

Transportation Funding (HB 170) Provisions As Passed House

Transportation Committee

Local Provisions:

SPLOST and ESPLOST will continue to be collected on motor fuel (except for diesel). However, upon the expiration of current SPLOST/ESPLOSTs, revenue derived from motor fuel based on a three calendar year average, must be used for transportation purposes (see definition below); All future SPLOSTs will now require a dedicated transportation component that is equal to the three year average amount collected on motor fuel, there is not an option to levy a SPLOST without a transportation component;

“Transportation purposes” as it relates to capital has been added to the definition of a Level 1 county wide project for SPLOST;

The cap on the total estimated cost of county wide Level 2 projects has been increased to 30%

Transportation purposes includes capital and operations for roads, streets, bridges, rail, buses, airports, public transit, and services necessary to access transportation infrastructure including the repayment of general obligation bonds, revenue bonds, and other multi-year obligations;

LOST/HOST will be raised to 1.25% as of July 1, 2015 at the same time they will no longer be collected on motor fuel;

No action is required by the local governments in order for the .25% increase in LOST/HOST to take effect;

Bill sponsor is committed to increasing LMIG by Amended 2016 or FY 17 budget. We are working on trying to get the current 10% floor for LMIG funding raised as a show of good faith in maintaining increased funding for the program over time;

With the state receiving more revenue from motor fuel, the LMIG program will generate more funding for counties even at the current level of 11% (estimated \$60-70m increase)

The current draft also provides for a recapitalization of the Georgia Transportation Infrastructure Bank (GTIB) along with a preference for loans to Tier 1 and 2 counties (earlier this year the grant program for GTIB was opened up to local governments).

State Provisions:

The state excise tax will go from 7.5 to 29.2 cents per gallon by eliminating the sales tax on motor fuel and converting to the excise tax (this includes the 4th penny). The tax will still be collected at the distributor level and will be initially converted based off of a four year average price of fuel(\$3.38) and indexed from there based on a formula combining CAFÉ standard and CPI;

A \$200 consumer and \$300 commercial annual fee will be charged for vehicles run solely on electric, propane, or compressed natural gas (CNG). This is predicted to generate \$15-17m per year with the stated purpose of being used to fund transit;

The state has also proposed a \$400m one time bond, \$100m of which will fund transit, and the rest will go to repairing bridges and other major transportation projects.