

# 2045 LRTP

# FUNDING TECHNICAL MEMORANDUM



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**MARCH 29, 2019**



# 2045 LRTP FUNDING TECHNICAL MEMORANDUM

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# 1 2045 LRTP Funding Executive Summary

The 2045 Long Range Transportation Plan (LRTP) includes revenue projections from existing federal, state, and county sources as well as potential revenue sources. This technical memorandum describes the revenue sources that are reasonably expected to be available for use in developing the 2045 Cost Feasible Plan. Additional details are available in subsections of this report.

Table 1 presents a summary of the 2045 LRTP revenue projections for existing revenue sources and Table 2 presents the summary of revenues for potential new sources.

**Table 1. Summary of Existing Sources, FY 2020-2045**  
*Millions of Year of Expenditure Dollars*

<b>Funding Categories</b>	<b>FY 2020-2024</b>	<b>FY 2025</b>	<b>FY 2026-2030</b>	<b>FY 2031-2035</b>	<b>FY 2036-2045</b>	<b>FY 2026-2045</b>
Federal and State – Capacity	\$1,097	\$79	\$2,031	\$3,870	\$3,679	<b>\$9,581</b>
State – O&M						
Safety, Resurfacing, and O&M	\$746	\$2	\$423	\$456	\$944	<b>\$1,823</b>
State – O&M						
Other Operational Activities	\$351	\$77	\$244	\$263	\$545	<b>\$1,052</b>
Metro/Regional	\$372	\$72	\$125	\$127	\$254	<b>\$506</b>
State – Fuel Tax to Local						
Local Transportation Programs	\$215	\$41	\$103	\$107	\$226	<b>\$435</b>
State – Fuel Tax to Local						
Administration of Local Transportation Programs	\$120	\$24	\$18	\$19	\$40	<b>\$77</b>
Transit (Federal and State)	\$98	\$20	\$276	\$317	\$650	<b>\$1,243</b>
Transit (Local and Other)	\$17	\$4	\$397	\$483	\$1,338	<b>\$2,219</b>
Local						
Local Transportation Programs	\$212	\$44	\$2,969	\$3,411	\$8,800	<b>\$15,181</b>
Local						
Administration of Local Transportation Programs	\$340	\$73	\$41	\$42	\$89	<b>\$172</b>
<b>Total</b>	<b>\$5,143</b>	<b>\$965</b>	<b>\$6,627</b>	<b>\$9,095</b>	<b>\$16,566</b>	<b>\$32,287</b>

Note: Assumes CIT and Ninth-Cent Fuel Tax are renewed.

**Table 2. Summary of Potential Sources, FY 2020-2045**  
**Millions of YOE Dollars**

<b>Source</b>	<b>FY 2020-2024</b>	<b>FY 2025</b>	<b>FY 2026-2030</b>	<b>FY 2031-2035</b>	<b>FY 2036-2045</b>	<b>FY 2026-2045</b>
Tolls	\$926	\$211	\$1,202	\$1,661	\$4,817	<b>\$7,680</b>
2nd LOFT (5-cents)	\$150	\$30	\$152	\$154	\$316	<b>\$623</b>
Ad Valorem (1 mill)	\$564	\$132	\$780	\$1,022	\$3,094	<b>\$4,897</b>
HART Ad Valorem (3 mills)	\$1,224	\$260	\$1,408	\$1,810	\$5,477	<b>\$8,695</b>
Transportation Network Company (TNC) Fee	\$150	\$34	\$195	\$247	\$677	<b>\$1,120</b>
Off-Street Parking Fee	\$51	\$12	\$76	\$107	\$351	<b>\$534</b>
Vehicle Miles Traveled Fee	\$848	\$184	\$1,007	\$1,180	\$2,878	<b>\$5,064</b>
Vehicle Registration Fee	\$7	\$2	\$9	\$11	\$33	<b>\$53</b>
Driver License Fee	\$2	\$0	\$2	\$3	\$8	<b>\$12</b>

## 2 2045 LRTP Funding Introduction

Title 23 of the United States Code (U.S.C.) Section 134 requires that a LRTP shall contain a financial plan that estimates funds that can be available to support implementation of the plan. The financial plan shall indicate resources from public and private sources that are reasonably expected to be made available to carry out the plan, and recommends any additional financing strategies for needed projects and programs. The purpose of the financial plan is to demonstrate fiscal constraint and ensures that the LRTP reflects realistic assumptions about future revenues.

The purpose of this technical memorandum is to provide the Hillsborough County Metropolitan Planning Organization (MPO) with a forecast of reasonably available funding from traditional revenue sources to support transportation investments through 2045. The memorandum outlines Federal, state, and local sources of revenue for funding transportation improvements, describes the methodology and assumptions developed to forecast future revenues, and summarizes anticipated amounts from each revenue source. The memorandum also discusses potential new and additional revenue sources from untapped local funding options that could be used for transportation.



## 3 Federal Funding Sources

### 3.1 Federal Highway User Fees

Federal funding for transportation in Hillsborough County is derived from highway excise taxes on motor fuel and truck-related taxes on truck tires, sales of trucks and trailers, and heavy vehicle use. Excise taxes on gasoline and other motor fuels account for more than 85 percent of all receipts to the Federal Highway Trust Fund (HTF). Tax revenues are deposited into either the Highway Account or the Mass Transit Account of the Federal HTF and then distributed to the states. The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) then distribute funds from the Highway and the Mass Transit Account, respectively, to each state through a system of formula grants and discretionary allocations. The most recent transportation bill, Fixing America’s Surface Transportation (FAST) Act, extended the imposition of highway-user taxes through September 30, 2022, with generally no change to the tax rates as imposed under MAP-21.

### 3.2 Current State of the Federal Highway Trust Fund

According to estimates from the Congressional Budget Office (CBO),<sup>1</sup> since 2001 outlays have consistently exceeded the revenues to the trust fund. To address the shortfall, Congress has authorized transfers from the general fund to the HTF to prevent the HTF from being depleted. Under the FAST Act (2015), \$52 billion was transferred to the highway account and \$18 billion to the transit account, allowing the accounts to pay their obligations through the end of 2020. For its baseline spending projections, CBO assumes that future obligations will be paid in full. Under those circumstances, and without other legislative action, federal funding for the two accounts would be reduced starting in fiscal year 2021 to match the revenues projected to be credited to the fund.

## 4 State Funding Sources

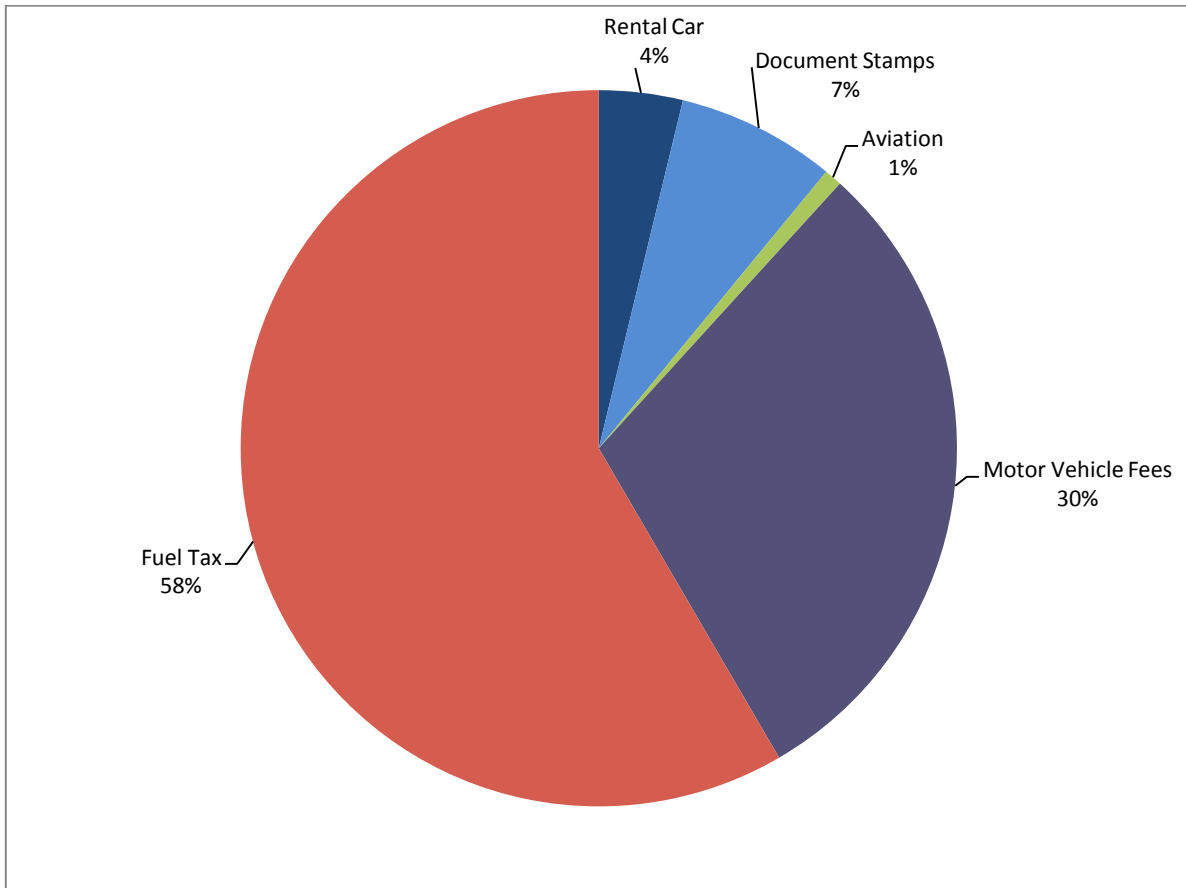
In Florida, there are five revenue sources that go into the State Transportation Trust Fund (STTF): fuel tax, motor vehicle fees, document stamps, rental car surcharges, and aviation fuel tax. According to the transportation revenue data released by the Florida Department of Transportation (FDOT), revenues from fuel tax, the largest source, contributed to 58 percent of the state transportation funding in FY 2016.<sup>2</sup>

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<sup>1</sup> Congressional Budget Office, Limit Highway and Transit Funding to Expected Revenues, December 13, 2018, <https://www.cbo.gov/budget-options/2018/54774>

<sup>2</sup> *Transportation Funding Sources Presentation*, [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/transportationfundingsources.pdf?sfvrsn=2c308622\\_0](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/transportationfundingsources.pdf?sfvrsn=2c308622_0), Spring 2017.

**Figure 1. State Transportation Revenue Sources, FY 2016**



Source: Transportation Funding Sources Presentation, FDOT.

## 4.1 State Fuel Taxes

Highway fuel taxes constitute the oldest continuous source of dedicated transportation revenues in the State. Initially, it was levied in 1921 at the rate of 1 cent per gallon of motor fuel. Since then, the state fuel tax has been adjusted and restructured in the form that it is levied. The fuel taxes collected at the state level include the following:<sup>3</sup>

- **State Fuel Sales Tax** – Currently, Florida imposes a sales tax to the sales of all motor (gasoline) and diesel fuels. The state fuel sales tax is based on a floor tax of 6.9 cents per gallon indexed to the consumer price index (CPI, all items), with the base year set as FY 1989 (12-month period). Currently, the rate is 13.7 cents per gallon after adjusting for inflation.

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<sup>3</sup> *Florida's Transportation Tax Sources, A Primer*, FDOT Office of Comptroller – General Accounting Office, January 2017, [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/tax-primer.pdf?sfvrsn=f1eadaf7\\_0](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/tax-primer.pdf?sfvrsn=f1eadaf7_0)

- **State Comprehensive Enhanced Transportation System (SCETS) Tax** – The SCETS is an excise tax on all highway fuels. To the extent possible, the SCETS proceeds must be spent in the transportation district and County from which they are collected. Similar to the fuel sales tax, the SCETS tax is indexed to the CPI (all items), but with the base year set as FY 1990 (12-month period). The 2018 SCETS tax rate for Hillsborough County is 7.6 cents per gallon.
- **State-Collected Motor Fuel Taxes Distributed to Local Governments** – The State of Florida collects a fuel excise tax of 4 cents per gallon to be distributed to local governments based on formulas that consider, among other factors, population.
  - The **Constitutional Fuel Tax** is set at 2 cents per gallon. The first call on the proceeds of the Constitutional Fuel Tax is to meet the debt service requirements, if any, on local bond issues backed by the tax proceeds. The balance, called the 20 percent surplus and the 80 percent surplus, is credited to the counties' transportation trust funds. The allocation formula is based on a geographic area component, a population component, and a collection component; in addition, a distribution factor is applied to each county. Hillsborough County will receive an estimated \$12.5 million in FY 2019.
  - The **County Fuel Tax** is set at 1 cent per gallon, and it is distributed by the same formula as the Constitutional Fuel Tax (based on a geographic area component, a population component, a collection component, and a distribution factor). Counties may use the revenues from this tax for transportation-related expenses. Hillsborough County will receive an estimated \$5.5 million in FY 2019.
  - Lastly, the **Municipal Fuel Tax** is also set at 1 cent per gallon. Revenues from this tax are transferred into the Revenue Sharing Trust Fund for Municipalities. These revenues may be used for transportation-related expenditures within incorporated areas and are distributed to municipalities by statutory criteria. In FY 2019, Plant City and the cities of Tampa and Temple Terrace are slated to receive approximately \$0.4 million, \$3.7 million, and \$0.3 million, respectively, from the Municipal Fuel Tax.
- **Alternative Fuel Fees** – Use of alternative fuels represents a small part of the State's total fuel consumption and historically amounted to less than \$1 million annually. In order to encourage the use of alternative fuels, the 2013 Florida Legislature passed legislation to exempt these fuels from taxation beginning January 1, 2014, and ending January 1, 2019. After January 1, 2019, there will be a per unit tax that is lower than the rates for gasoline and diesel but revenue-neutral to the previous in-state annual decal fee.
- **Fuel Use Tax** – This tax is designed to ensure that heavy vehicles that engage in interstate operations incur taxes based on fuel consumed, rather than purchased, in the State. This tax applies, with few exceptions, to each privately owned vehicle with at least three axles or a gross weight of more than 26,000 pounds that engages in interstate operations, whether or not titled in the State. The tax is comprised of an annual decal fee of \$4 plus a use tax based on the number of gallons of fuel consumed multiplied by the

prevailing statewide fuel tax rate. If a vehicle consumes more fuel than was purchased during a reporting period, additional taxes are due; otherwise a refund is issued.

## 4.2 State Motor Vehicle Fees

Funding transportation from vehicle-related revenues started early in Florida's transportation history. Almost from their inception, motor vehicle license fees were designated as a highway user charge levied to partially defray the costs of constructing and maintaining the roads which benefited those who paid the fees.

There are four types of motor vehicle fees:<sup>4</sup>

- **Initial Registration Fee** – Known originally as the “New Wheels on the Road” Fee, it is designed primarily to affect only those vehicle owners whose actions result in net additions to the State's registered vehicle stock. The Initial Registration Fee is \$225.
- **Motor Vehicle License Surcharge** – Currently the State imposes a \$1.20 surcharge on the annual registration fee of every vehicle except mobile homes. Of each transaction, \$1 is deposited to the STTF and the remaining 20 cents is deposited to Highway Safety and Operating Trust Fund.
- **Motor Vehicle Title Fee** – The current Motor Vehicle Title Fee is \$70. Prior to 2012, 70 percent of the proceeds (\$49) were deposited to the General Revenue Fund and 30 percent (\$21) to the STTF. Title fee revenues from for-hire vehicles are deposited into the General Revenue Fund. The 2012 Legislature directed that the first \$200 million collected from \$47 of the \$49 General Revenue Fund portion of the \$70 title fee be deposited into the STTF, beginning FY 2012-2013.
- **Rental Car Surcharge** – The existing rental car surcharge rate is \$2 per day for the first 30 days. FDOT receives 80 percent of the surcharge after deducting costs of administration and an 8 percent General Revenue Service charge. The tax distributed to the STTF is unique in that its proceeds must be spent in the transportation district from which the surcharges were collected. In addition, car-sharing services pay only \$1 if the rental is less than 24 hours, and surcharges are distributed the same as other rentals.

## 4.3 State Aviation Fuel Tax

Florida imposes an aviation fuel tax of 6.9 cents per gallon excise tax on aviation fuels. Unlike the state fuel tax, the aviation tax remains fixed at its current level, until changed by legislative action. Ninety-two percent of the proceeds are deposited into the STTF, while the remaining eight percent are deposited into the General Revenue Fund. The aviation fuel tax

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<sup>4</sup> *Florida's Transportation Tax Sources, A Primer*, FDOT Office of Comptroller – General Accounting Office, January 2017, [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/tax-primer.pdf?sfvrsn=f1eadaf7\\_0](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/tax-primer.pdf?sfvrsn=f1eadaf7_0)

will drop to 4.27 cents per gallon in FY 2019-2020 after the repeal of aviation refunds that were available to certain airlines meeting employment targets in the state.

## 4.4 State Documentary Stamp Tax

The Documentary Stamp Tax is levied on documents, including, but not limited to: deeds, stocks and bonds, notes and written obligations to pay money, mortgages, liens, and other evidences of indebtedness. The 2005 Legislature passed a growth management bill to address needed infrastructure in Florida. The growth management package provided \$541.75 million annually from documentary stamp revenue to fund transportation needs. The 2008 Legislature changed the distribution of documentary stamp tax collections so that the STTF receives 38.2 percent of collections after other distributions are made, not to exceed \$541.75 million per year. This formula significantly decreased the funding for transportation projects. Additionally, the 2011 Legislature directed the following amounts to be transferred to the State Economic Enhancement and Development (SEED) Trust Fund from the STTF portion of documentary stamp tax revenues: \$50 million in FY 2012-2013, \$65 million in FY 2013-2014, and \$75 million every fiscal year thereafter. In 2014, voters approved for 20 years that 33 percent of the revenues from the Documentary Stamp Fund would go to the Land Acquisition Trust Fund for water and land conservation, resulting in the revenues available to the STTF declining from 38.2 percent to 24.18442 percent.<sup>5</sup> The December 2018 Revenue Estimating Conference estimated \$317.8 million in distributions of documentary stamp revenue to the STTF for FY 2018-2019.<sup>6</sup>

## 5 Summary of Federal and State Funding

In 2018, FDOT developed a long-range revenue forecast, which was based on recent Federal legislation (e.g., FAST Act), changes in factors affecting state revenue sources (e.g., population growth rates, motor fuel consumption and tax rates), and current policies.<sup>7</sup> The forecast estimates revenues from Federal, state, and turnpike sources that “flow” through the FDOT Work Program for fiscal years 2019-2045. The *2045 Revenue Forecast Handbook* documenting how the 2045 revenue forecast was developed, as well as guidance for using this forecast information was published in July 2018.<sup>8</sup> Florida’s MPOs are encouraged to use these estimates and guidance in the updates of their long-range plans.

Some important parameters of the long-range revenue forecasts include:

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<sup>5</sup> *Florida’s Transportation Tax Sources, A Primer*, FDOT Office of Comptroller – General Accounting Office, January 2017, [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/tax-primer.pdf?sfvrsn=f1eadaf7\\_0](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/comptroller/pdf/gao/revmanagement/tax-primer.pdf?sfvrsn=f1eadaf7_0)

<sup>6</sup> *Documentary Stamp Tax Collections and Distributions*, General Revenue Conference, December 2018, <http://edr.state.fl.us/Content/conferences/docstamp/docstampresults.pdf>

<sup>7</sup> *2045 Revenue Forecast Hillsborough MPO*, November 2018.

<sup>8</sup> *2045 Revenue Forecast Handbook*, FDOT, <http://www.dot.state.fl.us/planning/revenueforecast/>, July 2018.

- All amounts in the 2045 forecast are expressed in “year of expenditure” (YOE) dollars. Annual inflation in the *2045 Revenue Forecast Handbook* is 2.6 percent annually, consistent with the Florida Revenue Estimating Conference.
- Estimates through 2045 were based on current federal and state laws, funding sources, FDOT policies, and assumptions over factors affecting state revenue sources such as population growth and motor fuel consumption.
- The basis for the forecast is FDOT’s Program and Resource Plan (PRP).
- The forecast is based on state and Federal funds that “pass” through the Department’s Work Program. The forecast does not include estimates for local government, local/regional authority, private sector, or other funding sources except as noted. No estimates for new revenue sources or increases in existing sources were included unless required by law.
- FDOT has developed metropolitan estimates from the 2045 Revenue Forecast for certain capacity programs for each MPO. These metropolitan estimates are included in a separate document prepared for each MPO.<sup>9</sup> Metropolitan estimates reflect the share of each state capacity program planned for the area. The estimates can be used to fund planned capacity improvements to major elements of the transportation system (e.g., highways, transit). The metropolitan estimates are summarized into three 5 -year periods and a final 10-year period.

FDOT’s estimates for Hillsborough County MPO are included in the *2045 Revenue Forecast Hillsborough MPO*. In addition, revenue data from existing transit services in the County (HART, streetcar, and Sunshine line) were gathered to provide a forecast of Federal and other state funds not provided by FDOT or included in the District 7 estimates. For the purpose of the Hillsborough MPO 2045 LRTP, these estimates were summarized into: Federal and state highway funding; metropolitan and regional programs; federal and state transit funding; and state-collected fuel taxes distributed to local governments.

## 5.1 Federal and State – Highway Funding

### **Strategic Intermodal System (SIS) Highways Construction and Right-of-Way (ROW).**

This funding program is used to fund construction, improvements, and associated ROW acquisitions on SIS highways (i.e., Interstate, the Turnpike, other toll roads, and other facilities designed to serve interstate and regional commerce, including SIS Connectors). FDOT takes the lead in identifying planned projects and programs funded by this program. The *SIS First Five Year Plan (FY 2018/2019-FY 2022/2023)*, *Second Five Year Plan (FY 2023/2024-FY 2027/2028)*, and the *Long-Range Cost-Feasible Plan (FY 2029-2045)* are posted on FDOT websites. SIS projects within Hillsborough County can be identified from these plans and their costs can be used as available program funds. Project costs are given annually for FY 2019-2028, and projects from the Long-Range Cost-Feasible Plan were allocated to years based on the midpoint of the range of the construction period. Between FY 2026-2045, the total SIS

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<sup>9</sup> *2045 Revenue Forecast Hillsborough MPO*, November 2018.

Highways Construction and ROW funds available to Hillsborough County are approximately \$7.4 billion. Additional funding for PE is not available for SIS.

**Other Arterials (also known as Other Roads) Construction and ROW.** This funding program is used to fund construction, improvements, and associated ROW on State Highway System roadways not designated as part of the SIS. This program also includes funding for the Economic Development Program, the County Incentive Grant Program, the Small County Road Assistance Program, and the Small County Outreach Program. Between FY 2026-2045, the total program funding available to Hillsborough County is about \$1.8 billion according to the *2045 Revenue Forecast Hillsborough MPO*. In addition, MPOs can assume that an additional 22 percent of estimated<sup>10</sup> *Other Arterials Construction and ROW* funds is available from the statewide “Product Support” program to support preliminary engineering (PE) activities. This additional funding is not available for SIS. Therefore, between FY 2026-2045, PE funding available to Hillsborough County is estimated to be \$395 million. This amount is in addition to the total *Other Arterials Construction and ROW* estimates.

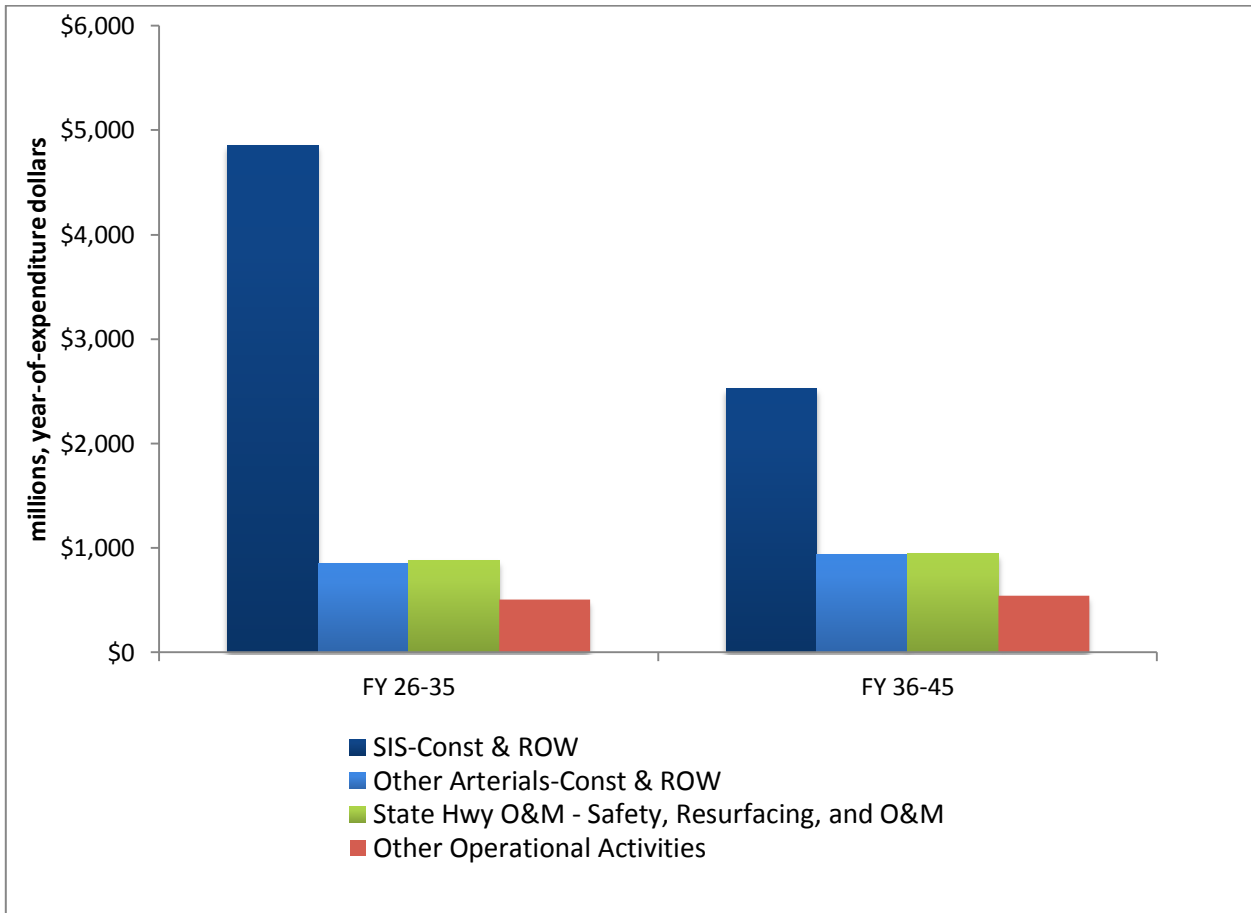
**District-Wide State Highway System (SHS) Operations and Maintenance (O&M) Funds.** This funding program is used to provide financial assistance to activities to support and maintain transportation infrastructure once it is constructed and in place. Only district-wide estimates were provided by FDOT. Funding was estimated based on the proportion of Hillsborough County population to total population within FDOT District 7. Between FY 2026-2045, the total program funding available to District 7 amounts to \$6.8 billion, based on estimates from the *2045 Revenue Forecast Hillsborough MPO*, with \$2.9 billion allocated to Hillsborough MPO. Based on projected spending levels, it was assumed that 63 percent (\$1.8 billion) will be applied to safety, resurfacing, and operations and maintenance; the remaining 37 percent (\$1.1 billion) will be used for other FDOT District 7 operational activities including bridge, product support, and administration.

Figure 2 illustrates FDOT’s funding estimates of approximately \$12.5 billion from Federal/state programs for the SIS, Other Arterials (including PE funds), and SHS O&M over the 2026-2045 period.

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<sup>10</sup> *2045 Revenue Forecast Handbook*, FDOT, <http://www.dot.state.fl.us/planning/revenueforecast/>, July 2018.

**Figure 2. Federal and State Highway Funding, FY 2026-2045**



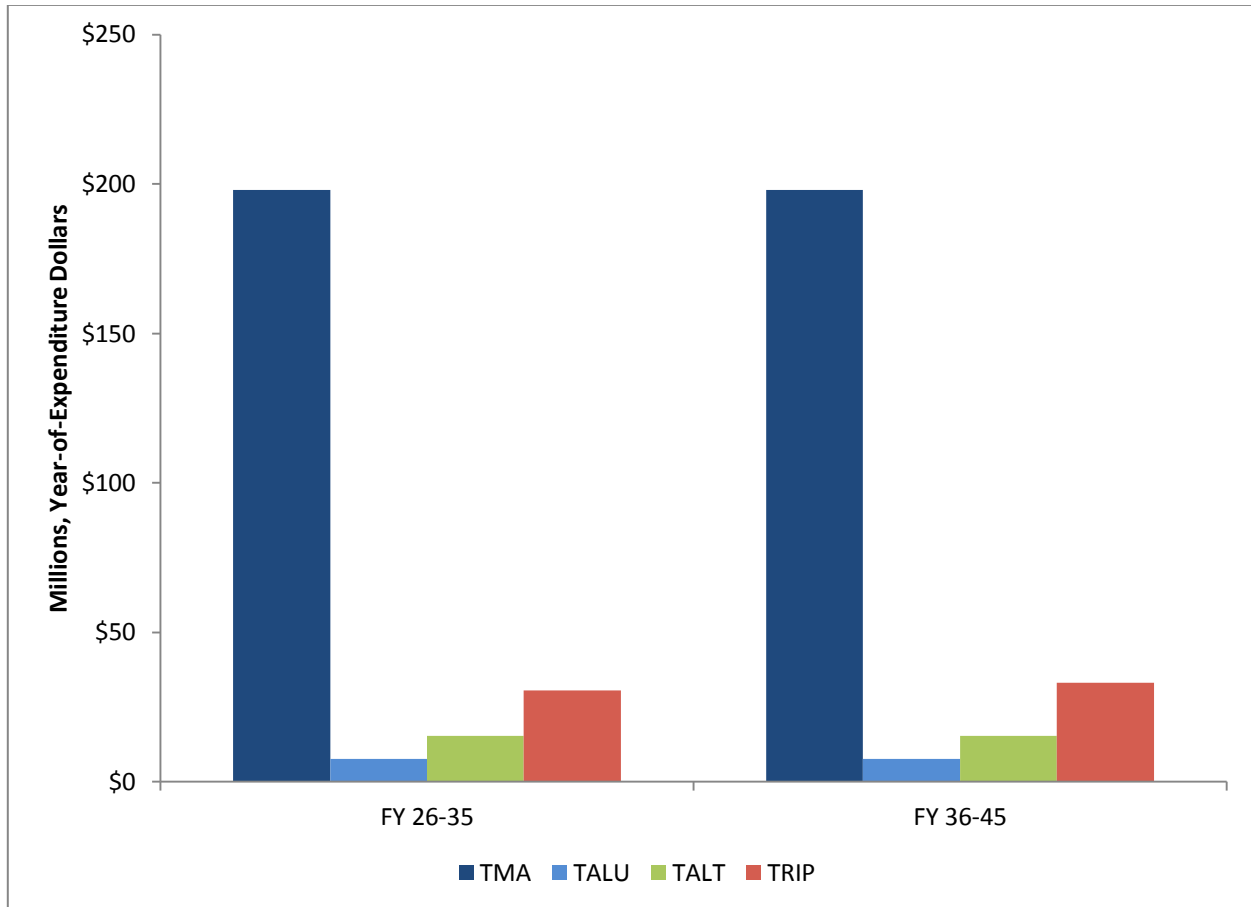
Sources: FDOT 2045 Revenue Forecast Hillsborough MPO (November 2018); FDOT SIS Plans.



## 5.2 Metropolitan and Regional Programs

Funding from Metropolitan and Regional programs available to Hillsborough County is estimated at \$506 million over 20 years (FY 2026-2045). Figure 3 illustrates funding from these programs as estimated from FDOT’s *2045 Revenue Forecast Hillsborough MPO*.

**Figure 3. Metropolitan and Regional Programs, FY 2026-2045**



Source: Analysis of FDOT Revenue Estimates for Hillsborough MPO.

**TMA Funds.** These funds are distributed to Transportation Management Areas (TMAs), as defined by the FAST Act. They are the same as “SU” funds in the five-year Work Program. The estimates are based on current population estimates. Between FY 2026-2045, the total program funding available to Hillsborough County amounts to \$396 million according to the *2045 Revenue Forecast Hillsborough MPO*. These funds are not included in the estimates for Other Arterials Construction and ROW above.

**Transportation Alternatives (TA) Funds.** As defined by the FAST Act, TA funds are used to assist MPOs in developing their plans. The TA program includes TALU (more than 200,000 population), TALL (more than 5,000 and less than 200,000 population), and TALT (any area) programs. Estimates of these TA program funds that FDOT provided for District 7 are district-

wide. The TALU and TALT funds available to Hillsborough County were estimated using the following methodology:

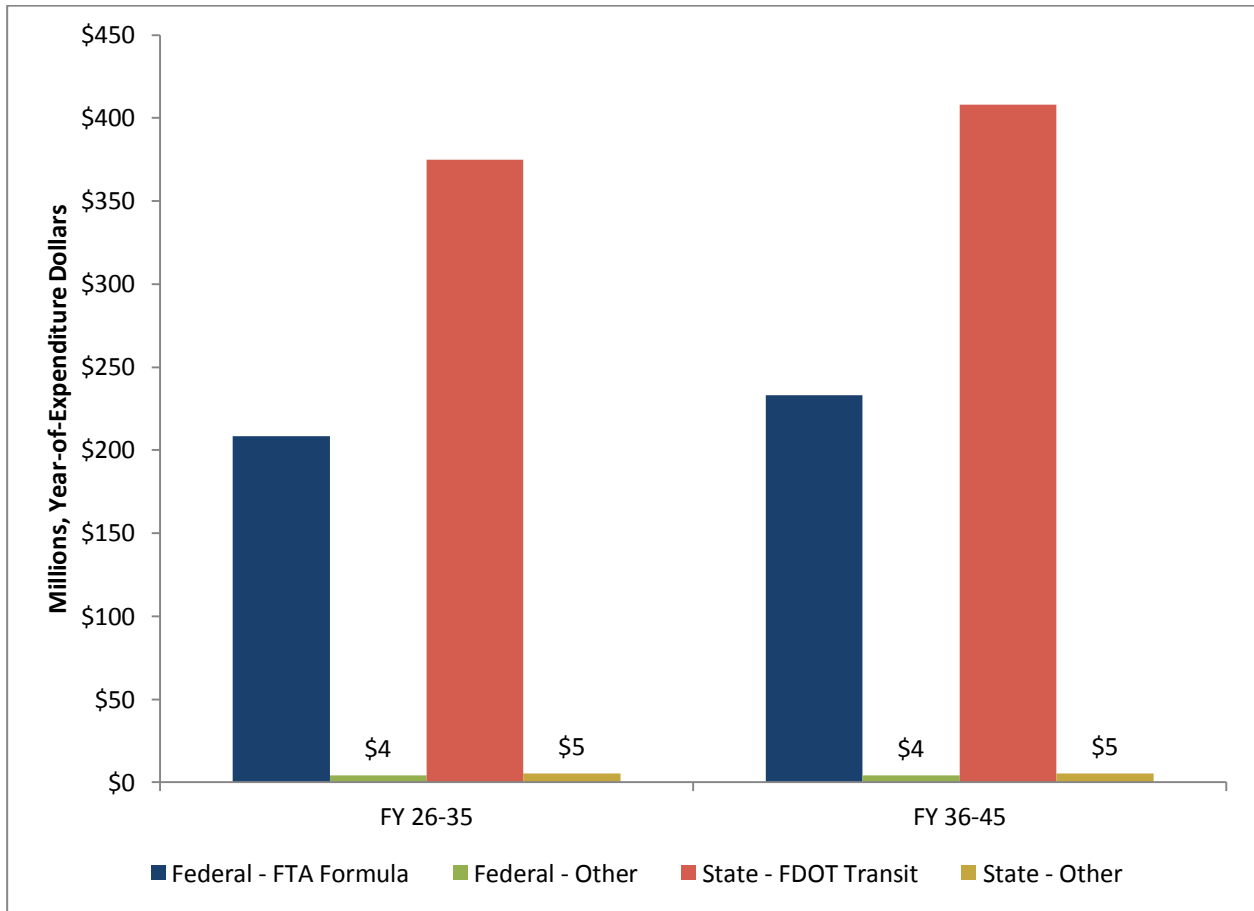
- **TALU** – Available TALU funding was estimated based on the proportion of the Hillsborough population within urbanized areas to the total population within the Tampa-St. Pete Urbanized Area from the 2010 Census. The resulting program funding amounts to \$15.3 million between FY 2026-2045. These funds are not included in the estimates for Other Arterials Construction and ROW.
- **TALT** – Available funding for projects in Hillsborough from the TALT program was estimated based on the proportion of the Hillsborough population to the total population within District 7 from the 2010 Census. The resulting program funding amounts to \$30.8 million between FY 2026- 2045. These funds are not included in the estimates for Other Arterials Construction and ROW.

**Transportation Regional Incentive Program (TRIP) Funds.** After allocations to the Small County Outreach Program and the New Starts Transit Program, 25 percent of the remaining Documentary Stamp Tax funds are allocated annually for TRIP for regional transportation projects in “regional transportation areas.” The first \$60 million of TRIP funds are allocated annually to the Florida Rail Enterprise. Only district-wide estimates were provided to District 7 by FDOT. TRIP is a highly competitive program, and funds that may be available to Hillsborough County were estimated based on the proportion of the Hillsborough population to the total population within District 7. The resulting total program funding amounts to \$63.8 million between FY 2026-2045. TRIP will fund up to 50 percent of eligible project costs. Projects anticipating funding from TRIP should be noted as “illustrative” in the LRTP, because a small portion of eligible projects actually receive funding.

## 5.3 Federal and State Transit Funding

Transit funding is estimated at \$1.2 billion over 20 years (as illustrated in Figure 4) from Federal Transit Administration (FTA) and other Federal funds, and state operating and capital grants (excluding FTA Major Capital Investment Funding and State New Starts programs).

**Figure 4. Transit– Federal and State Programs, FY 2026-2045**



Sources: Analysis of FDOT, HART, and Hillsborough County data. Excludes potential Federal and State New Starts funding.

**FDOT Transit.** This funding program is used to provide technical and operating/capital assistance to transit, paratransit, and ridesharing systems. For the Hillsborough MPO, it includes funding allocations to the Hillsborough Area Regional Transit Authority (HART), streetcar, Sunshine Line, and other transit/intermodal funding. Between FY 2026-2045, the total program funding available to Hillsborough County amounts to \$782.9 million according to the *2045 Revenue Forecast Hillsborough MPO*. Funding allocations to existing transit agencies and services were distributed as follows:

- Funding through 2028 based on state grants provided by the Hillsborough Transit Authority in the FY 2019-2028 Transportation Development Plan (TDP)<sup>11</sup> is approximately \$6 million per year. After 2028, a growth factor equivalent to the funding growth assumptions from the FDOT estimates was applied.

<sup>11</sup> Hillsborough Transit Authority Transit Development Plan Update FY 2019-2028, <http://www.gohart.org/PlanningDocuments/TDP%202019%20Report%20-%20final.pdf>

- The Streetcar Business Plan<sup>12</sup> assumes \$200,000 in state operating assistance. For the purpose of the 2045 LRTP, it was assumed that the State will provide \$200,000 per year through 2025. Growth factors after 2025 were applied in line with growth in transit funding estimates from FDOT.
- Hillsborough County received about \$2.3 million in 2017 in state funding from the Commission for the Transportation Disadvantaged for the Sunshine Line. For the 2045 LRTP, it was assumed that future funding will increase in line with the average 10-year inflation rate (1.7 percent).

**FTA Formula Funds.** This program provides grants to Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses (in certain circumstances). FTA formula funds for the 2045 LRTP were estimated based on a review of HART and streetcar budgets and Transit Development Plans, and additional service projected under the FY 2019 Unfunded Needs Plan:<sup>13</sup>

- **HART** – \$12.8 million in 2019 increasing to \$15.3 million in 5307 funds for 2028 as found in the HART TDP, and increasing to \$23.2 million annually thereafter based on the additional vehicle miles in the Unfunded Needs Plan and applying the appropriate incremental funding for FTA Section 5307, 5337, and 5339 programs. This is in addition to the transit funds through the FDOT work program.
- **Tampa Streetcar** – The Streetcar Business Plan assumes an FTA funding allocation of \$100,000 annually, which was extended through 2045. This funding is in addition to the transit funds through the FDOT work program.

**Funding for Major Transit Capital Investments.** Additional funding for major transit investments can be made available through Federal and state discretionary programs, namely FTA’s Capital Investment Grants Program (Section 5309) and FDOT’s State competitive New Starts Transit Program. Projects anticipating Florida New Starts funding should be noted as “illustrative” in the LRTP, because a small portion of eligible projects actually receive funding.

Projects applying for FTA funding go through a multiyear, multistep process to be eligible and are evaluated based on project justification and local financial commitment criteria. The FTA Section 5309 funding program is chronically oversubscribed and thus extremely competitive. Although eligible New Starts/Small Starts/Core Capacity projects could request the statutory maximum Federal share of 80 percent, the historical average Federal share for projects is roughly 50 percent. No funding estimates were developed from these funding programs.

**Other Federal and State (Sunshine Line).** The Sunshine Line is the paratransit service managed by Hillsborough County. In addition to FDOT transit funding allocations, this service

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<sup>12</sup> TECO Revised Business Plan, September 2012

<sup>13</sup> Hillsborough Transit Authority Transit Development Plan Update FY 2019-2028, <http://gohart.org/PlanningDocuments/TDP%202019%20Report%20-%20final.pdf>

is funded with other Federal and state funds. Data from recent Hillsborough County Transportation Disadvantaged Service Plans were used to develop a baseline and forecast of anticipated revenues:

- **Other Federal Funding** – No growth, remaining at 2017 funding level (\$416,000); and
- **Other State Funding** – No growth, remaining at 2017 funding level (\$514,000).

## 5.4 State-Collected Fuel Taxes Distributed to Local Governments

Revenues from the Constitutional, County, and Municipal fuel taxes (see Figure 5) were estimated at \$511.9 million over the FY 2026-2045 period, of which 15 percent (\$76.8 million) is set aside for the administration of local transportation programs. The forecast of reasonably available revenues was developed applying the following assumptions:

- Base year (FY 2019) estimates for the Constitutional and County fuel taxes were obtained from the *2018 Local Government Financial Information Handbook* (September 2018).
- The *2018 Local Government Financial Information Handbook* (September 2018) also provides estimates of the Municipal Sharing Program revenues for the base year by municipality (Plant City, Tampa, and Temple Terrace). The Municipal Revenue Sharing program is comprised of state sales tax and municipal fuel tax, and beginning January 1, 2024, a portion of the excise tax levied on natural gas fuel.
- Annual growth will be in line with fuel consumption growth (through FY 2028) estimated from the FDOT Revenue Estimating Conference (August 2018). Table 3 summarizes the growth rates. The average growth rate was applied beyond FY 2028.
- Fifteen (15) percent is set aside for the administration of local transportation programs.

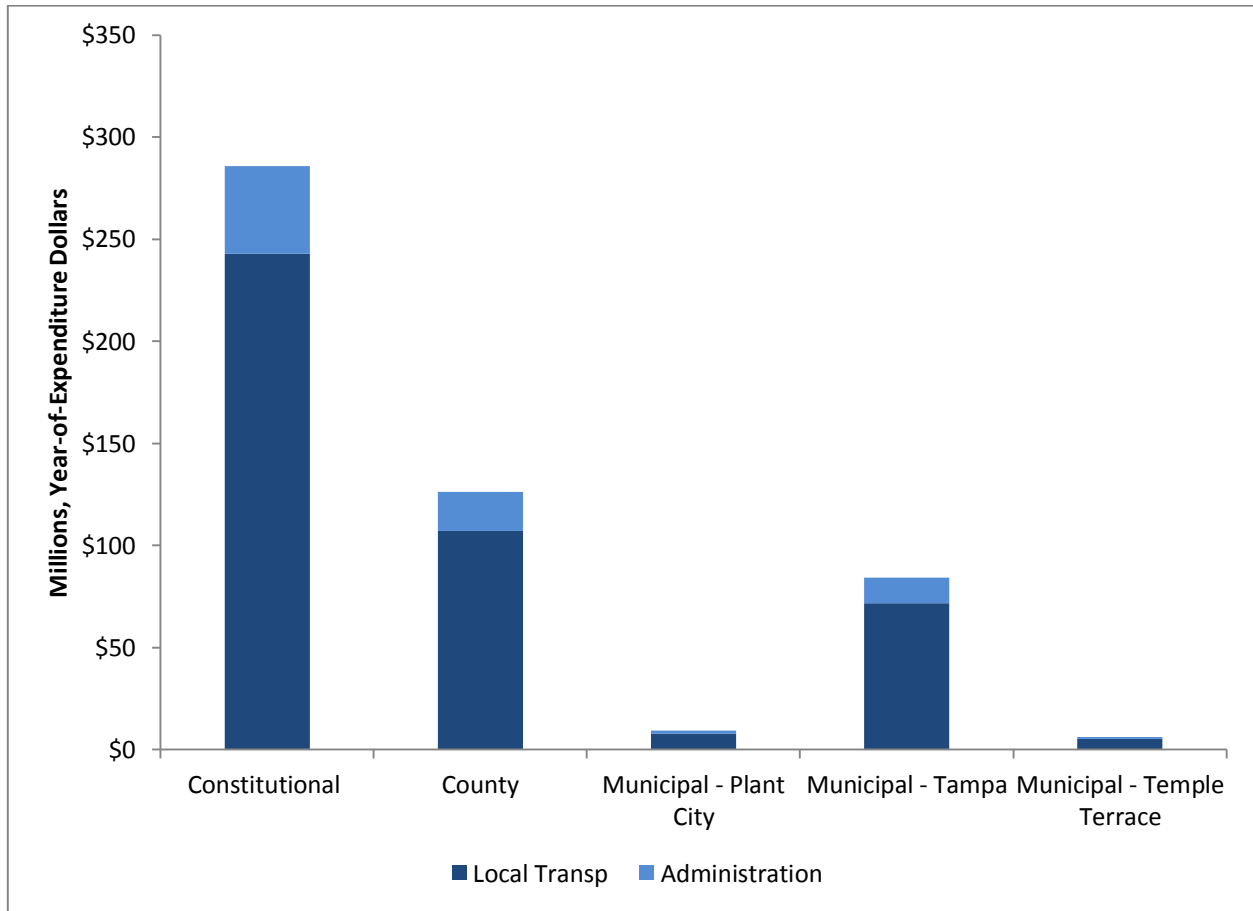
**Table 3. Motor Fuel Consumption Annual Growth Rates through FY 2028**

	<b>Gasoline</b>	<b>Gas + Diesel</b>	<b>Diesel</b>
2019	0.1%	0.7%	1.26%
2020	1.0%	1.2%	1.36%
2021	0.6%	1.2%	1.70%
2022	0.6%	1.1%	1.60%
2023	0.4%	0.8%	1.26%
2024	0.3%	0.8%	1.20%
2025	0.2%	0.6%	1.12%
2026	0.0%	0.6%	1.09%
2027	0.0%	0.5%	1.05%
2028	0.0%	0.5%	1.07%
Average	0.3%	0.8%	1.3%

Source: FDOT Revenue Estimating Conference. Note: Gas + Diesel is average of Gasoline and Diesel; note that the forecast rates from the state Revenue Estimating Conference consider technological advancements in fuel efficiency and the implementation of the Corporate Average Fuel Economy Standards<sup>14</sup>

<sup>14</sup> FDOT Revenue Estimating Conference Documentation, <http://edr.state.fl.us/Content/conferences/transportation/Transsummary.pdf>

**Figure 5. Constitutional, County, and Municipal Fuel Tax, FY 2026-2045**



Sources: 2018 Local Government Financial Information Handbook.

## 5.5 Summary of Federal and State Funding Programs

Table 4 summarizes the detailed projection of the previously discussed funding sources. Between FY 2026 and FY 2045, the total state and Federal funding available to Hillsborough County is estimated to be \$14.7 billion<sup>15</sup>.

<sup>15</sup> Excluding potential FTA and State New Starts funding for transit fixed guideway projects.

**Table 4. Estimates of Federal and State Programs**  
**Millions of YOE Dollars**

<b>Program/Source</b>	<b>FY 2020-2024</b>	<b>FY 2025</b>	<b>FY 2026-2030</b>	<b>FY 2031-2035</b>	<b>FY 2036-2045</b>	<b>FY 2026-2045</b>
<b>Capacity Programs – Highway</b>						
SIS Highways – Construction and ROW	\$746	\$2	\$1,535	\$3,324	\$2,531	<b>\$7,390</b>
Other Arterials – Construction and ROW	\$288	\$63	\$407	\$448	\$941	<b>\$1,795</b>
Other Roads – PE	\$63	\$14	\$89	\$99	\$207	<b>\$395</b>
<b>Transit (State)</b>						
Transit – HART Allocation	\$32	\$7	\$43	\$61	\$126	<b>\$230</b>
Transit – Streetcar	\$1	\$0	\$1	\$1	\$3.14	<b>\$6</b>
Transit – Sunshine Line	\$13	\$3	\$14	\$15	\$34	<b>\$63</b>
Transit – Other State Transit and Intermodal	\$94	\$19	\$120	\$119	\$245	<b>\$484</b>
Other State Transit (Sunshine)	\$3	\$1	\$3	\$3	\$5	<b>\$10</b>
<b>Metropolitan and Regional Programs</b>						
TMA <sup>a</sup>	\$99	\$20	\$99	\$99	\$198	<b>\$396</b>
<i>TMA – PE (included in line above)</i>	<i>\$22</i>	<i>\$4</i>	<i>\$22</i>	<i>\$22</i>	<i>\$44</i>	<i>\$87</i>
TALU <sup>a</sup>	\$4	\$1	\$4	\$4	\$8	<b>\$15</b>
<i>TALU – PE (included in line above)</i>	<i>\$1</i>	<i>\$0</i>	<i>\$1</i>	<i>\$1</i>	<i>\$2</i>	<i>\$3</i>
TALT <sup>a</sup>	\$8	\$2	\$8	\$8	\$15	<b>\$31</b>
<i>TALT – PE (included in line above)</i>	<i>\$2</i>	<i>\$0</i>	<i>\$2</i>	<i>\$2</i>	<i>\$3</i>	<i>\$7</i>
TRIP <sup>a</sup>	\$9	\$2	\$15	\$16	\$33	<b>\$64</b>
<i>TRIP – PE (included in line above)</i>	<i>\$2</i>	<i>\$0</i>	<i>\$3</i>	<i>\$4</i>	<i>\$7</i>	<i>\$14</i>
<b>Non-Capacity Programs</b>						
State Highway System O&M Safety, Resurfacing, and O&M	\$372	\$72	\$423	\$456	\$944	<b>\$1,823</b>
State Highway System O&M – Other Operational Activities	\$215	\$41	\$244	\$263	\$545	<b>\$1,052</b>
<b>Transit (Federal)</b>						
FTA Formula (HART)	\$68	\$14	\$92	\$116	\$232	<b>\$440</b>
FTA Formula (Streetcar)	\$1	\$0	\$1	\$1	\$1	<b>\$2</b>
Other Federal (Sunshine)	\$2	\$0	\$2	\$2	\$4	<b>\$8</b>
FTA Major Capital Programs <sup>b</sup>	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
New Starts Transit (State Program) <sup>b</sup>	TBD	TBD	TBD	TBD	TBD	<b>TBD</b>
<b>Fuel Taxes to Local Governments<sup>c</sup></b>						
Constitutional	\$65	\$13	\$67	\$70	\$148	<b>\$286</b>
County	\$29	\$6	\$30	\$31	\$66	<b>\$126</b>
Municipal – Plant City	\$2	\$0	\$2	\$2	\$5	<b>\$9</b>
Municipal – Tampa	\$19	\$4	\$20	\$21	\$44	<b>\$84</b>
Municipal – Temple Terrace	\$1	\$0	\$1	\$2	\$3	<b>\$6</b>
<b>Total Federal and State</b>	<b>\$2,131</b>	<b>\$284</b>	<b>\$3,219</b>	<b>\$5,158</b>	<b>\$6,338</b>	<b>\$14,716</b>



Source: Analysis of FDOT 2045 Revenue Forecast Hillsborough MPO, HART, and Hillsborough County data.

Notes: <sup>a</sup> Includes PE funding.

<sup>b</sup> TBD: To be determined, based on eligible projects.

<sup>c</sup> For the Constitutional, County and Municipal fuel taxes, 15 percent is set aside for the administration of local transportation programs.

## 6 Local and Local-Option Funding Sources

Beyond the traditional Federal and state fuel taxes, several local and local-option revenue sources are available for funding transportation improvement projects in Hillsborough County. These alternative revenue sources include local option fuel taxes and development-related fees, such as mobility fees. In addition, transit services in the region, such as HART and the Tampa Streetcar, are funded through property taxes, fare revenues, and other dedicated revenue sources. This section summarizes these local and local-option revenue sources.

### 6.1 Local Option Fuel Taxes

County governments in Florida are authorized to levy up to 12 cents per gallon of fuel through three local option fuel taxes (LOFT) for transportation needs: the Ninth-Cent Fuel Tax (1 cent per gallon of gasoline and diesel), the First LOFT (up to 6 cents per gallon of gasoline and diesel), and the Second LOFT (up to 5 cents per gallon of gasoline). Hillsborough County has adopted the Ninth-Cent and the First LOFT at the maximum 6 cents per gallon.

Revenues from both local option fuel taxes are forecast at \$1.1 billion over 20 years (FY 2026-2045), based on the following assumptions:

- Base year (FY 2019) estimates for both the Ninth-Cent and First LOFT were obtained from the *2018 Local Government Financial Information Handbook* (September 2018).
- Revenue forecasts were developed assuming that annual growth will be in line with fuel consumption growth estimated from the FDOT Revenue Estimating Conference (December 2018).<sup>16</sup>
  - The growth rates of gasoline consumption range from 0 to 1.0 percent between FY 2019 and FY 2028, at an average of 0.3 percent annually.
  - The growth rates of diesel fuel consumption are assumed to be between 1.3 percent and 1.1 percent from FY 2019 to FY 2028, at an average of 1.3 percent annually.

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<sup>16</sup> Forecast rates consider technological advancements in fuel efficiency and the implementation of the Corporate Average Fuel Economy Standards. Source: State Revenue Estimating Conference documentation found at: <http://edr.state.fl.us/Content/conferences/transportation/Transsummary.pdf>

- The growth rates of motor fuel consumption (i.e., the average of gasoline and diesel) are forecast between 0.7 percent and 0.5 percent from FY 2019 to FY 2028, for an average of 0.8 percent annually.
- The average growth rates were applied after 2028.
- It is assumed that these local fuel taxes will be renewed and collections will continue beyond the current sunset dates.
  - The Ninth-Cent Fuel Tax is set to expire in 2021.
  - The First LOFT is set to expire in 2042.
- Fifteen (15) percent is set aside for the administration of local transportation programs.

### *6.1.1 The Ninth-Cent*

The Ninth-Cent Fuel Tax was initially authorized in 1972 by the Florida Legislature. The tax is limited to 1 cent per gallon on highway fuels. Originally, the tax could be proposed by a county's governing body, but it had to be approved by the electorate in a countywide referendum. The 1993 Florida Legislature allowed a county's government body to impose the tax by a majority plus one vote of its membership, without holding a referendum.

Counties are not required to share revenue from the Ninth-Cent Fuel Tax with municipalities; however, the proceeds of the tax may be shared with cities in whatever proportion is mutually agreed upon, and used for county or municipal transportation purposes. The tax has no time limit imposed on it by state statutes. As of January 1, 1994, the Ninth-Cent Tax on diesel fuel is no longer optional. The 1990 Legislature decided to realize all optional taxes on diesel fuel so that interstate truckers, who pay fuel taxes based on miles driven in the state, would be subject to standard tax rates.

According to the *2018 Local Government Financial Information Handbook*, the Ninth-Cent Fuel Tax will generate \$7.6 million in FY 2019. Assuming renewal after 2021, over 20 years the Ninth-Cent Fuel Tax is forecast to generate \$172.6 million, of which \$25.9 million (15 percent) is set aside for the administration of local transportation programs. If the Ninth-Cent Fuel Tax sunsets in December 2021, revenues would total \$17.3 million over FY 2020-2022. Table 5 shows the revenues for the Ninth-Cent Fuel Tax under both scenarios.

**Table 5. Estimated Revenues from the Ninth-Cent Fuel Tax, FY 2020-2045**  
*Millions of YOE Dollars*

<b>Ninth-Cent Fuel Tax</b>		
<b>Fiscal Years</b>	<b>Assuming Renewal past 2021</b>	<b>Assuming Sunsets in 2021</b>
2020-2024	\$39	\$17
2025	\$8	\$0
2026-2030	\$41	\$0
2031-2035	\$42	\$0
2036-2045	\$90	\$0
<b>Total 2026-2045</b>	<b>\$173</b>	<b>\$0</b>

Note: Totals may not add up due to rounding.

### *6.1.2 The First LOFT*

The 1983 Florida Legislature provided local governments with two major new sources of revenue called the Local Option Gas Taxes (LOGT) that were renamed the Local Option Fuel Taxes (LOFT) in 1996. Up to 11 cents per gallon may be levied to help fund a variety of transportation projects. These taxes include the First LOFT (6 cents) and the Second LOFT (5 cents). Hillsborough County currently levies the full First LOFT only.

The First LOFT is authorized for a maximum duration of 30 years, at which time it must be voted on for extension. Implementation of 1 to 6 cents per gallon tax requires a simple majority vote of the County commissioners. The proceeds of the tax must be shared with municipalities, either by a mutually agreed-upon distribution scheme or, if agreement cannot be reached, by using a formula contained in the Florida Statute.

Local governments may pledge revenues from any portion of the LOFT to repay state bonds issued on their behalf. In addition, a local government must use LOFT revenues for transportation expenditures on the state or local highway systems or transit-oriented capital purchases, or operations. Transportation expenditures include ROW activities, roadway maintenance, and the construction of roads.

The proceeds of the First LOFT are shared with Plant City, Tampa, and Temple Terrace. Overall, the First LOFT will generate approximately \$42.7 million in FY 2019, of which about \$13.5 million will be distributed to the municipalities and the remainder goes to the unincorporated Hillsborough County, based on estimates provided in the *2018 Local Government Financial Information Handbook*. Over 20 years, the First LOFT is forecast to generate \$974.1 million, of which \$146.1 million (15 percent) is set aside for the administration of local transportation programs.

## 6.2 Local Option Sales Tax

Local governments are also authorized by the State to levy some sales taxes to address their transportation needs, including the Charter County and Regional Transportation System Surtax and the Local Government Infrastructure Surtax. The maximum potential local sales tax rate in Hillsborough County is 3 percent; as of November 2018, the local sales tax rate is set at 2.5 percent, leaving the County with a local sales tax potential of 0.5 percent that remains untapped. The existing local option sales taxes are the Local Government Infrastructure Surtax (called the Community Investment Tax, at 0.5 percent), the Indigent Care/Trauma Center surtax (at 0.5 percent), the Charter County and Regional Transportation System surtax (at 1.0 percent), and the School Capital Outlay surtax (at 0.5 percent).

### 6.2.1 Charter County and Regional Transportation System Surtax

In the fall of 2018, Hillsborough County voters agreed to impose the Charter County and Regional Transportation System Surtax, known locally as the Transportation Surtax and implemented only within Hillsborough County, at the maximum rate of 1 percent. Generally, the tax proceeds are for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, on-demand transportation services, and roads and bridges.

For the purpose of the 2045 LRTP, the revenue forecast was developed assuming the 1 percent countywide sales tax starts in FY 2019 and will be collected for 30 years.

The base year (FY 2019) estimate for the Charter County and Regional Transportation System surtax was provided by the County. After 2019, the 23-year compounded average growth rate (3.58 percent, for the 1990-2013 period) was applied to be consistent with the 2040 LRTP. At 1 percent, the countywide sales tax is forecast to generate \$10.1 billion over 20 years. Table 6 displays the estimated revenues from the new surtax.

**Table 6. Estimated Revenues from the Charter County and Regional Transportation System Surtax, FY 2020-2045**  
*Millions of YOE Dollars*

<b>Fiscal Years</b>	<b>Charter County and Regional Transportation System Surtax</b>
2020-2024	\$1,539
2025	\$342
2026-2030	\$1,900
2031-2035	\$2,266
2036-2045	\$5,922
<b>Total 2026-2045</b>	<b>\$10,089</b>

Note: Totals may not add up due to rounding.

### *6.2.2 Local Government Infrastructure Surtax (Community Investment Tax)*

The Local Government Infrastructure Tax (known as the Community Investment Tax (CIT) in Hillsborough County) can be levied at a rate of 0.5 percent or 1 percent. Counties cannot levy a combined rate exceeding 1 percent of the Local Government Infrastructure Surtax, Small County, Indigent Care and Trauma Center, and County Public Hospital surtaxes. Therefore, Hillsborough County is at the statutory maximum with the combined CIT and Indigent Care/Trauma Center taxes, each levied at 0.5 percent. Revenues from the CIT are used to acquire, construct, and improve general government, public education, and public safety infrastructure to promote the health, safety, and welfare of Hillsborough County residents. The CIT was adopted by referendum, and an extension must be approved by voters. The current CIT will sunset in 2026.

By agreement, several other governmental entities in Hillsborough County share the proceeds of this tax. The Hillsborough County School Board receives 25 percent of gross revenue, and a portion of the revenues go to pay annual debt service on a \$318 million bond issue that financed the Raymond James Stadium. The remaining CIT proceeds are shared by the County and its three municipalities.

For the purpose of the forecast, gross sales tax revenues were adjusted for the School Board allocation (25 percent) and for debt service payments on the stadium, before levies are distributed to unincorporated Hillsborough County and the cities of Tampa, Plant City, and Temple Terrace.

The CIT base year (FY 2019) estimate is based on data from the County. Revenues are shown for Hillsborough County in total and for the three cities alone. The County has bonded its share of revenues through 2026. Table 7 shows the estimated CIT revenues to the County and three cities based on two scenarios: assuming the CIT sunsets in 2026, and assuming the CIT is renewed after 2026.

**Table 7. Estimated Net Revenues from CIT, Countywide, FY 2020-2045**  
*Millions of YOE Dollars*

Fiscal Years	Assuming CIT Sunsets in 2026		Assuming CIT is Renewed after 2026	
	CIT Net Proceeds Hillsborough County	CIT Net Proceeds Three Cities	CIT Net Proceeds Hillsborough County	CIT Net Proceeds Three Cities
2020-2024	\$530	\$139	\$530	\$139
2025	\$119	\$31	\$119	\$31
2026-2030	\$21	\$5	\$701	\$184
2031-2035	\$0	\$0	\$850	\$222
2036-2045	\$0	\$0	\$2,221	\$581
<b>Total 2026-2045</b>	<b>\$21</b>	<b>\$5</b>	<b>\$3,772</b>	<b>\$988</b>

Note: Potential Net Revenues are after School Board allocation and debt service payments.  
 Totals may not add up due to rounding.  
 CIT renewal post-2026 is a possibility.

### 6.3 Mobility Fees (Previously Transportation Impact Fees)

Impact Fees were charges assessed for the impact that new development makes on Hillsborough County roads, parks, schools, and fire systems. Impact fee ordinances required new developments to pay a fair share for costs of improving existing infrastructure; in the case of transportation, impact fees are used for improving existing roads or constructing new roads made necessary by developments. A transportation impact fee schedule is typically based on trip generation, the cost of additional lane construction, trip length, percent of new trips added to the system, and existing lane capacity. The fee was assessed on the type of development and square footage.

Mobility fees were established in Chapter 40 Article III of the Hillsborough County Code of Ordinances and Laws Part A General Ordinances in 2016 as a replacement for transportation/ROW impact fees. Similar to impact fees, mobility fees are a one-time fee levied on new developments to cover the costs of transportation infrastructure consumed by the new development. As a charge on new development, the mobility fee has characteristics of an impact fee with some modifications:

- Sensitive to vehicle or person miles traveled encouraging shorter trips and reduction of total travel thereby promoting compact and mixed-use development.
- Funds multimodal transportation improvements for roadways, transit, bikeway, and pedestrian walkways. This includes capital projects, system efficiency and congestion management improvements/strategies and transit capital and operating costs.

- Provides a charge for recouping a new development’s share of transit operating costs for a short-term period.
- Distributed among all the governmental entities responsible for maintaining impacted transportation facilities.

A mobility fee in Hillsborough County replaced impact fees and proportionate fair share, which is how the County defrays infrastructure costs associated with additional road capacity that is necessary to serve new development. Because mobility fees are relatively new, the estimation is based on historical impact fees. Mobility fees may be spent on roads, bicycle, and pedestrian projects in the district where they are collected and must be spent within 10 years.

### *6.3.1 Hillsborough County Mobility Fees*

Historical data of county transportation impact fee levies over the last decade were found in the Hillsborough County Annual Local Government Financial Reports for FY 2015-2018. The residential and commercial impact fees are assumed to grow with population and employment, respectively. Over 20 years, Hillsborough County mobility fee revenues are estimated to total \$207.6 million.

### *6.3.2 Tampa, Plant City, and Temple Terrace*

For city-specific transportation impact/mobility fees, data were collected from the respective city sources.

- **Tampa:** Transportation impact fees for FY 2016-2019 came from the City of Tampa Operating Budgets and ranged from \$1.9 million to \$2 million annually. For the revenue forecast, it is assumed that mobility fees will remain constant (i.e., no growth) at the average level of impact fees over the past 5-years of \$2.1 million throughout the planning horizon, which would generate an estimated \$41.1 million over 20 years.
- **Temple Terrace:** The City of Temple Terrace established a transportation mobility fee in 2009. The Annual Budget for FY 2019 includes street improvement fund impact fees declining from \$1 million in FY 2016 to \$0 by 2019. For the purpose of revenue forecasting, it was assumed that Temple Terrace mobility fee revenues will be the average of FY 2016-2019, at \$48,000 annually, totaling \$960,000 over 20 years.
- **Plant City:** For the revenue forecast, it was assumed that Plant City revenues would be the average of the FY 2016 and 2017 transportation impact fees, as found in Plant City Annual Financial Reports, at \$289,000 annually with no growth. Over 20 years the revenues would total \$5.8 million.

## 6.4 Transit Funding

The estimates of future revenues to support transit capital and operating needs in the region include dedicated funding for HART, the streetcar, and the Sunshine Line (paratransit).

### 6.4.1 HART

HART has generally relied on revenues generated through passenger fares, ad valorem taxes, advertising, and other miscellaneous revenues to pay for operations. Over the 20-year period, total revenues from these sources were estimated at \$2.1 billion.

The base forecast for these revenue sources was obtained from the most recent *Transit Development Plan* (TDP, September 2018) and HART's *FY 2019 Adopted Budget*. The following assumptions were used to estimate potential revenues.

- **Passenger Fares.** Passenger fare revenues are forecast at \$18.4 million in FY 2019. The 20-year revenue forecast is estimated at \$589.1 million assuming an expansion of services.
  - Passenger fare revenue forecast through FY 2028 was obtained from the TDP and includes existing and new service revenues and passes revenues.
  - A 2 percent annual growth was applied to forecast revenues post-2028.
- **Ad Valorem Taxes.** HART receives the levies from a 0.5 mill (i.e., \$0.50 per \$1,000 of value) that are dedicated to transit. The 20-year ad valorem revenue forecast is estimated at \$1.4 billion.
  - Ad valorem forecast through FY 2028 were obtained from HART's TDP and the FY 2019 Adopted Budget.
  - After FY 2028, a 5.5 percent annual growth was applied based on input from the County.
  - Plant City is considering joining HART and adding the ad valorem tax.
- **Advertising.** Revenues collected through advertising were estimated at \$21.9 million over 20 years.
  - Applied forecast from HART's TDP through 2028.
  - After FY 2028, it was assumed that revenue will grow annually by 2 percent.

HART also receives funding from other miscellaneous sources (e.g., interest income). For the purpose of the 2045 LRTP, these revenues were assumed to remain at the FY 2019 estimate levels.

### 6.4.2 Streetcar

Funding for the streetcar includes passenger fares, special assessment district revenues, and Tampa Port Authority contributions, estimated at \$56.3 million over 20 years.



The 20-year Business Plan for the Streetcar (through 2033) anticipates the need for additional funding to meet revenue shortfalls starting in 2020. The City of Tampa must cover any funding shortfall, unless other funding is identified.

- **Passenger fares.** Fare revenues in FY 2017 totaled over \$550,000 as found in the HART FY 2017 Comprehensive Annual Financial Report. For the purpose of the 2045 LRTP, an annual growth rate of 1.5 percent was applied through 2045.
- **Special Assessment District.** The streetcar operating expenses are funded with revenue from a special assessment district that includes downtown Tampa, the central business district (CBD), the Channel District, Ybor City, and Channelside. Properties within the current district are taxed a one-third mill (\$0.33 per \$1,000 of value).
  - The TECO Board of Director’s meeting from September 2018 estimated FY 2018 revenues of \$772,600.
  - The revenue forecast applied an annual growth rate of 6.58 percent, consistent with the average projected ad valorem growth rate from 2018-2024 from the Office of Economic & Demographic Research’s Revenue Estimating Conference (December 2018).
- **Tampa Port Authority.** No contributions from the Tampa Port Authority are included in the revenue forecast.

### 6.4.3 Sunshine Line

The Sunshine Line provides door-to-door transportation and bus passes for elderly, low-income, and disabled persons who do not have or cannot afford their own transportation. Funding includes passenger fares and local funding. Total revenues over 20 years are estimated at \$90.2 million.

- **Local Funding** – Hillsborough County provided about \$3.0 million in 2013. For the 2045 LRTP, it was assumed that future funding will increase in-line with the historical average 10-year inflation<sup>17</sup> rate (1.7 percent).
- **Farebox Revenues** – HART’s assumption of 2 percent annual growth was applied, consistent with the 2040 LRTP.

## 6.5 County Revenues for Transportation

In September 2016, the Board of County Commissioners (BOCC) passed Board Policy Section Number 03.05.09.00 that sets aside a portion of County revenues for transportation. As a policy decision, the Board demonstrated their commitment to funding transportation and that

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<sup>17</sup> Bureau of Labor Statistics, Consumer Price Index 10-year CAGR for the 2007-2017 period.

transportation is one of the County’s highest priorities. A set amount of revenues is budgeted annually for ten years, starting with \$35 million in FY 2017 and increasing to \$90 million in FY 2026. Funds could come from a number of sources including ad valorem, local government half-cent sales tax, grants, new financing, additional recurring commitments, eligible reserves, and others. Mobility fees are not an eligible funding source and neither would be any new fuel taxes. Funds are prioritized for capital maintenance of existing infrastructure over new construction. Projects are proposed by the Hillsborough Transit Authority and other government agencies for selection by the BOCC. Revenues total \$600 million over the ten years (FY 2017-2026). It is assumed that the funding source expires after FY 2026.

## 6.6 Summary of Local Revenue Sources

Table 8 shows the rates at which some of these taxes and fees are currently set. Table 9 summarizes the funding sources currently dedicated to Hillsborough County for carrying out transportation improvements, including the unbonded surtax revenues through 2026. Overall, all local sources are forecast to generate from \$13.6 billion if the CIT and Ninth Cent sunset, to \$17.6 billion if both are renewed, for transportation needs over 20 years as shown in Table 9.

**Table 8. Rates for Existing Local Funding**

<b>Local Option Fuel Taxes</b>	
Ninth-Cent Fuel Tax	1 cent per gallon
First LOFT	6 cents per gallon
<b>Other Optional Local Funding</b>	
Mobility Fees	Varies
HART Fares	Varies
HART Ad Valorem	0.5 mills
Streetcar Fares	Varies
Sunshine Line	Varies
Charter County and Regional Transportation System Surtax	1.0%
Local Government Infrastructure Surtax [Community Investment Tax (C.I.T.)]	0.5%
County Revenues for Transportation	Varies

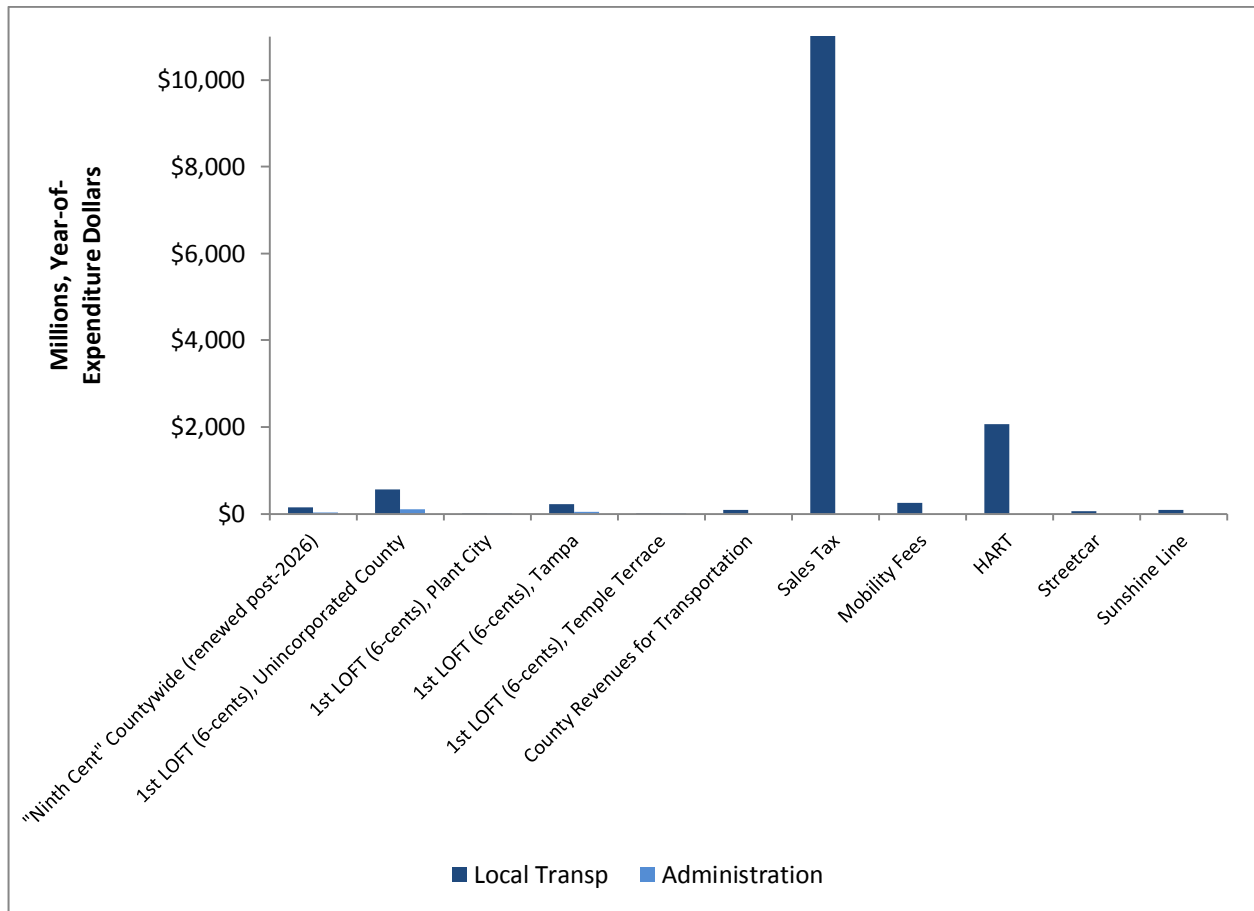
**Table 9. Existing Local Funding by Source, FY 2020-2045**  
**Millions of YOE Dollars**

<b>Program/Source</b>	<b>FY 2020-2024</b>	<b>FY 2025</b>	<b>FY 2026-2030</b>	<b>FY 2031-2035</b>	<b>FY 2036-2045</b>	<b>FY 2026-2045</b>
<b>Fuel Taxes Levied Locally<sup>a</sup></b>						
"Ninth-Cent" Countywide (sunsets 2021)	\$17	\$0	\$0	\$0	\$0	\$0
"Ninth Cent" Countywide (renewed post-2021)	\$39	\$8	\$41	\$42	\$90	\$173
First LOFT (6 cents), Unincorporated County	\$150	\$31	\$157	\$163	\$346	\$665
First LOFT (6 cents), Plant City	\$6	\$1	\$6	\$7	\$14	\$27
First LOFT (6 cents), Tampa	\$59	\$12	\$62	\$64	\$137	\$263
First LOFT (6 cents), Temple Terrace	\$4	\$1	\$4	\$5	\$10	\$19
<b>Local Set Aside Revenues</b>						
County Revenues for Transportation (ends in 2026)	\$305	\$85	\$90	\$0	\$0	\$90
<b>Local Option Sales Taxes</b>						
Charter County and Regional Transportation System Surtax (1 percent)	\$1,539	\$342	\$1,900	\$2,266	\$5,922	\$10,089
Local Government Infrastructure Surtax (C.I.T.) Hillsborough County (sunsets 2026)	\$530	\$119	\$21	\$0	\$0	\$21
C.I.T (renewed post-2026)	\$530	\$119	\$701	\$850	\$2,221	\$3,772
<b>Mobility Fees (Previously Impact Fees)</b>						
Countywide	\$27	\$6	\$36	\$45	\$127	\$208
Tampa	\$10	\$2	\$10	\$10	\$21	\$41
Plant City	\$1	\$0	\$1	\$1	\$3	\$6
Temple Terrace	\$0	\$0	\$0	\$0	\$0	\$1
<b>Transit Funding</b>						
<b>HART</b>						
HART Passenger Fares	\$103	\$23	\$125	\$140	\$324	\$589
HART Ad Valorem	\$204	\$43	\$235	\$302	\$913	\$1,449
HART Advertising	\$4	\$1	\$5	\$5	\$12	\$22

<b>Program/Source</b>	<b>FY 2020-2024</b>	<b>FY 2025</b>	<b>FY 2026-2030</b>	<b>FY 2031-2035</b>	<b>FY 2036-2045</b>	<b>FY 2026-2045</b>
HART Other	\$3	\$1	\$3	\$3	\$6	\$12
<b>Streetcar</b>						
Streetcar Passenger Fares	\$3	\$1	\$3	\$3	\$8	\$15
Streetcar Special Assessment	\$5	\$1	\$7	\$9	\$26	\$42
<b>Sunshine Line</b>						
Sunshine Passenger Fares	\$0	\$0	\$0	\$0	\$1	\$1
Sunshine Local	\$18	\$4	\$20	\$21	\$48	\$89
<b>TOTAL LOCAL (CIT and Ninth Cent Sunset)</b>	<b>\$2,990</b>	<b>\$673</b>	<b>\$2,686</b>	<b>\$3,044</b>	<b>\$7,917</b>	<b>\$13,647</b>
<b>TOTAL LOCAL (CIT and Ninth Cent Renewed)</b>	<b>\$3,012</b>	<b>\$681</b>	<b>\$3,407</b>	<b>\$3,936</b>	<b>\$10,228</b>	<b>\$17,571</b>

Notes: <sup>a</sup> Includes 15 percent "set-aside" for the administration of local transportation programs.

**Figure 6. Local Funding, FY 2026-2045**



## 7 Potential New Funding Sources

This section examines the potential revenues of the taxes or fees that are not in place in Hillsborough County, but that could be implemented to support transportation investments. Opportunities to levy additional revenues for transportation improvements exist with the implementation of the Second LOFT, Ad Valorem taxes dedicated to transportation, tolls, off-street parking fees, transportation network company (TNC) fees, parking fees, fees on vehicle registration and driver licenses, and a vehicle miles traveled (VMT) fee. The following resources were used to develop the forecasts of potential local funding sources:

- 2018 Local Government Financial Information Handbook (September 2018)
- FDOT Tampa Bay Express Planning Level Traffic and Revenue (T&R) Study, February 2017
- 2040 Tampa Bay Regional Transportation Analysis v8.0 Measures of Effectiveness Report
- Tampa Downtown Partnership parking database<sup>18</sup>
- State of Florida Highway Safety and Motor Vehicles Department Revenue Report FY 2018<sup>19</sup>
- Data provided by Hillsborough County Tax Collector Offices<sup>20</sup>

### 7.1 Second LOFT

The 1993 Florida Legislature extended the scope of the Local Option Fuel Tax to include an additional fuel tax of up to 5 cents per gallon of gasoline. Diesel fuel is not subject to this tax. Implementation of the second tax of 1 to 5 cents per gallon requires a majority plus one vote of the County Commissioners. The proceeds of the tax must still be shared with municipalities, either by mutually agreed-upon distribution scheme, or by using the state formula. Pursuant to Section 336 of the Florida Statutes, local governments may only use revenues from the tax for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan.

Revenues from implementing the full 5 cents per gallon of the Second LOFT are forecast at \$622.6 million over 20 years (FY 2026-2045). The forecast methodology was similar to the one used for the Ninth-Cent and the First LOFT.

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<sup>18</sup> Tampa Downtown Partnership, Parking in Downtown Tampa, <https://www.tampasdowntown.com/getting-around/parking/>

<sup>19</sup> State of Florida Highway Safety and Motor Vehicles Department Revenue Report FY 2018, [https://www.flhsmv.gov/pdf/revenuereport/revenue\\_report\\_fy2017\\_2018.pdf](https://www.flhsmv.gov/pdf/revenuereport/revenue_report_fy2017_2018.pdf)

<sup>20</sup> Communication with Hillsborough County Tax Collector Offices, November 12, 2018 provided Class E licenses for the County

- Base year (FY 2019) estimates for the Second LOFT were obtained from the *2018 Local Government Financial Information Handbook* (September 2018).
- Revenue forecasts were developed assuming that annual growth will be in line with fuel consumption growth estimated from the FDOT Revenue Estimating Conference (August 2018).
  - The growth rates of gasoline consumption are assumed between 1.0 percent and 0.0 percent from 2020 to 2028, at an average of 0.3 percent annually.
  - The average growth rate was applied after 2028.

Table 10 displays the forecast for the Second LOFT in one cent per gallon increments.

**Table 10. Estimated Revenues from the Second LOFT, per Penny, FY 2020-2045**  
*Millions of YOE Dollars*

<b>Fiscal Years</b>	<b>1 Cent per Gallon</b>	<b>2 Cents per Gallon</b>	<b>3 Cents per Gallon</b>	<b>4 Cents per Gallon</b>	<b>5 Cents per Gallon</b>
2020-2024	\$30	\$60	\$90	\$120	\$150
2025	\$6	\$12	\$18	\$24	\$30
2026-2030	\$30	\$61	\$91	\$122	\$152
2031-2035	\$31	\$62	\$93	\$123	\$154
2036-2045	\$63	\$126	\$190	\$253	\$316
<b>Total 2026-2045</b>	<b>\$125</b>	<b>\$249</b>	<b>\$374</b>	<b>\$498</b>	<b>\$623</b>

Note: Totals may not add up due to rounding.

## 7.2 Ad Valorem Taxes

According to Florida Statutes, local governments may levy ad valorem taxes based on the assessed value of property. Ad valorem taxes are subject to the following rate limitations:

- Ten mills for County purposes;
- Ten mills for municipal purposes;
- Ten mills for school purposes;
- A millage fixed by law for a County furnishing municipal services; and
- A millage authorized by law and approved by voters for special districts.

Levies from ad valorem taxes provide funding for programs that have countywide benefit, such as services to the elderly and children, emergency management and emergency dispatch

functions, jail operations and law enforcement, fire services, among others. To fund operations of the city-county library system, Hillsborough County levies a Special Library District Ad Valorem Tax, which applies only to property in the City of Tampa and in unincorporated areas of the County. Ad valorem taxes are also collected to meet annual debt service requirements for the payment of voter approved general obligation bonds. In addition, entities such as the cities of Tampa, Temple Terrace, and Plant City, the Hillsborough County School Board, HART, the Southwest Florida Water Management District, the Tampa Port Authority, and the Children's Board are all authorized by the State to levy their own ad valorem taxes.

As noted in the section of existing local taxes dedicated to transportation, HART receives dedicated revenues from a 0.5-mill ad valorem tax and the streetcar is funded with a 0.33-mill special assessment.

For the purpose of estimating the revenue potential from a countywide ad valorem tax, a tax rate of 1 mill was applied to the countywide taxable value estimates. The County estimates 2019 ad valorem revenues of \$95 million. Growth after 2019 was based on the State Revenue Estimating Conference's growth rates for FY 2020-2024, and after FY 2024, a 5.5 percent annual growth was applied based on input from the County. An additional 1 mill in ad valorem is forecast to generate approximately \$4.9 billion between FY 2026 and FY 2045.

In addition, HART has the authority to increase its ad valorem tax from the existing 0.5 mills up to 3 mills for an increase of 2.5 mills. An amendment to the HART charter may be required, as well as Board and County approval. In doing so, revenues would amount to \$8.7 billion over 20 years, compared to the existing \$1.4 billion.

## 7.3 Tolls

Per the 2018 Florida Statutes,<sup>21</sup> toll revenues are dedicated to maintenance, repair, and operating the turnpike system, to pay principal of and interest on bonds issued to finance or refinance the system, and to create reserves for all such purposes. As such, Hillsborough County is not an eligible recipient of toll revenues. However, the County may continue to collect tolls on a revenue-reducing project, aside from high occupancy toll or express lanes, after bonds have been paid off, and may even increase tolls. The tolls should be used for operations, maintenance, and improvements of the toll project. If the project is on the State Highway System (SHS) or county road system, the remaining revenues can be used for construction, maintenance, or improvement of any road on the SHS or county road system within the county in which the project is located. This provision may provide some flexibility for Hillsborough County if it were to operate a toll project not under the jurisdiction of the transportation or expressway authority that had discharged any bond indebtedness.<sup>22</sup>

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<sup>21</sup> 2018 Florida Statutes 338.231

<sup>22</sup> 2018 Florida Statutes 338.165

FDOT-tolled facilities in Hillsborough County through the Turnpike Authority include the I-4 Connector and the Veteran’s Expressway (Toll 589). Future plans are underway to toll I-4, sections of I-275 south of downtown, and I-75 within the County as well, with the toll lanes assumed to be operated by FDOT. The Tampa Hillsborough Expressway Authority (THEA) owns and operates the Selmon Expressway (tolled), Brandon Parkway, Meridian Avenue, and Selmon Greenway facilities in the County. Revenues from the Selmon Expressway stay in the County for use by the facility.

The State’s forecast of toll revenues for the Veterans Expressway and I-4 Connector<sup>23</sup> total \$99.8 million by 2028, each showing over 4.5 percent annual growth in revenues. Based on the FDOT Tampa Bay Express Planning Level Traffic and Revenue (T&R) Study, February 2017, revenues from tolling I-4 and I-275 in the County total \$15.5 million in 2030 based on the most conservative projection of Scenario 4 and adjusted for an opening year of 2030. I-75 is also expected to be tolled in Hillsborough County with an estimated opening in 2030; based on the I-4 revenues from the T&R study and adjusted for VMT from the managed lanes on I-4 and I-75, revenues are projected to total \$929.2 million for I-275, I-4, and I-75 for FY 2026-2045. Revenues are projected to be sufficient to pay for debt device, operations and maintenance, and improvements for the Veterans Expressway, I-4 Connector, and future managed lanes on I-4, I-275, and I-75.

THEA estimates toll revenues for the Selmon Expressway at \$128.9 million in 2027 and annual growth of 4.4 percent,<sup>24</sup> resulting in projected revenues of \$3.8 billion for FY 2026-2045. Revenues from the I-4 Connector and Veteran’s Expressway, as estimated by Florida’s Turnpike, total \$20.5 million and \$79.4 million respectively in FY 2028, growing by 4.5 percent and 4.7 percent annually, resulting in \$2.9 billion over FY 2026-2045.

In total, the facilities’ tolls could provide \$7.7 billion over the 20 years for debt service, operations, maintenance, and system expansion. These funds are assumed to be collected and used by the state and Turnpike Authorities, with no revenues passed on to Hillsborough County. The revenue projection is gross revenues (before application to debt service, operations, and maintenance).

## 7.4 Off-Street Parking Fee

Several other metropolitan areas have implemented fees on off-street parking and a fee could be implemented on a per-space, per-transaction basis, or as a sales tax. As a per-space per day tax, it would act as a version of property tax. As a starting point, the City of Tampa

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<sup>23</sup> Florida’s Turnpike Mainline Toll Revenue Forecast FY 2018 through FY 2028, [http://www.floridasturnpike.com/documents/reports/Traffic%20Engineers%20Annual%20Report/2017/9\\_Forecast%20Summary.pdf](http://www.floridasturnpike.com/documents/reports/Traffic%20Engineers%20Annual%20Report/2017/9_Forecast%20Summary.pdf)

<sup>24</sup> Tampa Hillsborough Expressway Authority Annual Report 2017 [https://www.tampa-xway.com/wp-content/uploads/2018/05/TEX-497\\_Annual\\_Report\\_.pdf](https://www.tampa-xway.com/wp-content/uploads/2018/05/TEX-497_Annual_Report_.pdf)



suggested using all of the parking spaces included in their downtown inventory,<sup>25</sup> totaling over 29,000 in 2018 for non-residential parking in public and private lots and garages. Assuming that parking grows in proportion with employment and that all spaces are occupied once per weekday, a \$1 fee in FY 2019 would yield \$8.3 million in revenues. Assuming that parking rates and fees would increase with inflation over 20 years, revenues would total \$533.7 million. Expanding the fee to non-residential, off-street parking countywide would add to this total.

In order to implement such a fee, the Tampa City Council would need to pass a resolution to amend the existing fees on parking. The City Council has the authority to set fees by resolution without the need to amend state statutes as found in Chapter 15 of the Tampa Code of Ordinances.

## 7.5 Transportation Network Company (TNC) Fee

A transportation network company (TNC) is defined as an entity that operates using a digital network to connect riders and drivers for a prearranged ride, such as Lyft, Uber, and Sidecar. Currently, all fees charged by TNCs are retained by the TNC, but there is potential for an additional fee to be levied for rides within the County. The Tampa International Airport implements a TNC fee on trips originating at the airport; fees are currently \$4 per trip and all revenues are retained by the airport.<sup>26</sup> To implement the fee at a county level, legislation would need to be amended as currently the 2017 Florida Statutes dictate that "a county... may not... subject a TNC, a TNC driver, or a TNC vehicle to any rate, entry, operation, or other requirement of the County."<sup>27</sup>

Based on county trips as found in the travel demand model, and assuming an estimated 1.5 percent of trips are provided by a TNC,<sup>28</sup> a \$1 fee per trip would yield \$26.5 million in FY 2019. Assuming the fee would increase with inflation, a TNC fee would total \$1.1 billion over 20 years.

## 7.6 Vehicle Registration Fee

The County could explore increasing the annual vehicle registration fee. Currently, none of the vehicle registration fees stay in the County except for the service fees. Rates for automobiles and light trucks range from \$14.50 to \$32.50 annually, while heavy trucks range from \$60.75

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<sup>25</sup> Tampa Downtown Partnership, Parking in Downtown Tampa, <https://www.tampasdowntown.com/getting-around/parking/>

<sup>26</sup> Tampa International Airport Budget for FY 2019, [http://www.tampaairport.com/sites/default/master/files/Final%20FY2019%20Budget\\_With\\_Budget\\_Message.pdf](http://www.tampaairport.com/sites/default/master/files/Final%20FY2019%20Budget_With_Budget_Message.pdf)

<sup>27</sup> 2018 Florida Statutes 627.748

<sup>28</sup> Gutman, David, McClatchy, WA: How popular are Uber and Lyft in Seattle? Ridership numbers kept secret until recently give us a clue, November 5, 2018

to \$1,322. The number of vehicles by type was estimated from the Florida Highway Safety and Motor Vehicles Department Revenue Report.<sup>29</sup> To implement the additional fee would require updates to the Florida Statutes. However, there are a number of existing registration fees and service charges where a fee could be added to the statutes, but would need to be dedicated to the County.

Projecting increases to autos and light trucks based on population growth, and heavy trucks based on employment growth, an illustrative additional fee of \$1 per vehicle registration in the County would yield \$1.2 million in FY 2019, and total \$52.9 million over FY 2026-2045.

## 7.7 Driver License Fee

Similar to the vehicle registration fee, an increase in the fees charged for obtaining or renewing a Class E license could be dedicated to transportation uses in Hillsborough County. Currently, all of the license fees collected in the County are passed to the state; only service fees stay in the County. Florida driver's licenses cost \$48 and are valid for 8 years, or 6 years for those 80 and older. In order to implement the new fee, an update to the Florida Statutes would be required; however, there are a number of existing license fees and service charges where a fee could be added to the statutes and would need to be dedicated to the County.

Based on the Florida Highway Safety and Motor Vehicles Department Revenue Report and summarized Class E licenses provided by the Hillsborough County Tax Collector Offices, an estimated 220,000 licenses were issued in 2017. These include Class E original licenses, renewals, and replacements. Assuming issued licenses grow proportional to population, an illustrative \$1 fee would yield \$266,000 in FY 2019 and \$12.2 million over 20 years.

## 7.8 Vehicle Miles Traveled (VMT) Fee

A fee based on vehicle miles traveled (VMT) would be a new fee levied on the number of miles traveled annually. There are different ways to implement such a fee; for example, it could be levied based on miles traveled within the County, requiring a global positioning system (GPS)-based system, or on vehicles registered in the County no matter where the miles are driven based on odometer readings. A state-level pilot study on how to track and tax VMT is ongoing in Oregon and several other states and transit agencies are considering such a tax.

Challenges to implementation include privacy concerns and undefined tracking and collection mechanisms in Florida. Because the state does not require annual vehicle inspections, it would be more challenging to track annual mileage and collect fees. While GPSes are likely the most efficient and accurate means of tracking mileage distance and locations, their usage introduces privacy concerns and therefore the funding mechanism is politically unpopular. An amendment

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<sup>29</sup>State of Florida Highway Safety and Motor Vehicles Department Revenue Report FY 2018, [https://www.flhsmv.gov/pdf/revenuereport/revenue\\_report\\_fy2017\\_2018.pdf](https://www.flhsmv.gov/pdf/revenuereport/revenue_report_fy2017_2018.pdf)

to the state statutes would be needed to implement a VMT fee, and would also necessitate amendments to the statutes on motor and other fuel taxes (Chapter 206).

The VMT fee or tax has been suggested as a potential way to make up for the shortfall of the eroding gas tax revenues. Based on the projected vehicle miles traveled as found in the travel demand model, an illustrative fee of \$0.01 per mile would yield \$156.9 million in FY 2019. Though the 2040 travel demand model predicts Hillsborough County VMT will decrease from 2018 levels, revenues for FY 2026-2045 could total nearly \$5.1 billion.

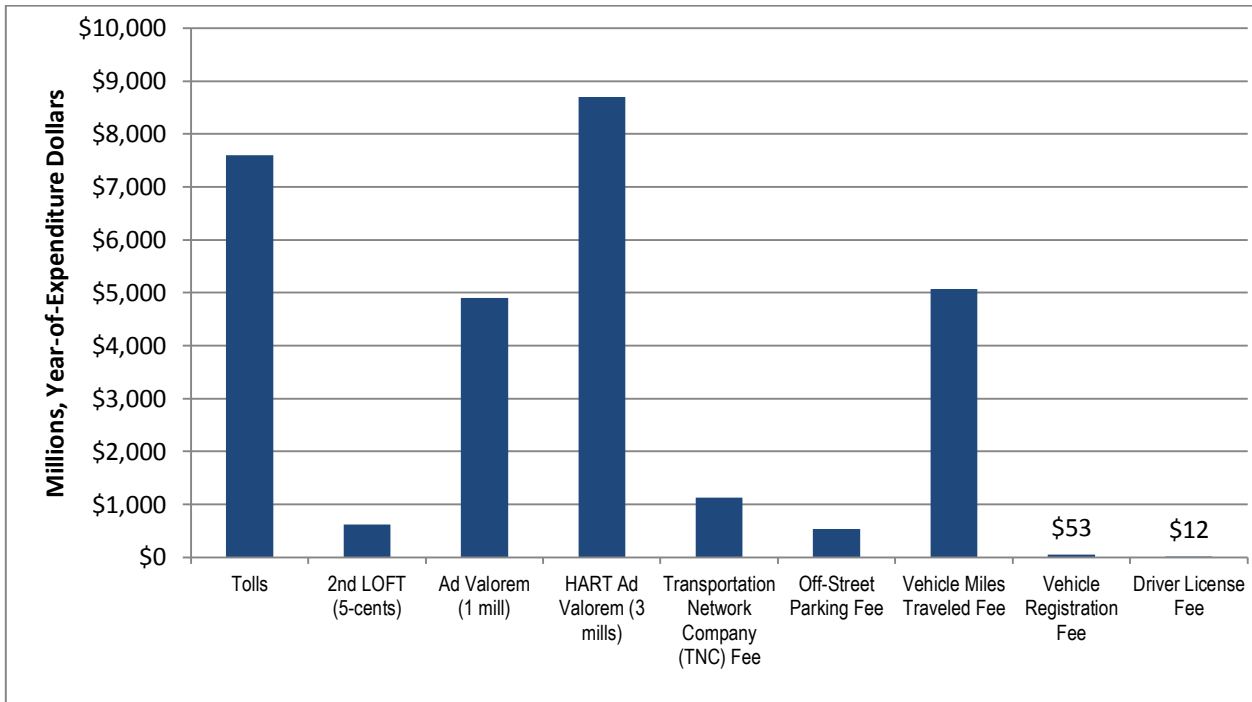
## 7.9 Summary of Potential New Funding Sources

Table 11 and Figure 7 show the revenue potential of new funding sources that could be implemented in Hillsborough County for infrastructure investments, including transportation. The revenue potential ranges from \$12.2 million for driver license fees up to \$8.7 billion from a 3 mill ad valorem tax for HART.

**Table 11. Potential New Local Funding, FY 2020-2045**  
*Millions of YOE Dollars*

<b>Source</b>	<b>FY 2020-2024</b>	<b>FY 2025</b>	<b>FY 2026-2030</b>	<b>FY 2031-2035</b>	<b>FY 2036-2045</b>	<b>FY 2026-2045</b>
Tolls	\$926	\$211	\$1,202	\$1,661	\$4,817	<b>\$7,680</b>
2nd LOFT (5-cents)	\$150	\$30	\$152	\$154	\$316	<b>\$623</b>
Ad Valorem (1 mill)	\$564	\$132	\$780	\$1,022	\$3,094	<b>\$4,897</b>
HART Ad Valorem (3 mills)	\$1,224	\$260	\$1,408	\$1,810	\$5,477	<b>\$8,695</b>
Transportation Network Company (TNC) Fee	\$150	\$34	\$195	\$247	\$677	<b>\$1,120</b>
Off-Street Parking Fee	\$51	\$12	\$76	\$107	\$351	<b>\$534</b>
Vehicle Miles Traveled Fee	\$848	\$184	\$1,007	\$1,180	\$2,878	<b>\$5,064</b>
Vehicle Registration Fee	\$7	\$2	\$9	\$11	\$33	<b>\$53</b>
Driver License Fee	\$2	\$0	\$2	\$3	\$8	<b>\$12</b>

**Figure 7. Potential New Local Funding, FY 2026-2045**



## 8 Summary of Reasonable Available Funding (by Program)

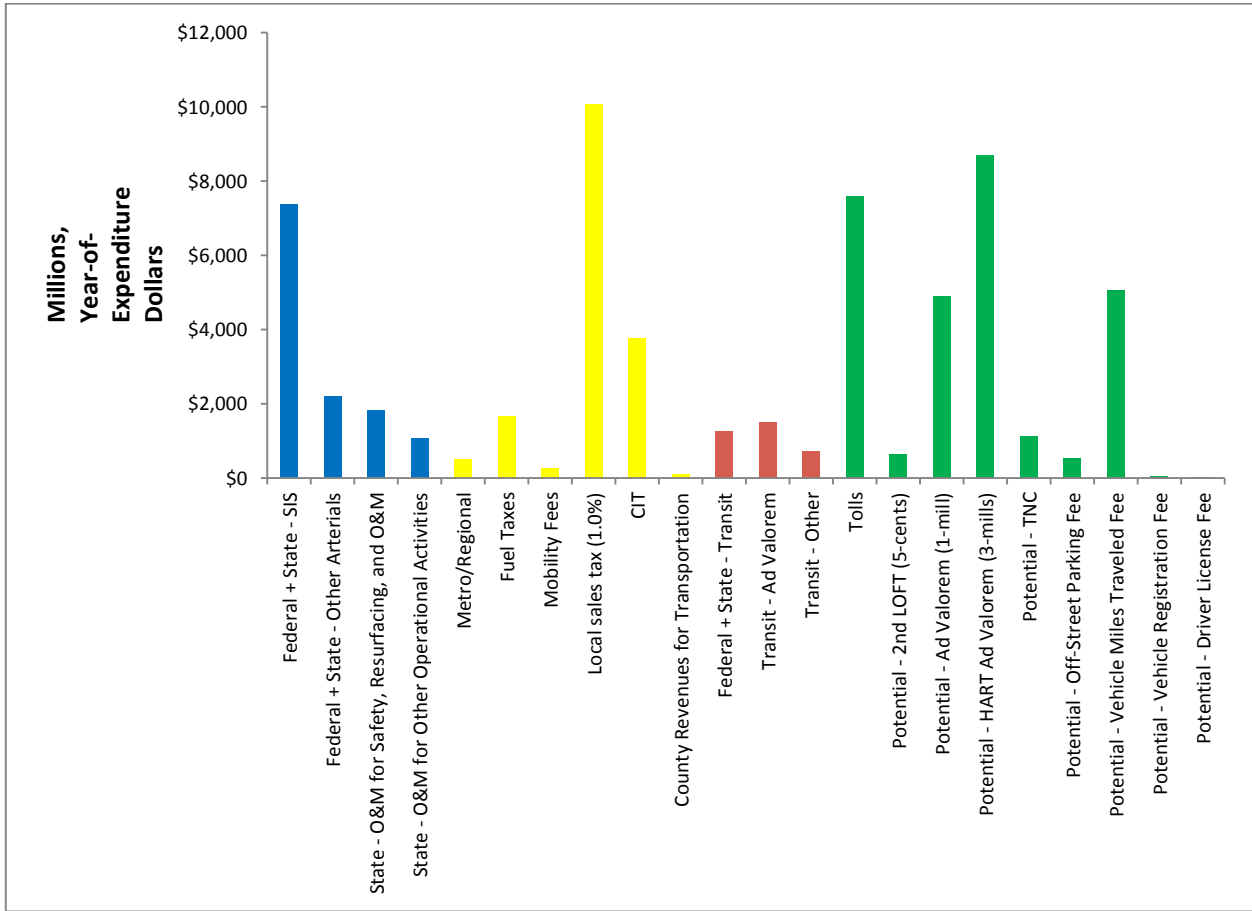
Table 12 summarizes total transportation-related revenues anticipated to be available through the period FY 2026-2045. According to these estimates, approximately \$32.3 billion is expected to be available for transportation needs between FY 2026 and FY 2045. Figure 8 shows all available funding for transportation from Federal, state and local funding sources, and potential revenues from local sources.

**Table 12. Summary of Total Revenues, FY 2020-2045**  
**Millions of YOE Dollars**

<b>Funding Categories</b>	<b>FY 2020-2024</b>	<b>FY 2025</b>	<b>FY 2026-2030</b>	<b>FY 2031-2035</b>	<b>FY 2036-2045</b>	<b>FY 2026-2045</b>
Federal and State – Capacity	\$1,097	\$79	\$2,031	\$3,870	\$3,679	\$9,581
<i>SIS</i>	\$746	\$2	\$1,535	\$3,324	\$2,531	\$7,390
<i>Other Arterials</i>	\$351	\$77	\$496	\$546	\$1,148	\$2,190
State – O&M Safety, Resurfacing, and O&M	\$372	\$72	\$423	\$456	\$944	\$1,823
State – O&M Other Operational Activities	\$215	\$41	\$244	\$263	\$545	\$1,052
Metro/Regional	\$120	\$24	\$125	\$127	\$254	\$506
State – Fuel Tax to Local Local Transportation Programs	\$98	\$20	\$103	\$107	\$226	\$435
State – Fuel Tax to Local Administration of Local Transportation Programs	\$17	\$4	\$18	\$19	\$40	\$77
Transit (Federal and State)	\$212	\$44	\$276	\$317	\$650	\$1,243
Transit (Local and Other)	\$340	\$73	\$397	\$483	\$1,338	\$2,219
Local Local Transportation Programs	\$2,633	\$600	\$2,969	\$3,411	\$8,800	\$15,181
Local Administration of Local Transportation Programs	\$39	\$8	\$41	\$42	\$89	\$172
<b>Total</b>	<b>\$5,143</b>	<b>\$965</b>	<b>\$6,627</b>	<b>\$9,095</b>	<b>\$16,566</b>	<b>\$32,287</b>

Note: Assumes CIT and Ninth-Cent Fuel Tax are renewed.

**Figure 8. Summary of Total Available and Potential Revenues, FY 2026-2045**



Legend: Blue: Federal and State Highway  
 Yellow: Local  
 Red: Transit  
 Green: Potential Funding

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**Hillsborough County Metropolitan Planning Organization**

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