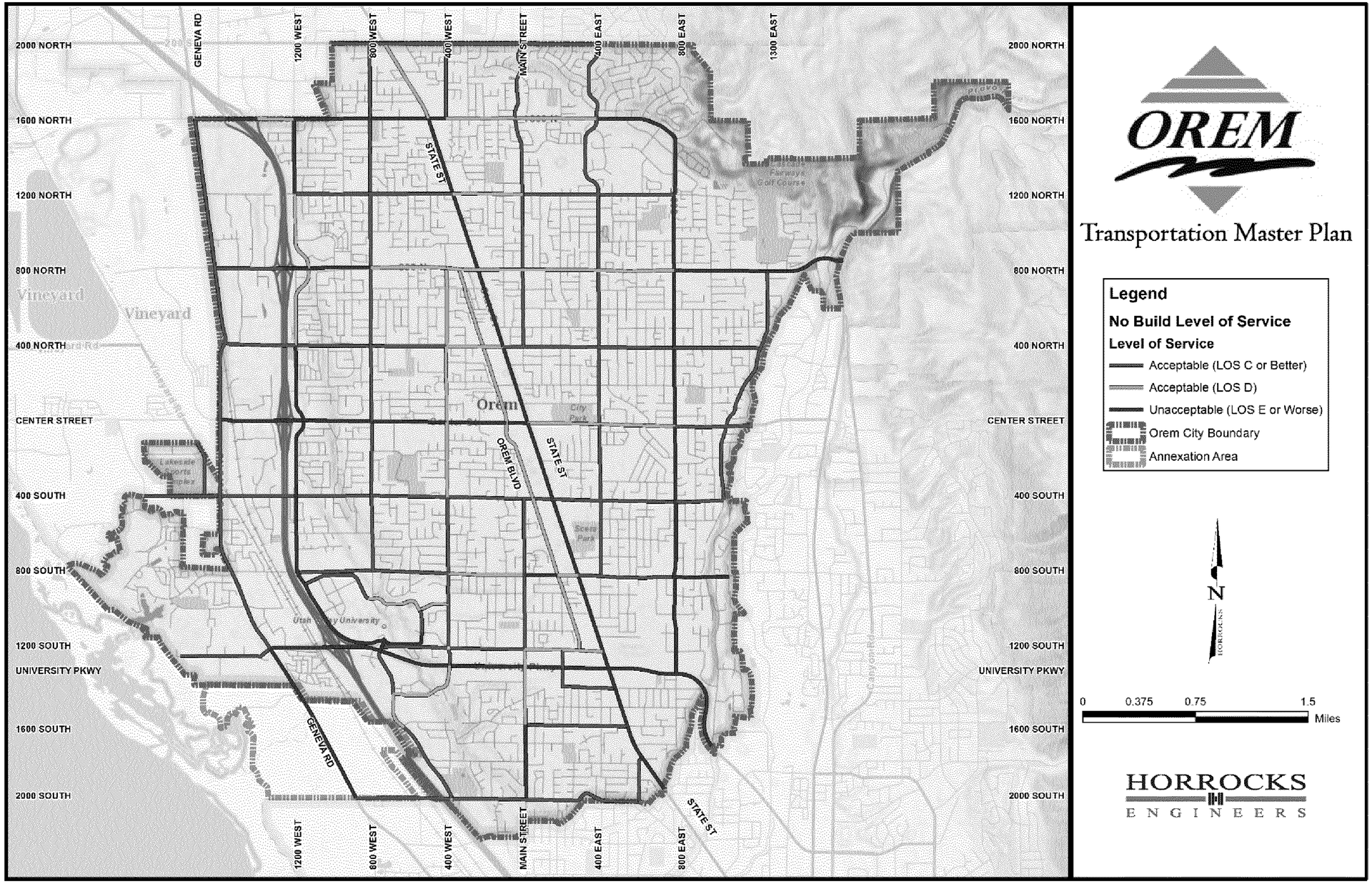
Level of Service

Existing Level of Service

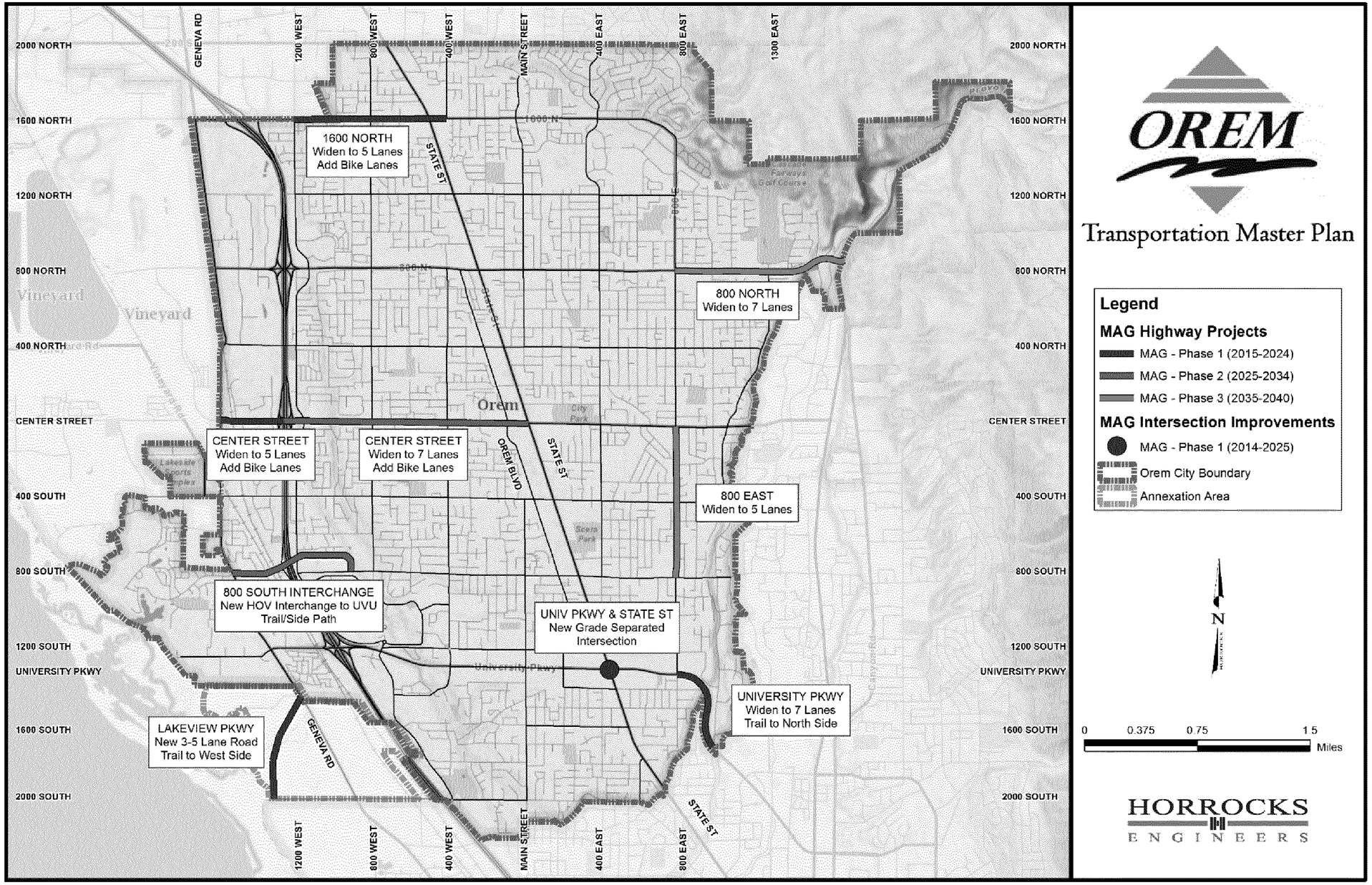


2040 No-Build Level of Service

(Existing Roadway Network with 2040 Traffic Volumes)



MAG Regional Transportation Plan and UDOT Projects



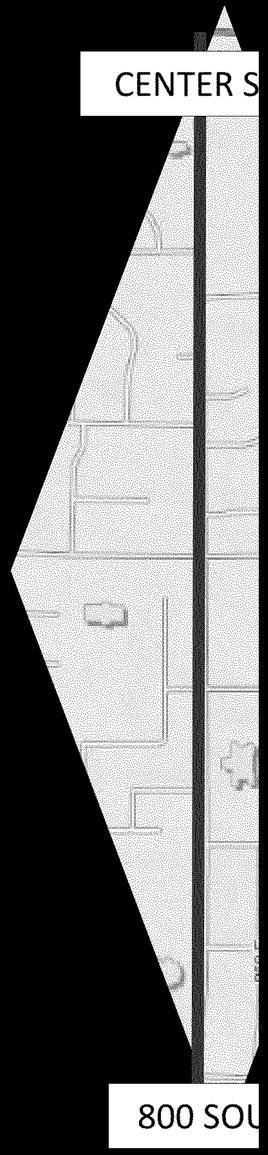
1200 WEST
1600 NORTH
STATE ST
400 WEST

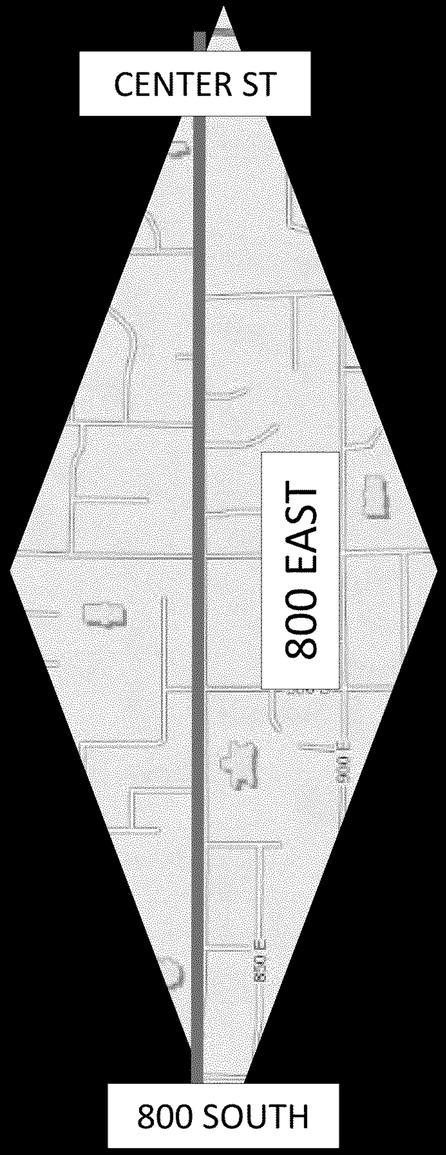
GENEVA RD
GENEVA RD
STATE ST
CENTER ST

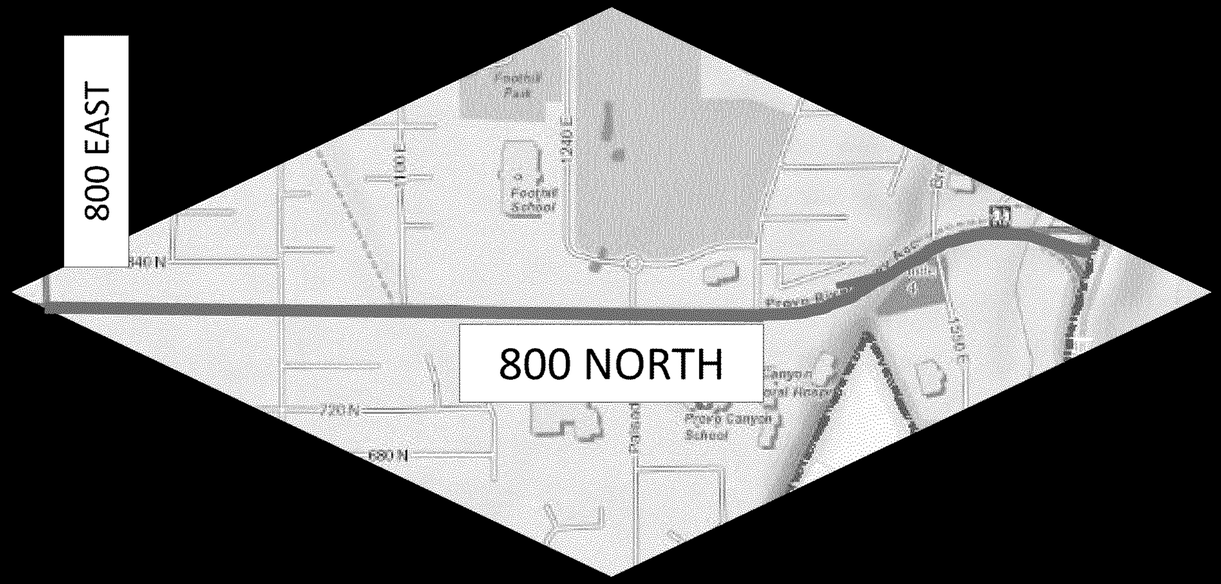
OREM TRANSP MASTER

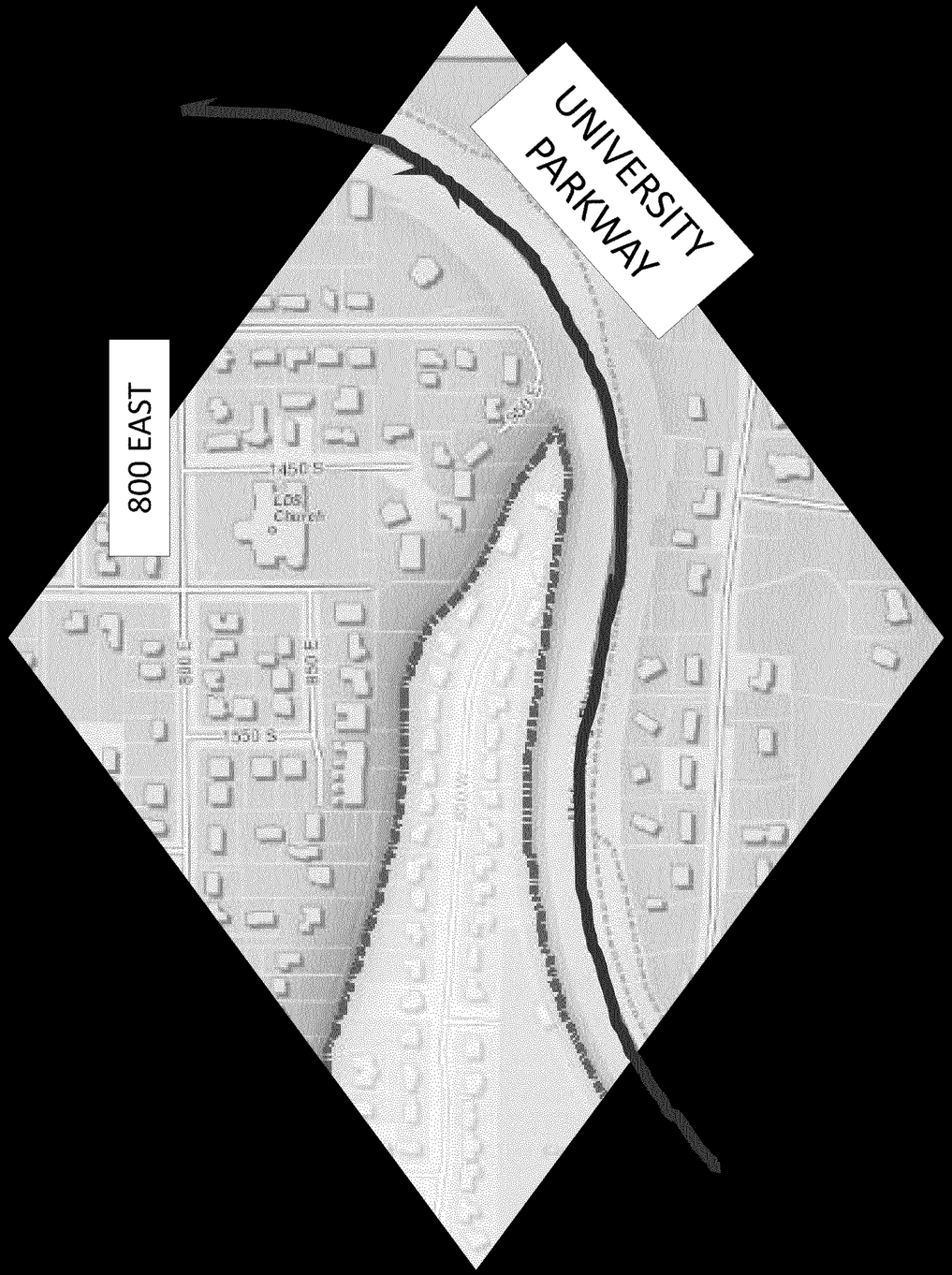
2040 MAG/UDOT Projects Level of Service (800 West)

No Build
3 Lane





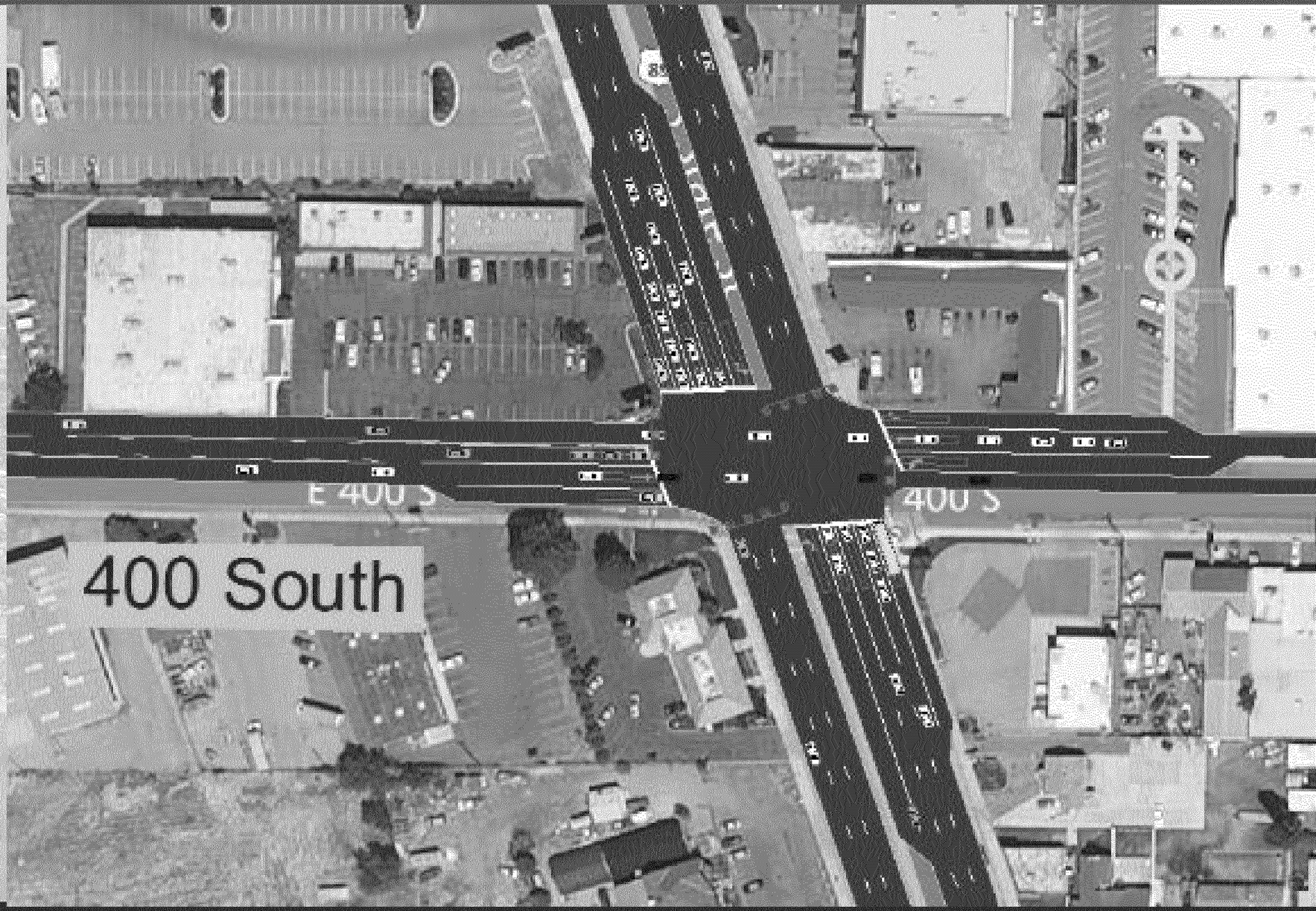

800 EAST
800 NORTH
Foothill Park
Foothill School
1240 E
1100 E
840 N
720 N
680 N
Provo Canyon School


UNIVERSITY PARKWAY
800 EAST
1450 S
LDS Church
800 E
850 E
1550 S

400 South/State St.

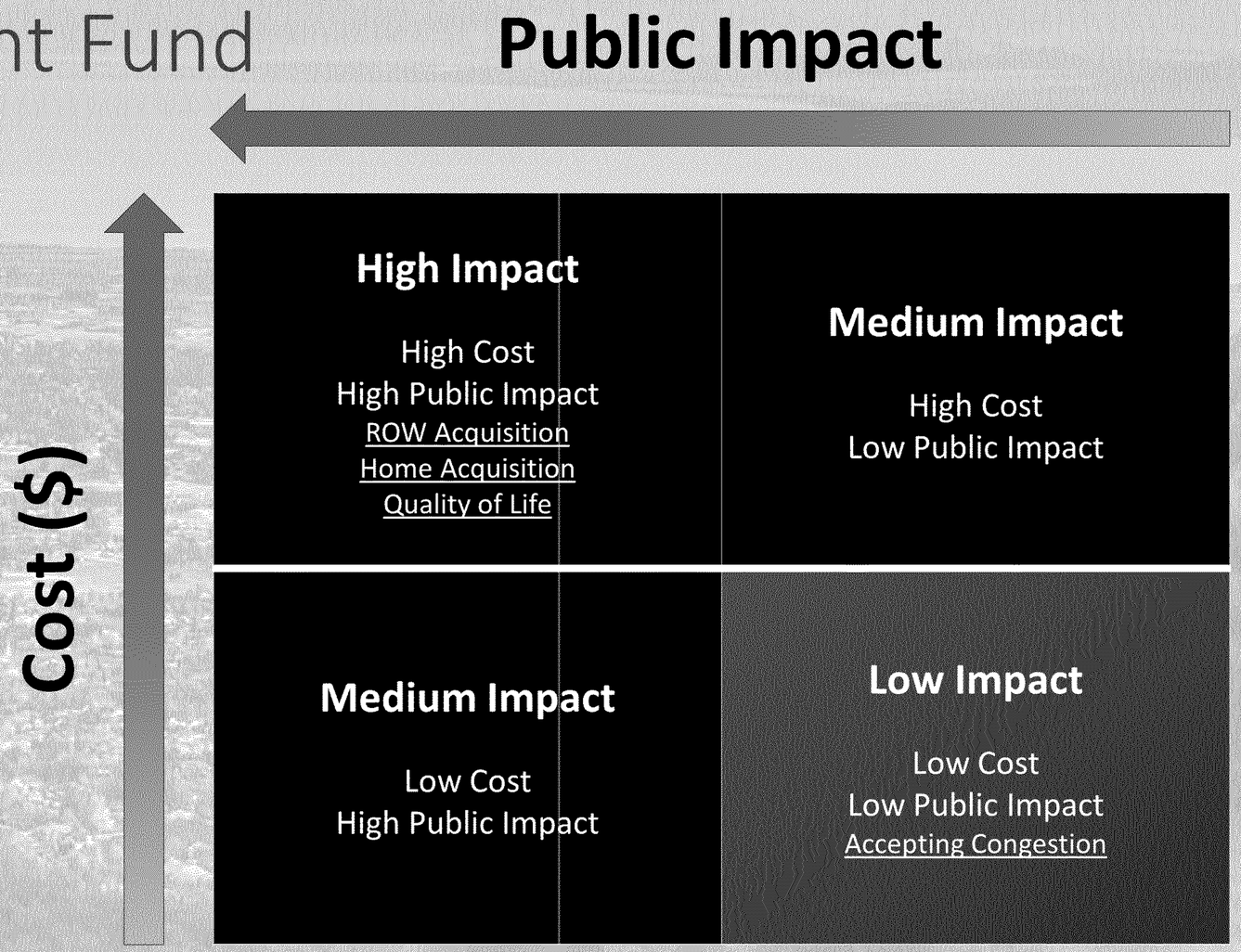
Without Turn lane

With Turn Lane



Capital Improvement Plan/ Transportation Improvement Fund

- Comments assist in decision making on future projects
- Future Projects Organized into High, Medium, and Low Impact based on Cost and Public Impact
- Funding Mechanism
  - Cost per Household



QUESTIONS?