



# TRAC COMMITTEE 2022

TRANSPORTATION RESOURCE ADVISORY COMMITTEE & COMMUNITY COLLABORATION

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## AGENDA ITEM #1

# INITIAL CITIZENS PARTICIPATION



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**AGENDA ITEM #2**

# **APPROVE THE MINUTES**

MEETING OF JUNE 2, 2022  
*(FOR POSSIBLE ACTION)*



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**AGENDA ITEM #3**

# **RECAP THE 2022 TRAC**

MEETINGS AND TRAC'S  
OVERALL GOAL FOR 2022



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## 2022 TRAC GOAL

Provide staff with a recommendation to continue exploring funding alternatives that may be pursued to address short-term baseline funding needs

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# RECAP OF TRAC 2022 MEETINGS



<p><b>FEBRUARY 24</b> TRAC introduction and update on RTC current projects and initiatives</p>	<p><b>APRIL 28</b> Introduction to potential funding alternatives for local funding challenges</p>	<p><b>OCTOBER 13</b> Recap of TRAC 2022 meetings and potential recommendations</p>
#1	#2	#3
	<p><b>MARCH 31</b> Overview of the transit system's short-term funding challenges</p>	<p><b>JUNE 2</b> Recap of potential baseline funding solutions and continued discussion</p>

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# MAIN OBJECTIVES

<b>PROBLEM</b> BASELINE FUNDING & THE FISCAL CLIFF	<b>EFFECT</b> CONSEQUENCES OF THE FISCAL CLIFF	<b>SOLUTION</b> ALTERNATIVE REVENUE SOURCES
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# MAIN OBJECTIVES

<b>PROBLEM</b> BASELINE FUNDING & THE FISCAL CLIFF	<b>EFFECT</b> CONSEQUENCES OF THE FISCAL CLIFF	<b>SOLUTION</b> ALTERNATIVE REVENUE SOURCES
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## **BASELINE FUNDING**

Cost associated with maintaining consistent service levels and complying with federal requirements on a going forward basis.

This does not include enhancements to the existing transit system. This only preserves what we are currently providing or required to provide.



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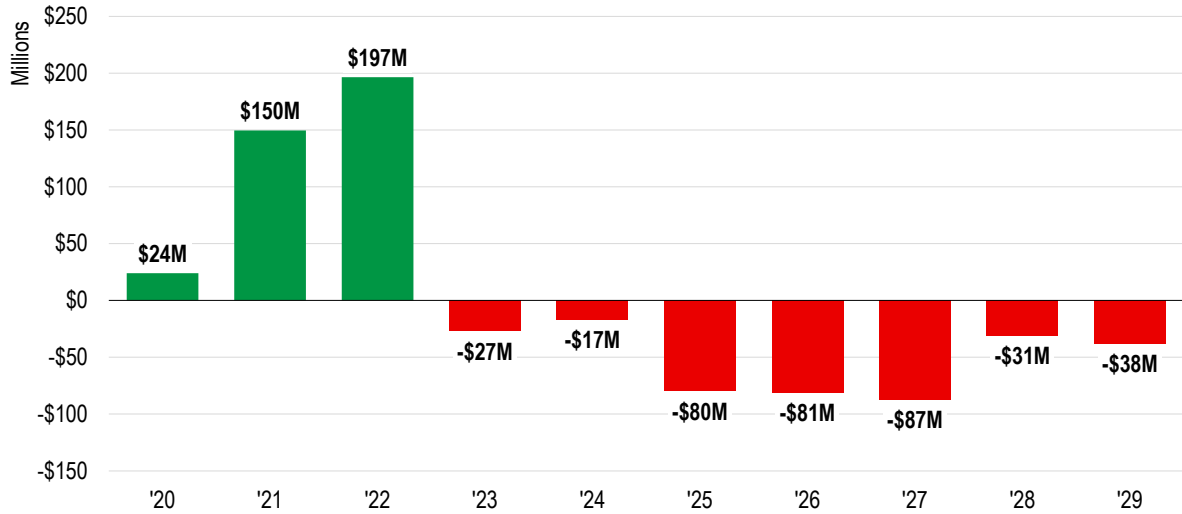
## **DEFINING THE FISCAL CLIFF**



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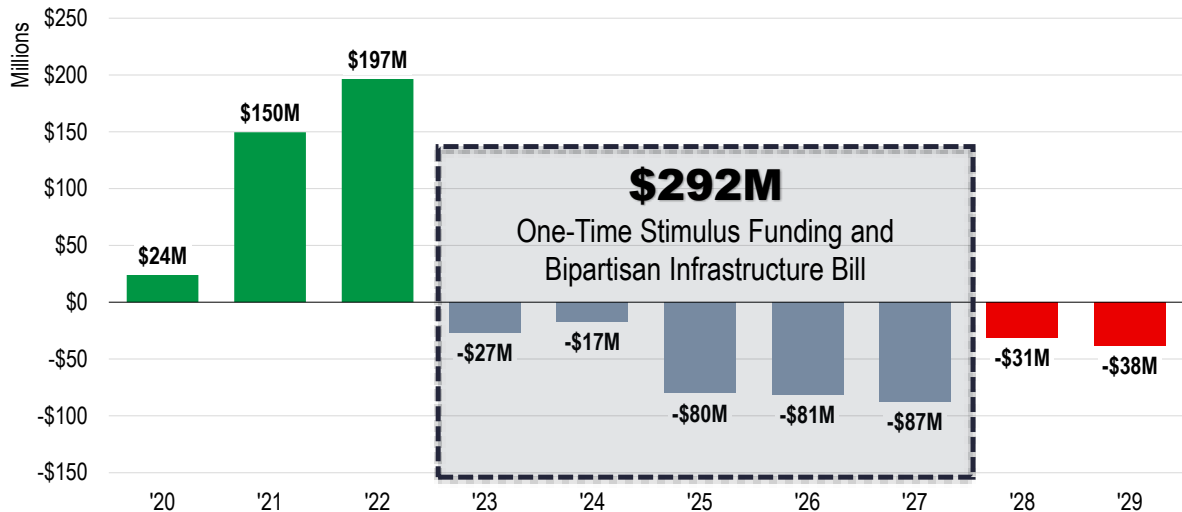
# Transit Projected Budget Surplus/Deficit



Source: RTC of Southern Nevada. Note: Based on current projections effective January 2022 and subject to change due to sales tax, federal grants and capital expenditures



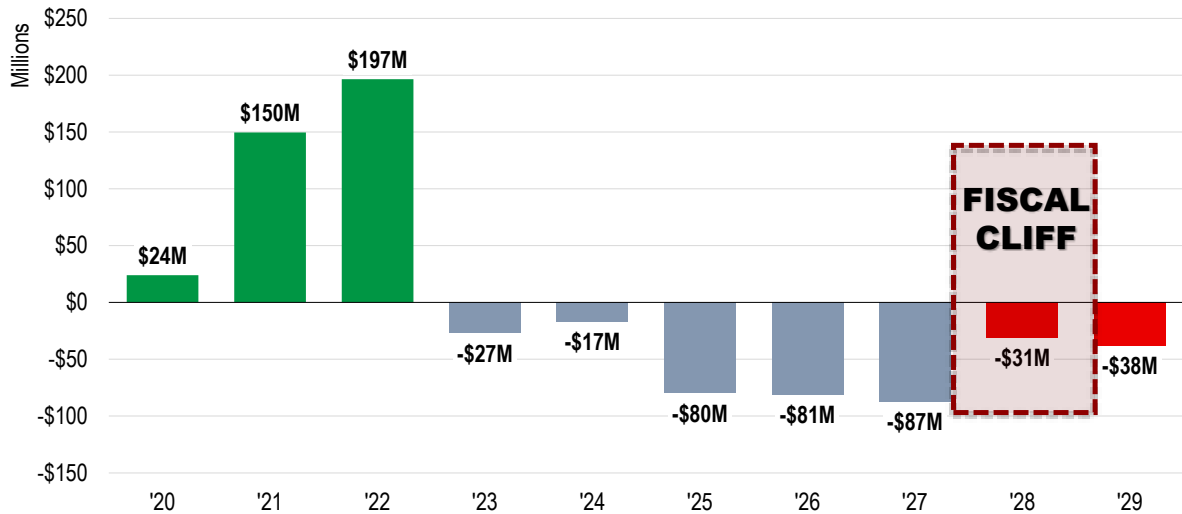
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# MAIN OBJECTIVES

<p><b>PROBLEM</b> BASELINE FUNDING &amp; THE FISCAL CLIFF</p>	<p><b>EFFECT</b> CONSEQUENCES OF THE FISCAL CLIFF</p>	<p><b>SOLUTION</b> ALTERNATIVE REVENUE SOURCES</p>
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# MAIN OBJECTIVES

## PROBLEM

BASELINE  
FUNDING & THE  
FISCAL CLIFF

## EFFECT

CONSEQUENCES  
OF THE FISCAL  
CLIFF

## SOLUTION

ALTERNATIVE  
REVENUE  
SOURCES



## Budget Reductions

REDUCTIONS WOULD  
START AS EARLY AS

# 2024

- Cutting Management/Staff Pay
- Cutting Contracted Services up to 15%
- Implementing a Hiring Freeze
- Deferring Capital Projects
- Laying Off or Furloughing up to 15% of Workforce
- Significantly Cutting or Reducing Mobility Service, such as:
  - Transit Routes
  - Senior and Veterans' Services
  - Paratransit Service Area
  - On-Demand Service
  - Game Day Services

Source: RTC of Southern Nevada. Note: Capital projects include bus and land purchases.





# MAIN OBJECTIVES

<b>PROBLEM</b> BASELINE FUNDING & THE FISCAL CLIFF	<b>EFFECT</b> CONSEQUENCES OF THE FISCAL CLIFF	<b>SOLUTION</b> ALTERNATIVE REVENUE SOURCES
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# MAIN OBJECTIVES

<b>PROBLEM</b> BASELINE FUNDING & THE FISCAL CLIFF	<b>EFFECT</b> CONSEQUENCES OF THE FISCAL CLIFF	<b>SOLUTION</b> ALTERNATIVE REVENUE SOURCES
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# ALTERNATIVE REVENUE SUGGESTIONS

MINING EDUCATION TAX

BUSINESS LICENSE TAX TIRE TAX REAL PROPERTY TRANSFER TAX

ROOM TAX MODIFIED BUSINESS TAX

BUSINESS LICENSE FEE

ESTATE TAX GASOLINE TAX

INSURANCE PREMIUM TAX

SALES AND USE TAX

QUARTERLY NONRESTRICTED SLOT ANNUAL SLOT TAX CIGARETTE TAX ANNUAL GAME FEE

LIVE ENTERTAINMENT TAX

OTHER GAME FEES

COMMERCE TAX LIQUOR TAX

NET PROCEEDS OF MINERALS TAX JET FUEL TAX SPECIAL FUEL TAX

PROPERTY TAX

BRANCH BANK EXCISE TAX SHORT-TERM CAR RENTAL FEE

GOVERNMENTAL SERVICES TAX

QUARTERLY GAME FEE

CAPTIVE INSURER PREMIUM TAX

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## Options to Increase Baseline Funding

Potential Fees or Taxes for Consideration	
<p><b>Alternative Conveyance Fee</b> (Uber, Lyft, Private Conveyance)</p>	<p><b>Broadened Sales Tax Base</b> (Services Tax)</p>
<p><b>Delivery Fee</b> (Grocery, Food and Parcel Delivery)</p>	<p><b>Vehicle Surcharge Fee</b> (Registration Fees, Vehicle Type)</p>
<p><b>Increased Transit Fees</b> (Residential)</p>	<p><b>Road Usage Fee</b></p>
<p><b>Increased Transit Fees</b> (Resort Corridor)</p>	<p><b>Congestion Charge</b> (Ride Share, Taxi, All Drivers)</p>
<p><b>Sales Tax Increase</b></p>	<p><b>Other Options?</b></p>

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# Options to Increase Baseline Funding

Option Requires Legislative Action

Potential Fees or Taxes for Consideration			
	<b>Alternative Conveyance Fee</b> (Uber, Lyft, Private Conveyance) ✓		<b>Broadened Sales Tax Base</b> (Services Tax) ✓
	<b>Delivery Fee</b> (Grocery, Food and Parcel Delivery) ✓		<b>Vehicle Surcharge Fee</b> (Registration Fees, Vehicle Type) ✓
	<b>Increased Transit Fees</b> (Residential)		<b>Road Usage Fee</b> ✓
	<b>Increased Transit Fees</b> (Resort Corridor)		<b>Congestion Charge</b> (Ride Share, Taxi, All Drivers) ✓
	<b>Sales Tax Increase</b> ✓		<b>Other Options?</b>

AGENDA ITEM #4

# FUNDING ALTERNATIVES

## FOR TRANSIT OPERATIONS SHORT-TERM BASELINE FUNDING NEEDS











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# DOES THE COMMITTEE AGREE WITH STAFF'S INTENT TO CONTINUE EXPLORING POTENTIAL FUNDING ALTERNATIVES?



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## Potential Revenue Options

Potential Fees or Taxes for Consideration	
 <p><b>Alternative Conveyance Fee</b> (Uber, Lyft, Private Conveyance)</p>	 <p><b>Broadened Sales Tax Base</b> (Services Tax)</p>
 <p><b>Delivery Fee</b> (Grocery, Food and Parcel Delivery)</p>	 <p><b>Vehicle Surcharge Fee</b> (Registration Fees, Vehicle Type)</p>
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 <p><b>Sales Tax Increase</b></p>	 <p><b>Other Options?</b></p>



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**AGENDA ITEM #5**

# RECEIVE AN UPDATE

FROM NDOT'S ADVISORY  
WORKING GROUP



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## Nevada Sustainable Transportation Funding Study

Presentation to RTC of Southern Nevada's  
Transportation Revenue Advisory Committee

October 13, 2022

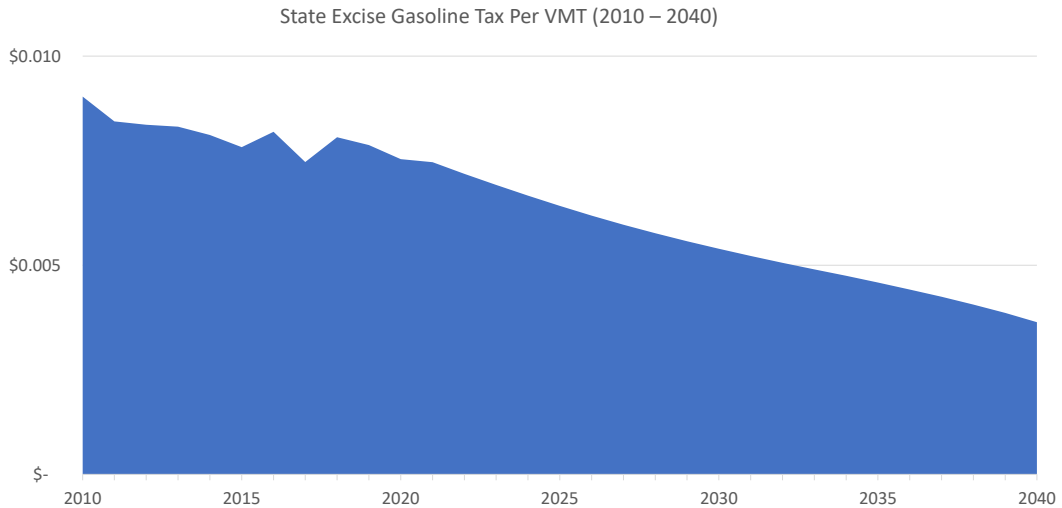


Jeff Doyle  
Project Manager, CDM Smith

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The state gasoline tax currently generates about 0.8 cents for each mile driven by vehicles on Nevada’s roads. In less than 20 years, per-mile revenue will decline 50%.



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**Unfunded Backlog:** Estimated 10-year needs compared to forecasted revenues



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## AB 413 – Legislative direction for this study

“The Advisory Working Group shall study during the 2021-2022 interim:

- (a) The needs of all users of different modes of transportation, including bicyclists, pedestrians, drivers of motor vehicles and public transit users;
- (b) Social and user transportation equity;
- (c) The reduction of greenhouse gas emissions;
- (d) The sustainability of the State Highway Fund including, without limitation, an analysis of the Natural Resources Defense Council funding model presented to the Legislative Committee on Energy on August 24, 2020, and Utah’s Road Usage Charge Program; and
- (e) The role of land use and smart growth strategies in reducing transportation emissions and improving system efficiency and equity.”

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## The Sustainable Transportation Funding Study is in the final stretch

The Advisory Working Group will hold it’s final scheduled meeting on November 9 (online only) to consider adoption of the Final Report and Recommendations.










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## Guiding Principles for Future Transportation Revenue Sources

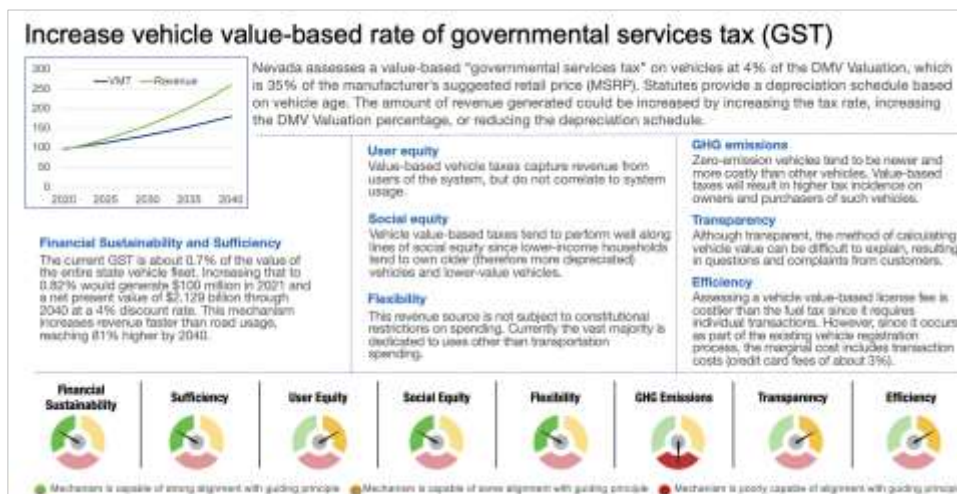
Alone or in combination, transportation revenue sources should be capable of:

- 
**Financial Sustainability:** Yielding sufficient revenue that correlates with ongoing maintenance needs; and demand for future transportation needs, regardless of changes in population, vehicle technologies, ownership, travel patterns, fuel sources, or consumer spending.
- 
**Sufficiency:** Generating sufficient revenue over targeted investment timeframes for existing and future transportation infrastructure needs.
- 
**User Equity:** Recovering a proportionate share of the costs from those who use the transportation network.
- 
**Social Equity:** Improving the distributional impact on historically underserved communities and low-income households.
- 
**Flexibility:** Funding a wide range of transportation-related projects, programs, or priorities across various agencies to meet the needs of system users across all modes.
- 
**Greenhouse Gas Emissions:** Aligning with state transportation GHG reduction goals.
- 
**Transparency/ Efficiency and Ease of Compliance:** Simple to explain, with awareness of how funds are used, cost-effective, and readily administered at statewide and local levels.

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## Example: Guiding Principles used to evaluate revenue options



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## All revenue mechanisms were analyzed



### Fuel taxes

1. Increase rate of flat per-gallon excise tax
2. Add inflation index to flat per-gallon excise tax rate
3. Add fuel efficiency index to flat per-gallon excise tax
4. Add sales tax based on price of fuel
5. Add variable-rate excise tax based on price of fuel



### Vehicle fees

6. Increase basic license fee
7. Increase value-based rate of governmental services tax
8. Add fee based on vehicle weight
9. Add fee based on vehicle fuel economy rating
10. Add fee based on vehicle engine type
11. Add fee based on vehicle age



### Usage-based fees

#### Direct

12. Add a distance-based charge for light-duty vehicles
13. Add a weight-distance-based charge for medium- and heavy-duty vehicles

#### Indirect

14. Add a tax on batteries
15. Add a tax on tires
16. Add a tax on EV electricity consumed

### Other

17. Value added tax on goods movement
18. Parcel delivery fees
19. Ride-share surcharges
20. Cordon charges in urban areas
21. Carbon tax
22. Street utility fee
23. Payroll tax
24. Land use impact fees

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## Six remaining revenue options for analysis and consideration

### Longer-term sustainable statewide revenue sources

- Distance-based charge for light-duty vehicles (RUC)
- Increase value-based rate of governmental services tax (GST) *f*

### Near-term statewide revenue sources

- Increase rate of flat per-gallon gas and diesel excise tax
- Increase the basic vehicle license fee for all vehicles
- Add inflation index to flat per-gallon excise tax rate
- Distance-based charge for EVs (RUC), with option to pay flat fee for unlimited mileage in lieu of RUC

### Better suited as local revenue sources

- Street utility fee *f*
- Cordon charge in urbanized areas
- Ride-share surcharges + *f*
- Land use impact fees +

### No longer under consideration

- Parcel delivery fee + *f*
- Add a tax on tires *f*
- Add fee based on vehicle engine type
- Land use impact fees
- Carbon tax + *f*
- Add fee based on vehicle weight
- Add fee based on vehicle fuel economy rating
- Add fee based on vehicle age
- Weight-distance-based charged for medium- and heavy-duty vehicles
- Taxes on electricity consumed by electric vehicles *f*
- Add a tax on EV batteries *f*
- Payroll tax *f*
- Value added tax on goods movement *f*
- General fund transfers *f*
- Income tax *f*

#### Key:

● ● ● ● = Guiding Principles composite rating.

+ possible policy recommendations forthcoming

*f* = flexible transportation funding

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**DRAFT ONLY – NO FINAL DECISIONS MADE:**

## A blueprint for sustainable transportation funding in Nevada

- Develop a mileage-based charge to capture road usage by electric vehicles (EVs), while setting the stage for a future transition away from the gas tax for all new vehicles.
- Until a mileage-based fee for EVs can be implemented, enact a special registration fee for electric vehicles, collected at the time of vehicle registration renewal.
  - The mileage-based road usage charge for electric vehicles should offer drivers a choice between a charge based on actual miles traveled by the vehicle, or a higher fixed annual fee allowing unlimited miles during the year.
  - An initial mileage-based road usage charge should build upon current state law requiring vehicle owners to report odometer readings to the Nevada Department of Motor Vehicles (DMV) with registration renewals. Final effective dates for implementing a mileage-based road usage charge for electric vehicles should be aligned with DMV's ongoing information technology system modernization effort.
- As an eventual replacement for the gas tax, extend the per-mile road usage charge developed for electric vehicles to all new vehicles in the future.

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**DRAFT ONLY – NO FINAL DECISIONS MADE :**

## Transportation revenue sources best suited to meet immediate needs

To address the current backlog of transportation projects and services while longer-term, sustainable funding mechanisms are being developed, the Legislature should rely on adjustments to existing transportation revenue sources to generate needed funding by:

- (A) increasing statewide fuel taxes (gasoline and diesel);
- (B) Indexing the portion of fuel taxes not already indexed (outside of Clark and Washoe Counties) to keep pace with construction cost increases over time, while limiting increases to a 10-year rolling average of the producer price index, with a maximum annual cap on inflationary adjustments
- (C) Enabling county commissions to enact inflation adjustments to the county's portion of the gas tax, with the same indexing formula and limitations as statewide fuel taxes\*
- (D) Increasing vehicle registration fees to provide modest revenue for highway purposes
- (E) Increasing the Governmental Services Tax (GST) and restrict the proceeds of the increase to highway purposes and other transportation-related programs at the state level

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**DRAFT ONLY – NO FINAL DECISIONS MADE:**

## Statewide land use commission to examine transportation impacts

Establish a broad-based statewide land use commission to examine land use laws and regulations, and address, among other things, the cost of land use decisions on transportation & other public infrastructure and mechanisms for capturing these costs.

This land use commission must include representation from state and local governments, and a broad range of stakeholders and industry sectors beyond transportation.

## Final report to the Legislature: Findings, Conclusions, & Recommendations



## Final report to the Legislature: remaining milestones for on-time delivery

	<b>November 2022   FINAL AWG Meeting (online only):</b>	
	<ul style="list-style-type: none"><li>Review, discuss, and approve final report and recommendations</li></ul>	
	<b>December 2022   Final Report Production and Delivery:</b>	
	<ul style="list-style-type: none"><li>Final report edited and produced</li><li>Formal transmittal to the Legislature by December 31, 2022</li></ul>	

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## More information:



[www.NVTransportationFuture.org](http://www.NVTransportationFuture.org)

[info@NVTransportationFuture.org](mailto:info@NVTransportationFuture.org)

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**AGENDA ITEM #6**

# **TOPICS OF INTEREST**

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## AND CLOSING REMARKS



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**AGENDA ITEM #7**

# **FINAL CITIZENS**

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## PARTICIPATION



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