

October 26, 2004

**RESOLUTION OF THE MOUNTAINLAND ASSOCIATION OF GOVERNMENTS
AND THE WASATCH FRONT REGIONAL COUNCIL**

WHEREAS, the Mountainland Association of Governments (MAG) and the Wasatch Front Regional Council (WFRC) are metropolitan planning organizations (MPOs) required under federal law and responsible for the planning of transportation infrastructure improvements in the Weber, Davis, Salt Lake and Utah County urban areas; and

WHEREAS, the governing boards of Mountainland Association of Governments and the Wasatch Front Regional Council are comprised of mayors and elected county officials representing those urban areas; and

WHEREAS, the two metropolitan planning organizations together represent 81 percent of the population of the state; and

WHEREAS, by the year 2030, the population in the two MPOs is expected to increase by 54 percent, travel demand is expected to increase by 76 percent, and individual delay will increase by 94 percent with the implementation of the Long Range Plans and by 300 percent without any improvements; and

WHEREAS, continued mobility, air quality, public health and preservation of open space are critical to the continued economic health and quality of life in Utah's urbanized areas; and

WHEREAS, the two MPOs have developed detailed, carefully coordinated Long Range Transportation Plans to address the projected increase in travel demand; and

WHEREAS, federal revenues will continue to play an important role in the development of major Utah transportation projects; and

WHEREAS, additional state and local revenues are needed today to implement the recommendations of the Long Range Transportation Plans; and

WHEREAS, fuel taxes for transportation systems may not be as viable in the future as they are presently; and

WHEREAS, more stable, broad based, inflation sensitive funding sources including Utah State sales tax and property tax would be beneficial for the long term viability of the transportation system which benefits all citizens; and

WHEREAS, the Mountainland Association of Governments and the Wasatch Front Regional Council have adopted the attached transportation funding principles (Attachment A) to serve as a guide in developing possible funding recommendations; and

WHEREAS, the combined MPO Long Range Plan Finance Committee, jointly established by the Mountainland Association of Governments and the Wasatch Front Regional Council, has carefully and thoroughly studied transportation funding options based on these principles; and

WHEREAS, the combined MPO Long Range Plan Finance Committee developed four potential funding scenarios to finance the highway, transit and other recommendations of the Plan (Attachment B); and

WHEREAS, the combined MPO Long Range Plan Finance Committee has endorsed option 2 of the alternatives listed in Attachment B as the preferred option; and

WHEREAS, the Wasatch Front Regional Council and the Mountainland Association of Governments have reviewed the recommendations of that committee; and

WHEREAS, the Utah State Legislature has created the Transportation Planning Task Force to examine transportation needs and funding possibilities in the State.

NOW THEREFORE, BE IT RESOLVED, that the Wasatch Front Regional Council and the Mountainland Association of Governments gratefully acknowledge the Utah State Legislature and Governor for their support of transportation funding and development in past years; and

BE IT FURTHER RESOLVED, that the Regional Council and the Mountainland Association of Governments strongly support increased funding for highways, public transit, and other modes of transportation to provide for the implementation of the 'shared solution' that will most effectively serve the transportation needs of the Wasatch Front urban area for decades to come and make the Long Range Transportation Plans a reality; and

BE IT FURTHER RESOLVED, that prior to any revenue enhancements, the Utah State Legislature review the existing Utah State budget to determine if there are any other revenues that could be redirected toward transportation needs

BE IT FURTHER RESOLVED, that not less than the equivalent of 20% of the Utah State portion of the Utah State sales tax attributable to licensed motor vehicles related sales (approximately \$60 million in 2004) be dedicated to transportation needs; and

BE IT FURTHER RESOLVED, that the Wasatch Front Regional Council and the Mountainland Association of Governments support and endorse broadening and diversifying funding sources for transportation beyond static gasoline taxes to include sales and property taxes, user fees, and additional local option resources which would allow greater local control and flexibility; and

BE IT FURTHER RESOLVED, that the Wasatch Front Regional Council and the Mountainland Association of Governments recognize that as regional transit systems develop, the levels of service and corresponding funding rates of such systems should be equalized across the region; and

BE IT FURTHER RESOLVED, that, based on the aforementioned funding principles, the Wasatch Front Regional Council and the Mountainland Association of Governments jointly request that the Transportation Planning Task Force and the Legislature consider the four funding options in Attachment B (with full financial projections in Attachment C); and

BE IT FURTHER RESOLVED, that in order to generate new revenues needed today for transportation, the Mountainland Association of Governments and the Wasatch Front Regional Council express their preference for the funding formula listed as Option 2 under Attachment B; and

BE IT FURTHER RESOLVED, that current transportation funding sources and formulas be respected and maintained, including all sources of the Class B and C Road Fund for local roads, and the existing sales tax authorization currently committed to transit in Davis, Weber, Salt Lake, Tooele and Utah Counties; and

BE IT FURTHER RESOLVED, that UTA and UDOT, with the support of local officials, will continue to aggressively seek greater federal financial participation in Utah transportation projects.

/Signed October 26, 2004/

/Signed October 26, 2004/

Glen H. Burton, Chairman
Wasatch Front Regional Council

E. Fritz Boyer, Chairman
Utah Valley Regional Planning Committee
of the Mountainland Association of
Governments

Date _____

Date _____

ATTACHMENT A

Transportation Funding Principles WFRC and MAG

September 30, 2004

1. Transportation needs are a concern at both the state and local level. Funding considerations should address both state and local needs.
2. As the Greater Wasatch Front matures, transportation system plans and funding must be based on a “shared solution” that includes highway, transit, bicycle, and pedestrian improvements in major congested corridors.
3. Existing state, local and transit funding sources should be maintained.
4. Dedicated, separate funding sources should be retained for regional transit improvements and for regional state highways but must be coordinated during project development and implementation.
5. Revenues from new sources ought to grow over time to allow funding to keep up with inflation.
6. Those that benefit directly and indirectly from transportation improvements should shoulder a greater share of the burden of paying for them. Among these are drivers, property owners, businesses, transportation companies, and major developers impacting the regional transportation system.
7. The State Transportation Commission, in consultation with local officials through the MPOs, ought to be the ones to set priorities for the use of transportation funding.
8. In certain circumstances, bonding is an appropriate tool for funding some major highway and transit projects, provided they are identified in project scope and cost.
9. Gas taxes should first be used to maintain and preserve the existing street and highway system.
10. Urban areas need the ability to enact local option taxes within their regions to pay for the greater capacity needs and higher project costs within their borders.
11. Transit and some urban arterial corridors are regional responsibilities. The Legislature needs to give regional officials and transit districts the tools to raise revenues needed to implement transit plans or expand regional highway capacity in urban areas.

ATTACHMENT B

Alternative Transportation Funding Packages

Option 1

Highway

Statewide Sales Tax on Fuel Purchases at Current State and Local Rates

Indexed Statewide Fuel Tax beginning at \$.245/gallon

Statewide Property Tax (.001 rate)

Statewide Vehicle Registration Fees - \$20/vehicle

*Tolls / HOT Lanes**

The equivalent of twenty percent of the Utah State portion of all sales tax from licensed motor vehicle related sales and services to be dedicated to transportation

(estimated \$300 million in 2006 X .20 = \$60 million—current commitment to CHF)

Transit

Equalization of Regional UTA Sales Tax at 0.5%

Additional Sales Tax of 0.25% - entire UTA district

Federal Discretionary Funds

RDA Legislation

Option 2

Highway

Statewide Sales Tax on Fuel Purchases at Current State and Local Rates

Statewide Fuel Tax - \$.05/gallon

Indexed Statewide Fuel Tax beginning at \$.295/gallon

Local Option Gasoline Tax, \$.05/gallon

Statewide Vehicle Registration Fees - \$20/vehicle

*Tolls / HOT Lanes**

The equivalent of twenty percent of the Utah State portion of all sales tax from licensed motor vehicle related sales and services to be dedicated to transportation

(estimated \$300 million in 2006 X .20 = \$60 million—current commitment to CHF)

Transit

Equalization of Regional UTA Sales Tax at 0.5%

GO Bond, Property Tax approvals in 2006 (.00117 rate)

Federal Discretionary Funds

RDA Legislation

*Revenue Estimates Not Available

ATTACHMENT B CONTINUED

Alternative Transportation Funding Packages

Option 3

Highway

Statewide Sales Tax on Fuel Purchases at Current State and Local Rates

Statewide Fuel Tax - \$.10/gallon

Indexed Statewide Fuel Tax beginning at \$.345/gallon

Statewide Vehicle Registration Fees - \$20/vehicle

*Tolls / HOT Lanes**

The equivalent of twenty percent of the Utah State portion of all sales tax from licensed motor vehicle related sales and services to be dedicated to transportation

(estimated \$300 million in 2006 X .20 = \$60 million—current commitment to CHF)

Transit

Equalization of Regional UTA Sales Tax at 0.5%

GO Bond, Property Tax approvals in 2006 (.00117 rate)

Federal Discretionary Funds

RDA Legislation

Option 4

Highway

Statewide Sales Tax on Fuel Purchases at Current State and Local Rates

Sales Tax (estimated \$300 million in 2006) on all licensed motor vehicles related purchases to be directed to transportation

*Tolls / HOT Lanes**

Impact Fees

Transit

Equalization of Regional UTA Sales Tax at 0.5%

GO Bond, Property Tax approvals in 2006 (.00117 rate)

Federal Discretionary Funds

RDA Legislation

*Revenue Estimates Not Available

ATTACHMENT C

Alternative Transportation Funding Strategies

Highway Funding Sources	Total	UDOT Share	Local Share*	Assumptions
Statewide Fuel Tax (\$.05/gallon)#				
2006	\$72,000,000	\$54,000,000	\$18,000,000	3% - Annual Increase in Gallons of Fuel Sold
2006 - 2015	\$821,000,000	\$616,000,000	\$205,000,000	Increase in 2006
2006 - 2030	\$2,611,000,000	\$1,958,000,000	\$653,000,000	
Indexed Statewide Fuel Tax (starting @ \$.295/gallon)#				
2006	\$0	\$0	\$0	3% - Annual Increase in Gallons of Fuel Sold
2006 - 2015	\$749,000,000	\$562,000,000	\$187,000,000	3% - Index per year on Fuel Tax
2006 - 2030	\$8,073,000,000	\$6,055,000,000	\$2,018,000,000	Starts in 2006
Statewide Sales Tax on Fuel Purchases				
2006	\$115,000,000	\$100,000,000	\$15,000,000	3% - Annual Increase in Gallons of Fuel Sold
2006 - 2015	\$1,430,000,000	\$1,246,000,000	\$184,000,000	1.75% - Inflation on Price of Fuel
2006 - 2030	\$5,330,000,000	\$4,646,000,000	\$685,000,000	\$1.47 - Price of Fuel in 2006 Amount reflects 4.75% - State Tax Rate and 1% - Local Tax Rate
Statewide Vehicle Registration Fees (\$20)				
2006	\$42,000,000	\$32,000,000	\$11,000,000	2.5% - Annual Increase in Registered Vehicles
2006 - 2015	\$473,000,000	\$355,000,000	\$118,000,000	Current Registration Fee \$21
2006 - 2030	\$1,442,000,000	\$1,082,000,000	\$361,000,000	
Statewide Property Tax (Tax Rate of .001)				
2006	\$122,000,000	\$122,000,000		.001 - Tax Rate
2006 - 2015	\$1,397,000,000	\$1,397,000,000		3% - Increase in property value
2006 - 2030	\$4,442,000,000	\$4,442,000,000		95% - Collection Rate
Statewide Impact Fees				
2006	\$47,000,000	\$47,000,000		Approximately \$2,000 per residence and Commercial building
2006 - 2015	\$511,000,000	\$511,000,000		
2006 - 2030	\$1,496,000,000	\$1,496,000,000		2% - Annual Increase
Sales Tax on all auto-related purchases				
2006	\$295,000,000	\$295,000,000		\$270,000,000 per year - 2003
2006 - 2015	\$3,382,000,000	\$3,382,000,000		3% - Annual Growth
2006 - 2030	\$10,757,000,000	\$10,757,000,000		

ATTACHMENT C CONTINUED

Alternative Transportation Funding Strategies

Highway Funding Sources	Total	UDOT Share	Local Share*	Assumptions
Local Option Gasoline Tax (\$.05/gallon)				
2006	\$37,000,000			\$37,000,000 3% - Annual Increase in Gallons of Gasoline
2006 - 2015	\$423,000,000			\$423,000,000 \$.05 increase in Gasoline Tax in 2006
2006 - 2030	\$1,347,000,000			\$1,347,000,000 70% of State Gallons sold in 4-County Region

Local Option 1/4% Sales Tax				
2006	\$72,000,000			\$72,000,000 1/4% - Sales Tax Increase
2006 - 2015	\$883,000,000			\$883,000,000 \$63,000,000 per 1/4% increase - 2003
2006 - 2030	\$3,204,000,000			\$3,204,000,000 Reflects sales tax in 4-County region 4.5% - Annual Increase

Local Option Vehicle Registration Fees (\$20)				
2006	\$32,000,000			\$32,000,000 2.5% - Annual Increase in Registered Vehicles
2006 - 2015	\$355,000,000			\$355,000,000 Current Registration Fee \$21
2006 - 2030	\$1,082,000,000			\$1,082,000,000 75% - of State Registered Vehicles assumed in 4-County Region

Local Option Property Tax (Tax Rate of .001)				
2006	\$85,000,000			\$85,000,000 .001 - Tax Rate
2006 - 2015	\$970,000,000			\$970,000,000 3% - Increase in property value
2006 - 2030	\$3,086,000,000			\$3,086,000,000 95% - Collection Rate

<p>Impact Fees and Tolls either for all lanes or for High Occupancy Toll (HOT) lanes are other sources that should be pursued. UDOT will complete a study of the feasibility of toll facilities and the revenue they could generate in the next two months. The Legislature would need to make State Highways eligible to receive funding through impact fees.</p>				
* Note: These funds could be used for both State and Local Highways if authorized.				
# Note: Statewide Fuel Tax revenues are assumed to be split in a 75/25 basis for State/Local Share, as currently allocated.				

Transit Funding Sources	Total	Assumptions		
Equalization of Regional UTA Sales Tax at 0.5%				
2006 - 2012	\$164,000,000	Salt Lake County – 1/16%		
2006 - 2030	\$888,000,000	Box Elder, Utah & Tooele Counties – 1/4%		

Additional Sales Tax of 0.25%				
2006 - 2012	\$577,000,000	4.5% - Annual Increase		
2006 - 2030	\$3,204,000,000	For Entire UTA District		

GO Bond				
2006 - 2012	\$1,609,000,000	Based on .00117 Property Tax Rate		
2006 - 2030	\$3,084,000,000	For Entire UTA District Bond Amount, Not Revenue Stream		

RDA Legislation				
2006 - 2012	\$21-35,000,000	3-5 Million / year		
2006 - 2030	\$75-125,000,000	For Entire UTA District		