



WE'RE GOING PLACES. LET'S GO TOGETHER

## AGENDA ITEMS

<p><b>01</b></p> <p><b>Citizens Participation</b> Conduct a Comment Period For Citizens Participation</p>	<p><b>02</b></p> <p><b>Approve the Minutes</b> Approval of Minutes Meeting of September 26, 2024 <i>(For Possible Action)</i></p>	<p><b>03</b></p> <p><b>NDOT Presentation</b> Receive a Presentation From NDOT Regarding the Continuation of the Sustainable Transportation Funding Alternatives</p>	<p><b>04</b></p> <p><b>FRI Discussion</b> Receive a Presentation From the RTC on Potential Impacts Without the Extension of FRI</p>
<p><b>05</b></p> <p><b>RTC's Financial Model</b> Overview of the RTC's Financial Model Including Alternative Scenario Testing</p>	<p><b>06</b></p> <p><b>Open Discussion</b> Conduct an Open Discussion on FRI and Other Topics Related to TRAC</p>	<p><b>07</b></p> <p><b>Citizens Participation</b> Conduct a Comment Period For Citizens Participation</p>	

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# Electric & Hybrid Vehicle Parity Fee Information

Transportation Resource Advisory Committee and Community Collaboration  
 Regional Transportation Commission of Southern Nevada  
 October 23, 2024  
 3:00 PM

Jeff Doyle, J.D.,  
 Transportation Advisory Services  
 CDM Smith

Travis Dunn, Ph.D.,  
 Transportation Advisory Services  
 CDM Smith

## Introduction

CDM Smith Inc. Transportation Advisory Services was retained by the Nevada Department of Transportation to provide financial and policy analysis and support for the Nevada Sustainable Transportation Funding Study and 29-member Advisory Working Group (AWG), originally commissioned by AB 413 (2021) to investigate transportation funding needs and sustainable revenue options for Nevada's transportation system.

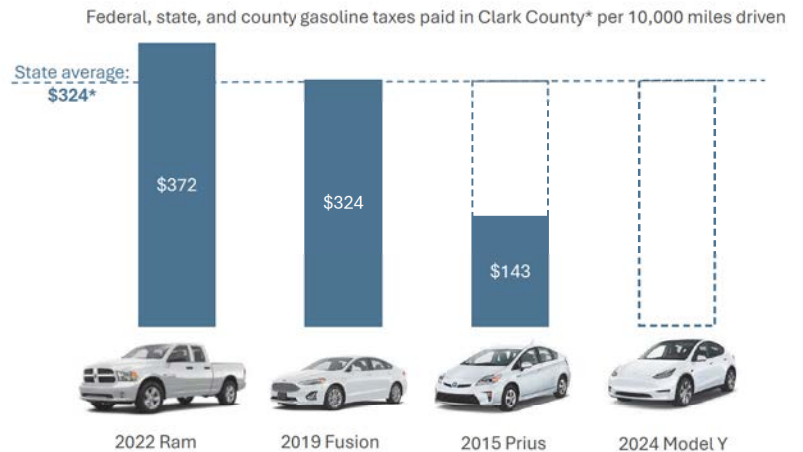
CDM Smith continues to provide analysis in support of the Final Recommendations issued by the Advisory Working Group.

### Presenting today:

Jeff Doyle, J.D.,  
 CDM Smith

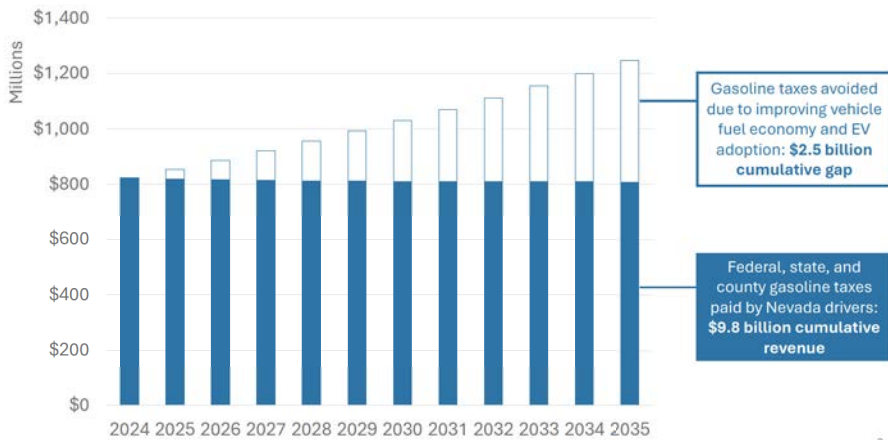
Travis Dunn, Ph.D.,  
 CDM Smith

## Electric drive vehicles and hybrids contribute less than average (or for EVs, zero) in gas tax revenue needed for the upkeep and maintenance of the state's roads and bridges



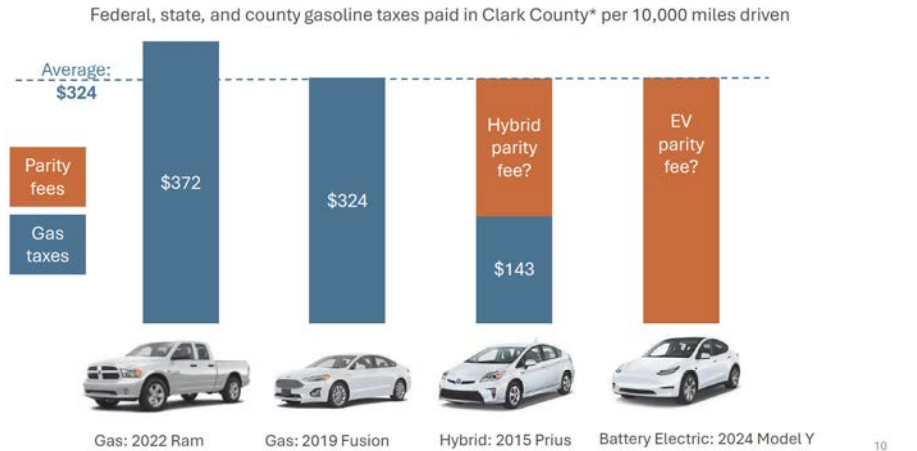


**In aggregate, avoided contributions of federal, state, and county gasoline taxes by EVs and hybrid vehicles will grow to over \$400 million per year by 2035**



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**Options exist for achieving gasoline tax parity through additional vehicle registration fees – “Parity Fees”**



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**Considerations for establishing parity fees for electric and hybrid vehicles**

**Fairness**

- Fixed registration fees approximate parity with gas taxes *on average*. Fees that vary by vehicle fuel economy and/or miles driven provide a closer approximation to parity with gas taxes on an individual basis.

**Complexity of implementation**

**Revenue yield**

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**Considerations for establishing parity fees for electric and hybrid vehicles**

**Fairness**

- Fixed registration fees approximate parity with gas taxes *on average*. Fees that vary by vehicle fuel economy and/or miles driven provide a closer approximation to parity with gas taxes on an individual basis.

**Complexity of implementation**

- Nevada DMV will be responsible for collecting parity fees. More complex fee structures such as fees that vary by county of residence or vehicle characteristics will require additional time and effort to program, whether on DMV’s legacy system or the modernized system.

**Revenue yield**

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## Considerations for establishing parity fees for electric and hybrid vehicles

### Fairness

- ▶ Fixed registration fees approximate parity with gas taxes *on average*. Fees that vary by vehicle fuel economy and/or miles driven provide a closer approximation to parity with gas taxes on an individual basis.

### Complexity of implementation

- ▶ Nevada DMV will be responsible for collecting parity fees. More complex fee structures such as fees that vary by county of residence or vehicle characteristics will require additional time and effort to program, whether on DMV's legacy system or the modernized system.

### Revenue yield

- ▶ Depending on how parity fee rates are set, a portion of the revenue gap created by declining gas tax contributions can be addressed. Parity fees do not address the revenue gap created by highly fuel-efficiency conventional cars.

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## Considerations for establishing parity fees for alternative fuel vehicles

### Fairness

- ▶ Fixed registration fees approximate parity with gas taxes *on average*. Fees that vary by vehicle fuel economy and/or miles driven provide a closer approximation to parity with gas taxes on an individual basis.

### Complexity of implementation

- ▶ Nevada DMV will be responsible for collecting parity fees. More complex fee structures such as fees that vary by county of residence or vehicle characteristics will require additional time and effort to program, whether on DMV's legacy system or the modernized system.

### Revenue yield

- ▶ Depending on how parity fee rates are set, a portion of the revenue gap created by declining gas tax contributions can be addressed. Parity fees do not address the revenue gap created by highly fuel-efficiency conventional cars.

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## Example Parity Fee Approaches

**Example 1: Fixed Parity Fee.** Electric and hydrogen fuel cell vehicles pay a fixed yearly amount that varies by county. Hybrids that do not plug in pay 50% of the Parity Fee.  
*Less fair, simpler to implement*

The average vehicle in Nevada drives 9,234 miles per year at 23 miles per gallon. In Clark County, this translates to \$299 per year in federal, state, and county gasoline taxes.

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## Example 1: Fixed Annual Fee Schedule by County

Based on federal, state, and county gasoline taxes paid for a statewide average vehicle (driven 9,234 miles per year at 23 miles per gallon)

County	EV and PHEV	Hybrid
Washoe	\$402	\$201
Clark	\$299	\$150
9-cent counties*	\$206	\$103
4-cent counties**	\$186	\$93
Statewide average	\$304	\$152

\*Carson City, Churchill, Douglas, Elko, Humboldt, Lander, Lyon, Mineral, Nye, Pershing, White Pine  
\*\*Esmeralda, Eureka, Lincoln, Storey

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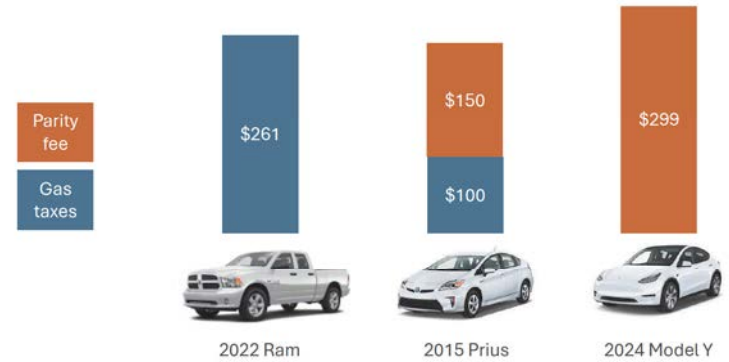
### Example Parity Fee Approaches

**Example 2: Usage-based Parity Fee.** All vehicles subject to the Parity Fee pay an amount that varies based on the vehicle's county of residence, MPG or MPGe rating, and annual usage (measured in miles driven).

*More fair, more complex to implement*

Fees can vary depending on choices made in the development of a rate table. In this example, fees vary from \$28 to \$724 per year depending on county, vehicle type, MPG rating, and annual miles driven.

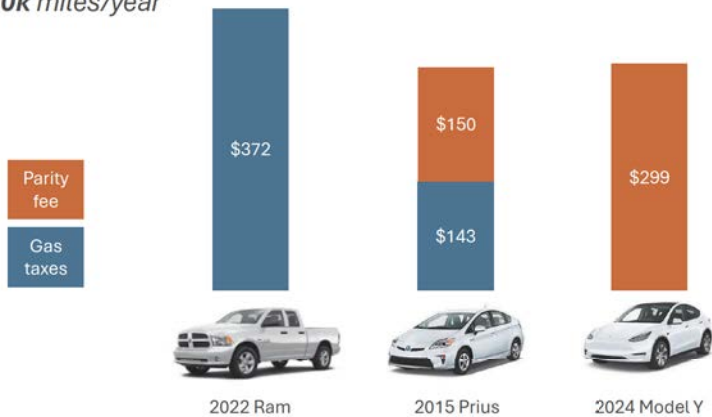
### Example 1: Fixed Fee, Clark County, 7k miles/year



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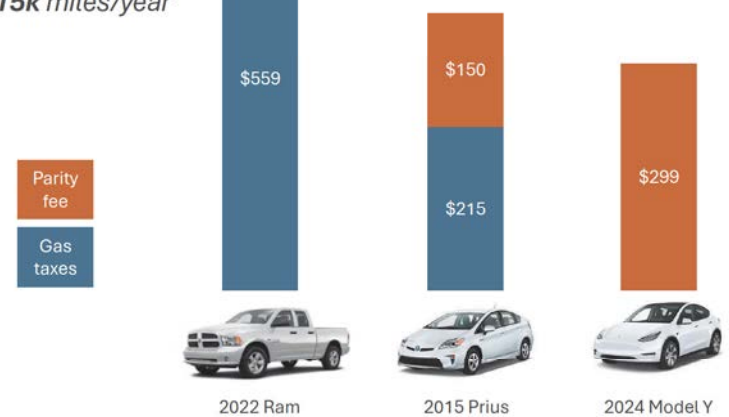
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### Example 1: Fixed Fee, Clark County, 10k miles/year



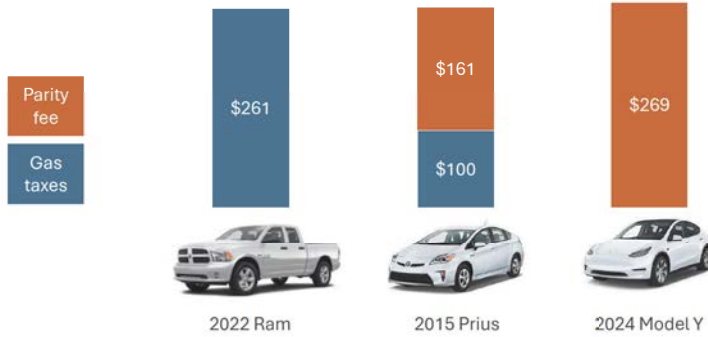
19

### Example 1: Fixed Fee, Clark County, 15k miles/year



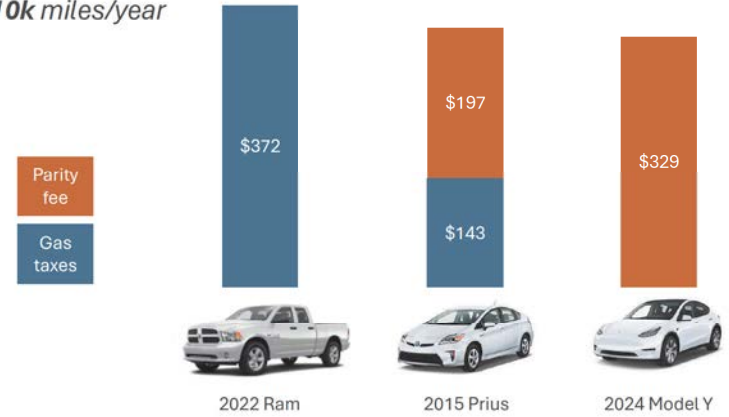
20

**Example 2:**  
Variable Fee,  
Clark County,  
7k miles/year



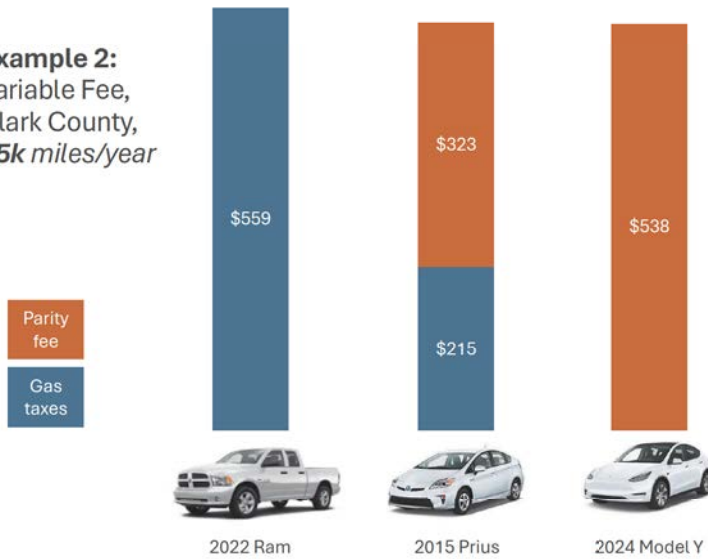
21

**Example 2:**  
Variable Fee,  
Clark County,  
10k miles/year



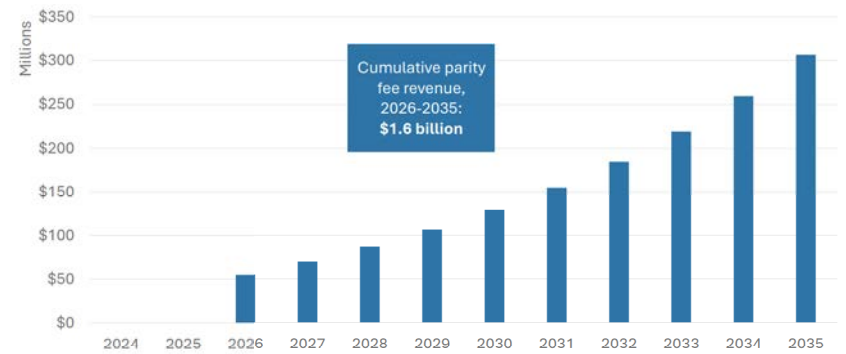
22

**Example 2:**  
Variable Fee,  
Clark County,  
15k miles/year



23

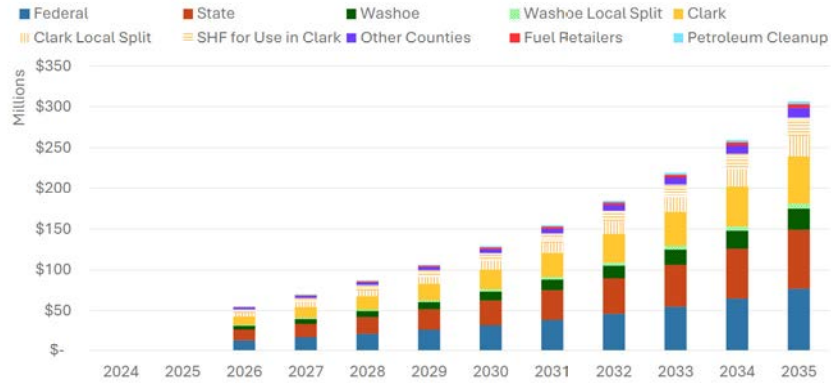
**Estimated Annual Parity Fee Revenues**  
Note: inflation index assumed at 2.5% per year



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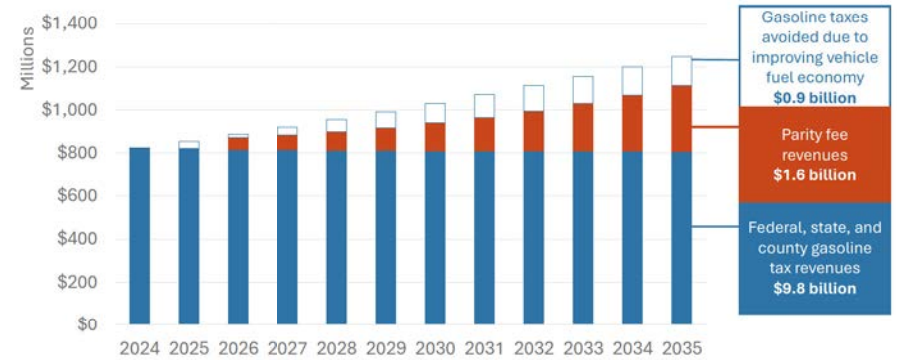
### Distribution of Parity Fee Revenues Following Motor Fuel Tax Statutes\*

\* Estimates assume all counties opt in to a county parity fee

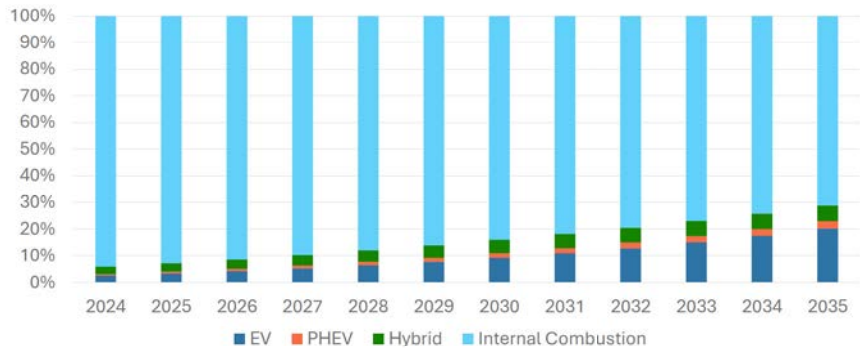


### Parity fees fill a portion of the statewide gas tax revenue gap

Note: inflation index assumed at 2.5% per year



### Assumed Vehicle Population



### Questions?

Travis Dunn, Ph.D.,  
Transportation Advisory Services  
CDM Smith

[Dunnntp@CDMSmith.com](mailto:Dunnntp@CDMSmith.com)

Thank you.



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**RTC SOUTHERN NEVADA FUEL INDEXING PROGRAM**  
THE REGIONAL TRANSPORTATION COMMISSION OF SOUTHERN NEVADA (RTC) HAS IDENTIFIED EXTENDING FUEL REVENUE INDEXING BEYOND 2026 AS ITS TOP PRIORITY DURING THE 2025 NEVADA LEGISLATIVE SESSION.

**ABOUT FUEL REVENUE INDEXING (FRI)**

- ▲ FRI enables the RTC to keep pace with rising costs by tying fuel taxes to inflation ensuring continued funding for the roadway projects that Southern Nevada relies on.
- ▲ It is a program that adjusts the fuel tax portion of every gallon of gasoline purchased in Clark County to fund transportation projects.
- ▲ On average, motorists contribute 29 cents per day.
- ▲ The current FRI program is set to run through 2026.

**THE SUCCESS OF FRI**

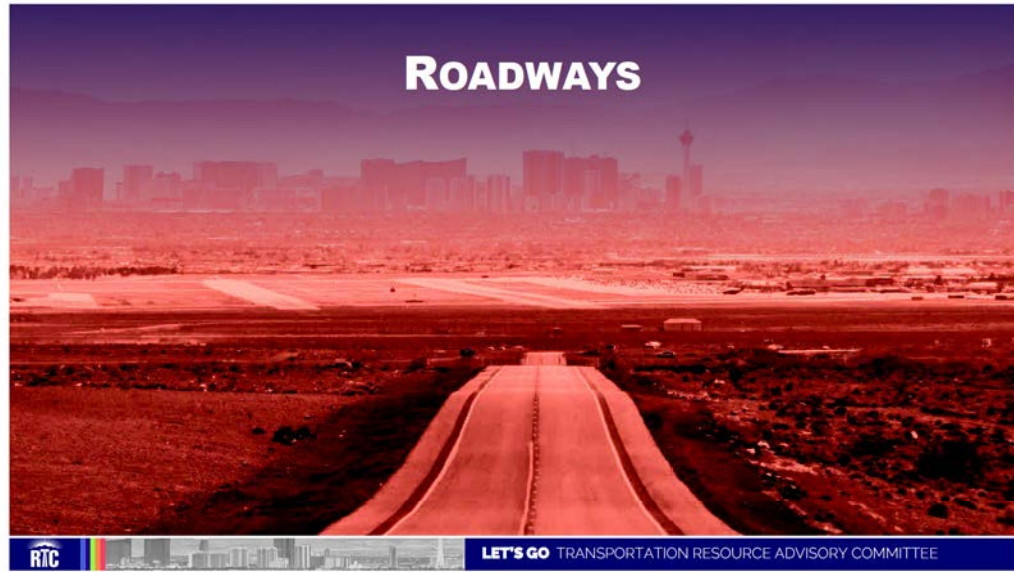
- ▲ Since its inception in January 2014, FRI has generated over \$900 million in additional funding to support hundreds of roadway projects across Southern Nevada.
- ▲ With FRI, the RTC's roadway funding program has sustained over 19,820 jobs, supporting 78 local small businesses, and generated over \$1 billion for transportation investments.
- ▲ These projects have significantly improved Southern Nevada's roadway network, reducing congestion, expanding road capacity, and supporting economic growth.

**CONSEQUENCES OF LOSS**

- ▲ The continuation of FRI is crucial for long-term mobility and economic growth. Without FRI, agencies will face a significant funding gap.
- ▲ While the current FRI program is set to run through 2026, the RTC is committed to ensuring continued funding for the roadway projects that Southern Nevada relies on.

**LET'S GO** TRANSPORTATION RESOURCE ADVISORY COMMITTEE

# ROADWAYS



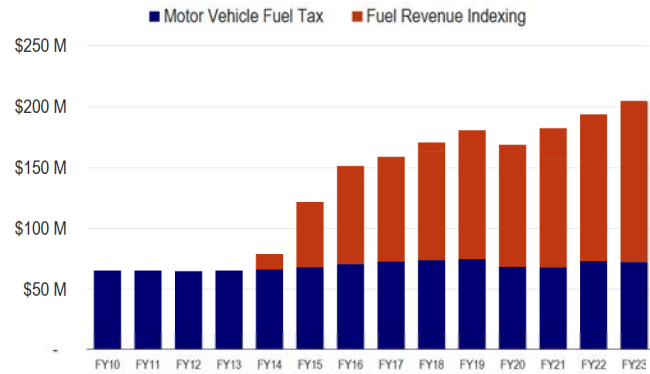
# HOW ROADS GET FUNDED





# RTC FUEL TAX COLLECTIONS

ACTUAL



While Motor Vehicle Fuel Tax revenue has remained flat for more than a decade, FRI has generated **\$900+ MILLION** to help fund critical roadway projects.

Source: Regional Transportation Commission. Note: Totals include revenue for gasoline and special fuels such as diesel.

# FUEL TAX BREAKDOWN

How Much Have We Collected?



Despite rising gas prices, we collect **75 cents** in taxes.

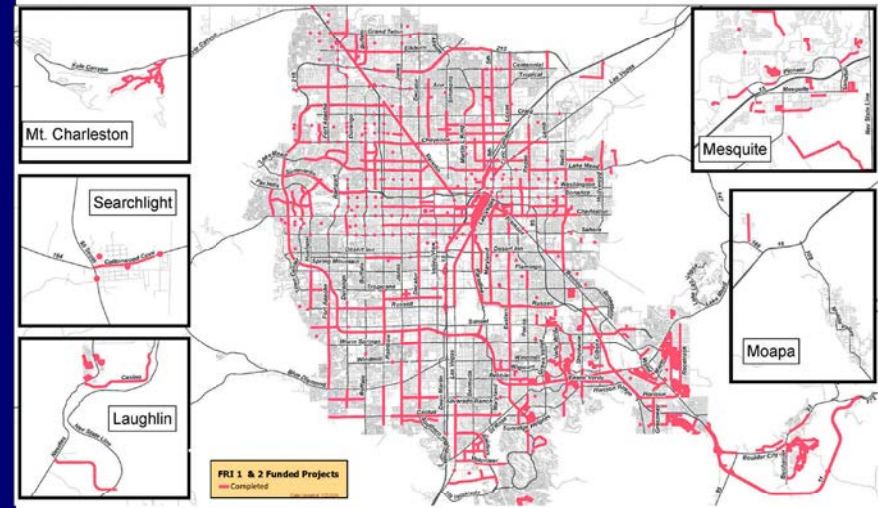
- ✓ **24.6 cents** goes to the RTC
- ✓ **9 cents** goes to the county
- ✓ **23 cents** goes to the state
- ✓ **18.4 cents** goes to the federal government

# FRI EXTENSION COST PER VEHICLE

ON AVERAGE, VEHICLE OWNERS PAY **29 CENTS PER DAY** TOWARD FRI.

Source: Nevada Department of Motor Vehicles, U.S. Bureau of Labor Statistics, FHWA, and Applied Analysis

# FRI FUNDED ROADWAY PROJECTS (1&2)



# ROADWAY FUNDING PROGRAM



78

LOCAL SMALL  
BUSINESSES SUPPORTED



\$2.8 B

AWARDED IN  
ROADWAY PROJECTS



19K+

JOBS  
CREATED

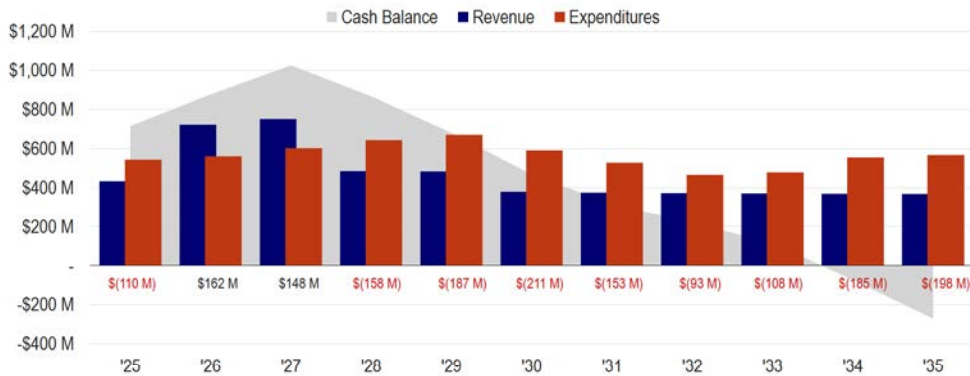


# CAPITAL IMPROVEMENT PROGRAM (CIP)



# RTC CASH BALANCE

ROADWAYS



# REGIONAL OVERVIEW

45M VISITORS

2.3M RESIDENTS

±10K MILES OF ROADWAY

~~\$300 Million~~

ANNUAL ROADWAY  
DEVELOPMENT AND  
MAINTENANCE SPEND





## IDENTIFIED UNFUNDED PROJECTS

**166**  
UNFUNDED  
PROJECTS

**\$2.2 B**  
ESTIMATED  
PROJECT COST



## FUTURE ECONOMIC DEVELOPMENT



## TRANSIT

LAS VEGAS



## CURRENT TRANSIT OPERATIONS



**39**

Fixed Transit Routes



**52M**

Fixed-Route Passenger Rides



**80%**

Of Riders Are Employed  
or Seeking Work

Note: As of Fiscal Year 2024



## BUDGET ADJUSTMENTS

- ☑ Deferring Capital Projects
- ☑ Cutting Contracted Services up to 15%
- ☑ Implementing a Hiring Freeze
- ☑ 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.  
 Disclaimer: Based upon current projections in October 2024, the RTC may move forward with these proposed reductions.

## IMPACTS TO TRANSIT

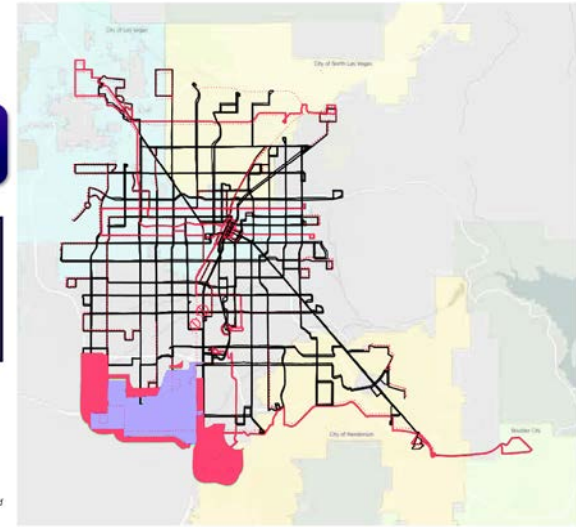
Transit Would Cover **36% Less** of Southern Nevada

Completely Eliminates **7 Routes**  
 Reduces **20 Routes**

Reduces Game Day Express by 50%  
 (3 Locations)

Reduces RTC OnDemand Zone by 50%

Disclaimer: Based upon current projections in October 2024, the RTC may move forward with these proposed reductions.



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## IMPACTS TO TRANSIT

Eliminates Service to **343K Residents (19%)** of Current Population

**57,000+**

Jobs would be **inaccessible**

**22,000+**

Residents **living below the poverty line** would lose service

**4,600+**

Residents **without access to a car** will be without transit service

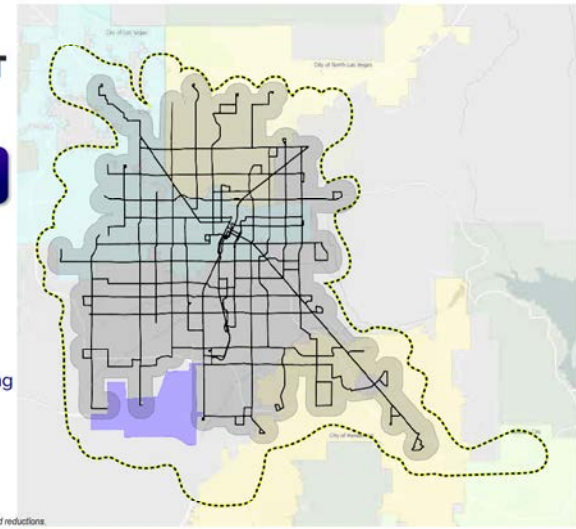
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## IMPACTS TO PARATRANSIT AND SPECIAL SERVICES

Reduces service area by 93.6 miles

- Eliminates services to **3 major hospitals**
- Reduces paratransit service by **6,200 rides monthly** to impacted businesses and medical facilities
- Reduces **senior and veteran services**
- Reduces Community Mobility Grants, impacting **6 nonprofits** that support seniors and persons with disabilities
- Reduces supplemental Medicaid adult day care trips to **9 providers**

Disclaimer: Based upon current projections in October 2024, the RTC may move forward with these proposed reductions.



# OVERALL IMPACTS

Directly Impacts **Local Schools, Businesses and Healthcare Facilities**



Disclaimer: Based upon current projections in October 2024, the RTC may move forward with these proposed reductions.

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# SOME QUESTIONS SINCE LAST MEETING

- ⚙️ When would the FRI reauthorization occur?
- ⚙️ Is the revenue potential for extending FRI enough on its own?
- ⚙️ Can you demonstrate the flexibility with the Q10 dollars?
- ⚙️ What happens to the bottom line with an EV parity fee?
- ⚙️ Would an alternative conveyance fee solve the problem?
- ⚙️ Can you explain the ballot question authorization?
- ⚙️ Can't we simply reduce long-term transportation investments?
- ⚙️ How significant would the transit cuts be?
- ⚙️ What happens if you get nothing?





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## FINAL MEETING

- Thursday, November 21, 2024, 3 p.m.



LET'S GO TRANSPORTATION RESOURCE ADVISORY COMMITTEE

## BIPARTISAN LEGISLATIVE BRANCH PANEL DISCUSSION

HEAR FROM A PANEL OF BIPARTISAN LEGISLATORS  
WHO WILL SHARE THEIR VALUABLE INSIGHTS  
RELATIVE TO TRANSPORTATION.



LET'S GO TRANSPORTATION RESOURCE ADVISORY COMMITTEE

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# LET'S GO

TRANSPORTATION RESOURCE ADVISORY  
COMMITTEE AND COMMUNITY COLLABORATION

WE'RE GOING PLACES. LET'S GO TOGETHER