

HB 277

Transportation Investment Act of 2010



Bill Overview

- **Transportation Sales and Use Tax**

- Creates 12 Special tax districts based on RC boundaries
- Each District can levy 1% sales tax for 10 years
- Individual Counties cannot opt out
- Money raised in District stays in district
- Money is not subject to congressional balancing
- Criteria set by Director of Planning (finalized 11/2010)
- Roundtables ultimately select projects
- Vote will be Primary election of 2012
- Funds start flowing in 1st quarter of 2013

Bill Overview

- **MARTA**
 - Eliminates 50/50 requirement
 - Changes Board Make-up
 - Allows MARTA expansion to other counties
- **Transit Governance Study Commission**
 - Preliminary Report due 12/31/2010
- **Creates Georgia Coordinating Committee for Rural and Human Services Transportation**
 - DOT Commissioner serves as Chair
 - Report ultimately goes to General Assembly

Sections 1 & 2

- Assigns the DOT Commissioner the duties and responsibilities for the management of the budget, schedule, execution, and delivery of transportation projects around the State.
- Requires the Director of Planning to be approved by the Senate Transportation Committee, in addition to the House Transportation Committee.

Section 3

MARTA Impacts

- Suspends regulations on MARTA's 50/50 Capital and Operational expenditures for three years (newly available funds are restricted from use on salary and wage increases).
- Changes the MARTA Board, reducing from 18 to 12 members, including elimination of 3 state members. The GDOT Commissioner remains on the MARTA Board as a voting member while the GRTA Executive Director will serve as a non-voting member.

Section 3

MARTA Board

- 11 voting, 1 non-voting
- 3 Atlanta residents nominated by Mayor, elected by City Council
- 4 DeKalb residents appointed by DK BOC
 - 1 south DK resident, 1 north DK resident
- 3 Fulton residents appointed by local governing body
 - 1 south FU resident, 2 north FU residents
- GDOT Commissioner
- GRTA Executive Director (non-voting)

Section 3

MARTA Expansion

- The bill authorizes the counties of Cobb, Gwinnett, and Clayton, the last of which discontinued its public transportation bus service effective April 1, to hold referenda offering their citizens the option of joining MARTA. Counties that join MARTA would agree to pay the MARTA penny tax now paid by residents of Fulton County, DeKalb County, and the City of Atlanta and get two seats on the MARTA board.

Section 4

Georgia Coordinating Committee for Rural and Human Services Transportation

- Creates the Georgia Coordinating Committee for Rural and Human Services Transportation of the Governor's Development Council. Likely a Committee appointed by Governor's Development Council
- The Committee will meet quarterly
- The Committee will examine how transportation services are provided throughout the state and make recommendations to the Office of Planning and Budget.

Section 4

Georgia Coordinating Committee for Rural and Human Services Transportation

- The Committee will establish an Advisory Subcommittee which consists of: *(Note: additional Committees can be appointed)*
 - DOT Commissioner (Chairperson)
 - State School Superintendent
 - DHS Commissioner
 - DBH&DD Commissioner (Dept of Behavioral Health and Development Disabilities)
 - DCH Commissioner
 - DOL Commissioner
 - Governor's Development Council Executive Director
 - DCA Commissioner

Section 4

Georgia Coordinating Committee for Rural and Human Services Transportation

- By **July 1** of each year, the Governor's Development Council shall submit a preliminary report of the Advisory Subcommittee.
- By **September 1** of each year, the Governor's Development Council shall submit a final report to OPB and review and consideration.
- By **January 15**, of each year, OPB will submit final report to General Assembly.

Section 5

Limitations of Taxes

- Removes the cap on local sales and use taxes for the one-percent transportation funding sales tax.
- Provides certain exemptions for jet fuel at Hartsfield, exempts tax on sale of fuel for vehicles and certain equipment, restricts tax to first \$5000 of sale of vehicle.
- Potential lost revenue of \$236.6M
(per Policy Brief from GSU Fiscal Research Center June 2010)

Section 6

Regional Sales Tax

- Creates 12 Special Tax Districts for Transportation along boundaries of Regional Commissions. Individual Counties are not allowed to opt out.
- Based on revenue numbers from 2009, a 1% Sales Tax could raise over \$1.5 B per year.

2009 Revenue from 1% Sales Tax

<u>Regional Commission</u>	<u>2009 Rev (millions)</u>
1. NW Georgia	\$118.9
2. Georgia Mountains	89.7
3. ARC	727.8
4. Three Rivers	70.2
5. NE Georgia	72.8
6. Middle Georgia	78.2
7. Central Savannah River	69.2
8. River Valley	53.8
9. Heart of Georgia	36.5
10. SW Georgia	48.5
11. Southern Georgia	56.6
12. Coastal	117.5

Section 6

- Upon approval of the Statewide Strategic Plan by the GDOT Board, the Director of Planning will establish the criteria for a district's investment list and provide those criteria in written form to the local governments and MPO's within all 12 districts. **(Likely July 2010)**
- Comments on the recommended criteria from MPOs or local governments are due to the Director of Planning by **Sept 30, 2010.**
- Recommended district criteria issued by the Director on or before **November 15, 2010.**
 - The report must include notice of the first meeting of the Regional Transportation Roundtable.

SSTP to Help Shape Project Criteria

At a minimum, project criteria will comport with the Goals and Objectives from the SSTP

Goal	Objective	Performance Metric
1 Supporting Georgia's economic growth and competitiveness	Improved access to jobs, encouraging growth in private-sector employment, work force	<ul style="list-style-type: none"> Average number of workers reaching major employment centers by car in 45 minutes* Average number of workers reaching major employment centers by transit in 45 minutes*
	Reduction in traffic congestion costs	<ul style="list-style-type: none"> Annual congestion cost*
	Improved efficiency, reliability of commutes in major metropolitan areas	<ul style="list-style-type: none"> Average commute time* Number of people taking reliable trips per day (peak hour)*
	Efficiency and reliability of freight, cargo, and goods movement	<ul style="list-style-type: none"> Travel times between Georgia "gateways" and key origins and destinations Supply-chain costs by corridor (cost of congestion + direct inventory cost + obsolescence cost)
	Border to border and interregional connectivity	<ul style="list-style-type: none"> Interstate share of vehicle miles traveled (VMT) % of population within 20 miles of a 4-lane highway
2 Ensuring safety and security	Support for local connectivity to statewide transportation network	<ul style="list-style-type: none"> % of state transportation funding spent on local roads
	Reduction in crashes resulting in injury and loss of life	<ul style="list-style-type: none"> Number of traffic fatalities
3 Maximizing the value of Georgia's assets, getting the most out of the existing network	Optimized capital asset management	<ul style="list-style-type: none"> % of state highways with pavements that meet or exceed minimum standards % of state bridges that meet or exceed minimum standards % of transit assets in "Good Repair"
	Optimized throughput of people and goods through network assets throughout the day	<ul style="list-style-type: none"> Peak-hour freeway VMT* Peak-hour freeway speed: managed lanes, HOV vs. general purpose* Freeway accident clearance time* Peak-hour mode split (total/markets served by transit) Operating cost per unlinked passenger trip by mode Operating cost per passenger mile by mode
4 Minimize impact on the environment	Reduce emissions, improve air quality statewide, limit footprint	<ul style="list-style-type: none"> Exceedances of federal 8-hour ozone standard

Section 6

- Bill establishes a *Regional Transportation Roundtable* in each special district
- First meeting after 11/15/10; final meeting after 8/15/11.
- Consists of 2 members from each county
 - BOC Chair or sole commissioner
 - Mayor elected by mayors of the county
 - *For Atlanta Roundtable, Mayor of Atlanta is added to make 21 members*
- Bill establishes an *Executive Committee*
 - 5 members of the *Roundtable* selected by its members
 - 3 non-voting members who are legislators selected by Chairs of House and Senate Transportation Committees

Section 6

- **By no later than 8/15/11** – PD will provide *draft example investment project list* to local governments, MPOs and members of the General Assembly.
 - Draft list does not have to be fiscally restrained.
 - Draft list will include specific public benefits of the investment list, including congestion mitigation, increased lane capacity, public safety, and economic development
 - Notice of the final *Roundtable* meeting will be included

“Project Definition”

- Proceeds of the tax may only be used for voter-approved projects, which includes administration, engineering, property acquisition, construction, maintenance, and operations (excludes maintenance and operations of MARTA’s existing system).

Section 6

- *Final project list*
 - *Executive Committee* in collaboration with Planning Director will develop the *final project list* from projects on the *draft project list*
 - *Final project list* will be provided to each *Roundtable*
 - *Roundtable* can approve the *final project list* as submitted or amend with substitute projects from the *draft project list*
 - *Final project list* goes to the full *Roundtable* for approval. Majority vote is required.
 - Prior to the final *Roundtable* meeting (late 2011), *Executive Committee* must hold two public hearings on the *final project list*.

Section 6

- **By 10/15/11** – If final project list not approved by *Roundtable*, a “special district gridlock” is declared.
 - Gridlocked district cannot call a new vote for 24 months
 - Local governments in district must match **50%** of their Local Maintenance and Improvement Grants
- **General Primary 2012** – Statewide vote
 - Tax not approved in district - local governments in district then must match **30%** of their Local Maintenance and Improvement Grants. Cannot revisit for 24 months.
 - Tax approved in district
 - Collection begins at least 80 days from election
 - Local governments in district must only match **10%** of their Local Maintenance and Improvement Grants for the next ten years

What is the Local Maintenance & Improvement Grant Program (LMIG)

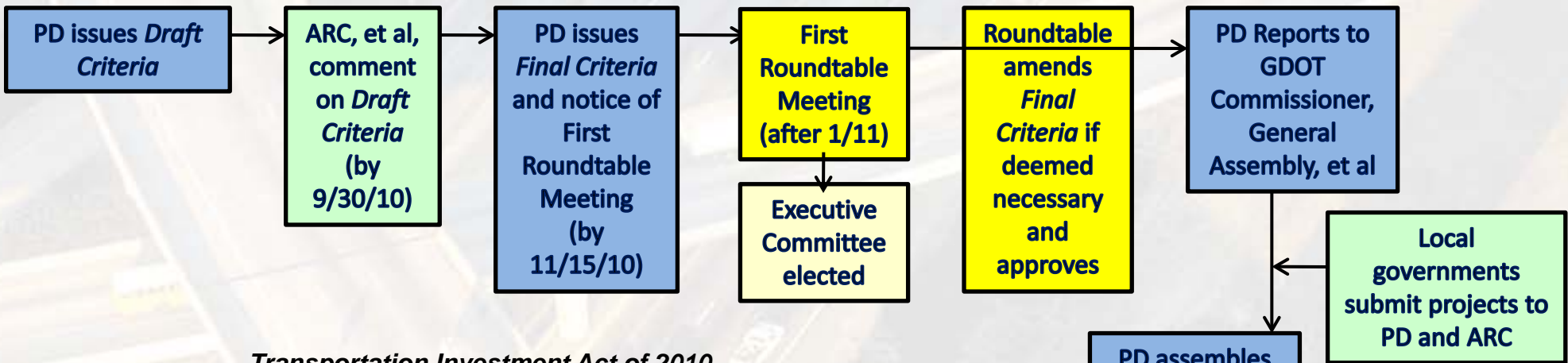
- Combines former State-Aid and LARP programs
- Funding allocations based on formula –paved & unpaved mileage and population. (weighted average of 1/3 Population and 2/3 mileage)
- Program uses at a minimum 10%(max 20%) of the previous years collection of Motor Fuel Taxes
- Local governments approach DOT with their wish priority of local projects.
- LMIG funds are from MFT not Regional Sales Tax funds.

Local Maintenance & Improvement Grant Program (LMIG)

Project types include, but are not limited to:

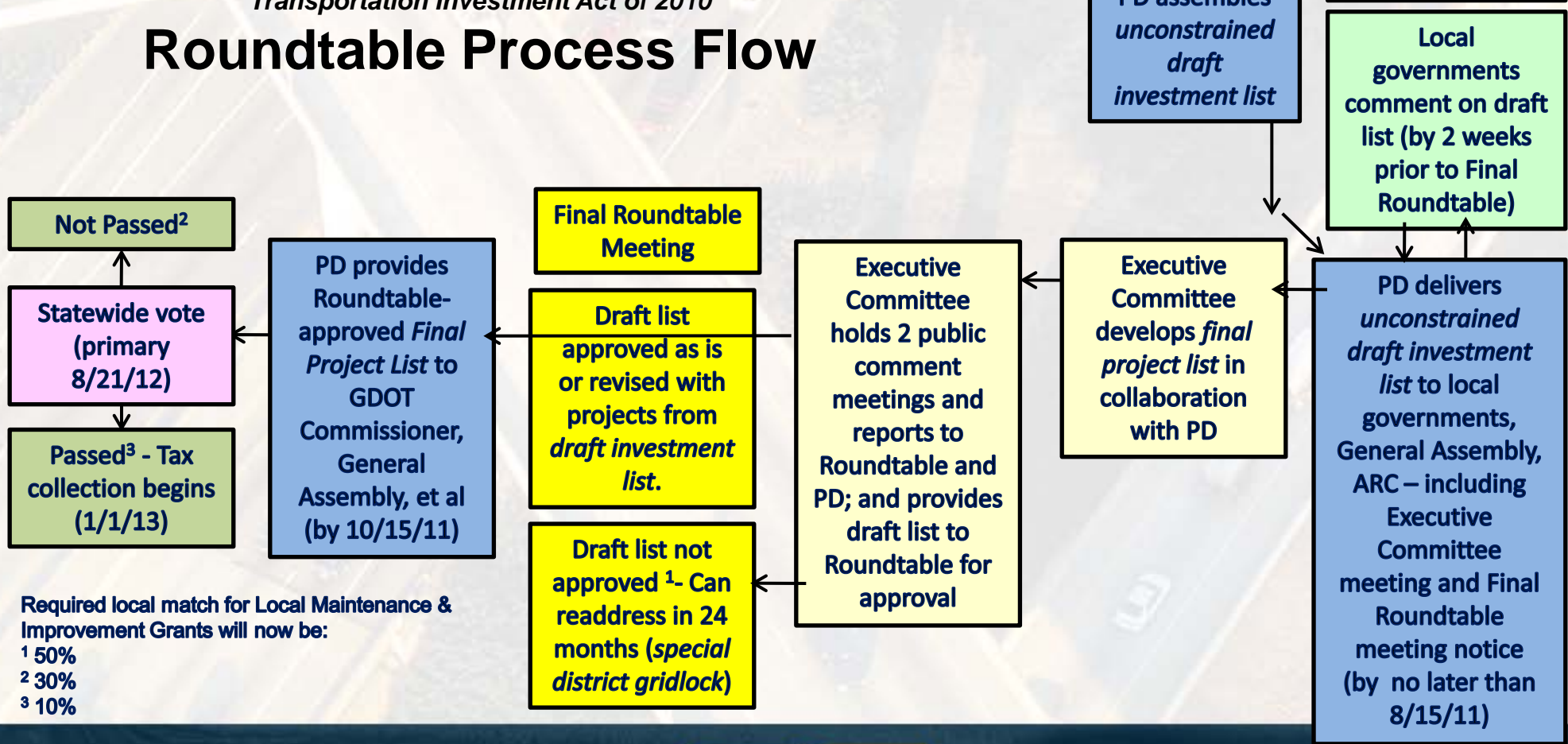
- Patching and resurfacing
- New location
- Widening
- Turn lanes
- Rehabilitation
- Intersections
- Dirt road upgrades
- Safety upgrades
- Culvert/bridge repair or replacement

•MFT are limited to Roads and bridges only.



Transportation Investment Act of 2010

Roundtable Process Flow



Required local match for Local Maintenance & Improvement Grants will now be:

¹ 50%

² 30%

³ 10%

Section 6

- The tax is levied for a 10-year term.
- All revenues will be invested in the district where the funds are collected.
- A portion of each district's revenues will be designated for discretionary use by local governments within the district, based on the "LARP" formula as defined in bill. The discretionary portion will be 15% in the Metro Atlanta Region and 25% in all other districts.

Section 6

- Projects may include transit capital expenses and revenues may also be used to fund a 20-year reserve for a district's transit maintenance & operations requirements (includes new MARTA capital projects).
- Upon conclusion of the 10-year levy, the list development process and ballot may be reinitiated per a majority of the district's counties and a special act of the General Assembly.

Section 6

- Creates a five member **Citizens Review Panel** which is charged with the review of the administration of the projects and programs included on the investment list.
- Members of the panel must be residents of the region. The Speaker has three appointees and the Lt. Governor has two.
- Beginning 1/1/13, this panel must annually report to the General Assembly on project progress and expenditures.

Section 6

- The **Georgia State Financing and Investment Commission** (GSFIC) will serve as the trustee for each district's funds.
- GDOT will manage the budget, schedule, execution, and delivery of all projects in the state, except bus and rail mass transit systems and passenger rail in the Metro Atlanta Region, which will be managed by GRTA.
- Upon completion of a project or as funds are needed for project "elements", GDOT (or GRTA) will invoice GSFIC, which shall make payments "promptly".
- GDOT, GRTA, and GSFIC will consult quarterly on the schedule and delivery of projects on the approved investment list.

Section 6

- GDOT and GRTA are authorized to determine whether a project should be designed and constructed by the department, by a local government, or by another public or private entity.
- The DOR Commissioner will publish and maintain a website that shows a project's status and whether the project is over or under budget.
- The investments made with this tax are not subject to balancing.

Section 6

- Ballot Question

() Yes

() No

Shall _____ County's transportation system and the transportation network in this region and the state be improved by providing for a 1 percent special district transportation sales and use tax for the purpose of transportation projects and programs for a period of ten years.

Section 7

Transit Governance Study Commission

- Creates a Transit Governance Study Commission which shall prepare a preliminary report on the feasibility of combining all of the regional public transportation entities into an integrated regional body. Commission also has role of prioritization of transit projects.

Section 7

Transit Governance Study Commission

- 4 Senators from ARC district appointed by Lieutenant Governor
- 4 Representatives from ARC district appointed by House Speaker
- Chair of MARTA Oversight Committee
- ARC Chair
- RTC Chair
- ARC Staff person
- GRTA Executive Director
- MARTA GM
- Directors of other county transit systems
 - Note – Legislative member will serve as chair

Section 7

Transit Governance Study Commission

- By 12/31/10 – Preliminary report due to the Governor, Lt Governor, and Speaker of the House
- By 8/1/11 – Final report to Governor, Lt Governor, and Speaker of the House with findings, recommendations, and proposed legislation.
- 8/1/11 – Commission is abolished unless extended by General Assembly.