

# Transportation Funding

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Houston-Galveston  
Area Council

# **Future Mobility Challenges**

## **2 0 3 5**

- **3 million new residents**
- **300% increase in freight traffic**
- **\$157 billion to maintain today's level of service**
- **\$50 billion unfunded system replacement**



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# **Current System Performance**

- **134 million DAILY vehicle miles traveled**
- **7.6 hours congestion/day**
- **\$2.2 billion annual congestion cost**
- **State's highest vehicle crash rates**



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# Transportation Funding Sources

- **Federal Fuels Tax**
- **State**
  - State fuel and lubricants tax
  - State vehicle registration fee
  - Motor vehicle title certificate fees
  - Other dedicated revenue (General Mobility fund)
- General fund appropriations



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# Transportation Funding Sources

## ▪ Local

- METRO 1% sales tax
- General fund (property taxes)
- User fees (fares) and assessments
- State vehicle registration fee
- Special Districts (dedicated property or sales tax)
- Tolling



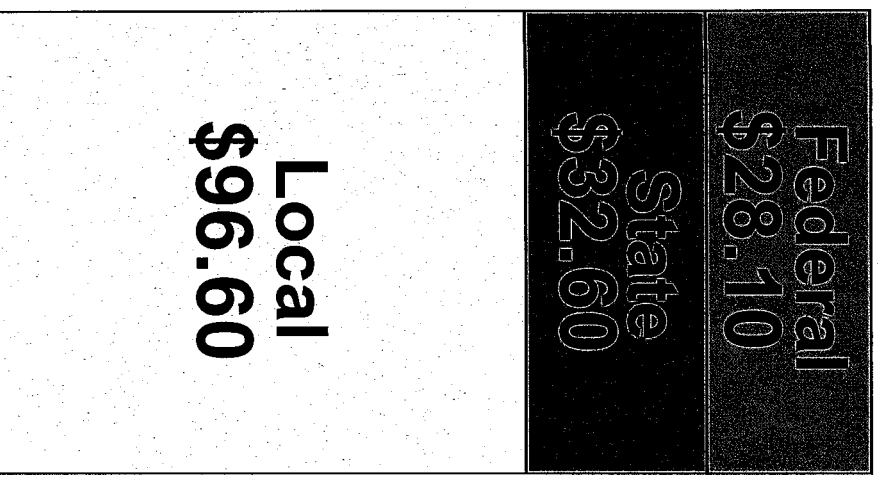
# State Funding Dilemma

- **Motor fuel tax flat due to:**
  - Increased fuel efficiency/Alternative fuels
  - Fund 6 diversions
  - Federal rescissions
- **Infrastructure costs doubling in 10 yrs:**
  - Materials
  - Right of Way
  - Environmental mitigation

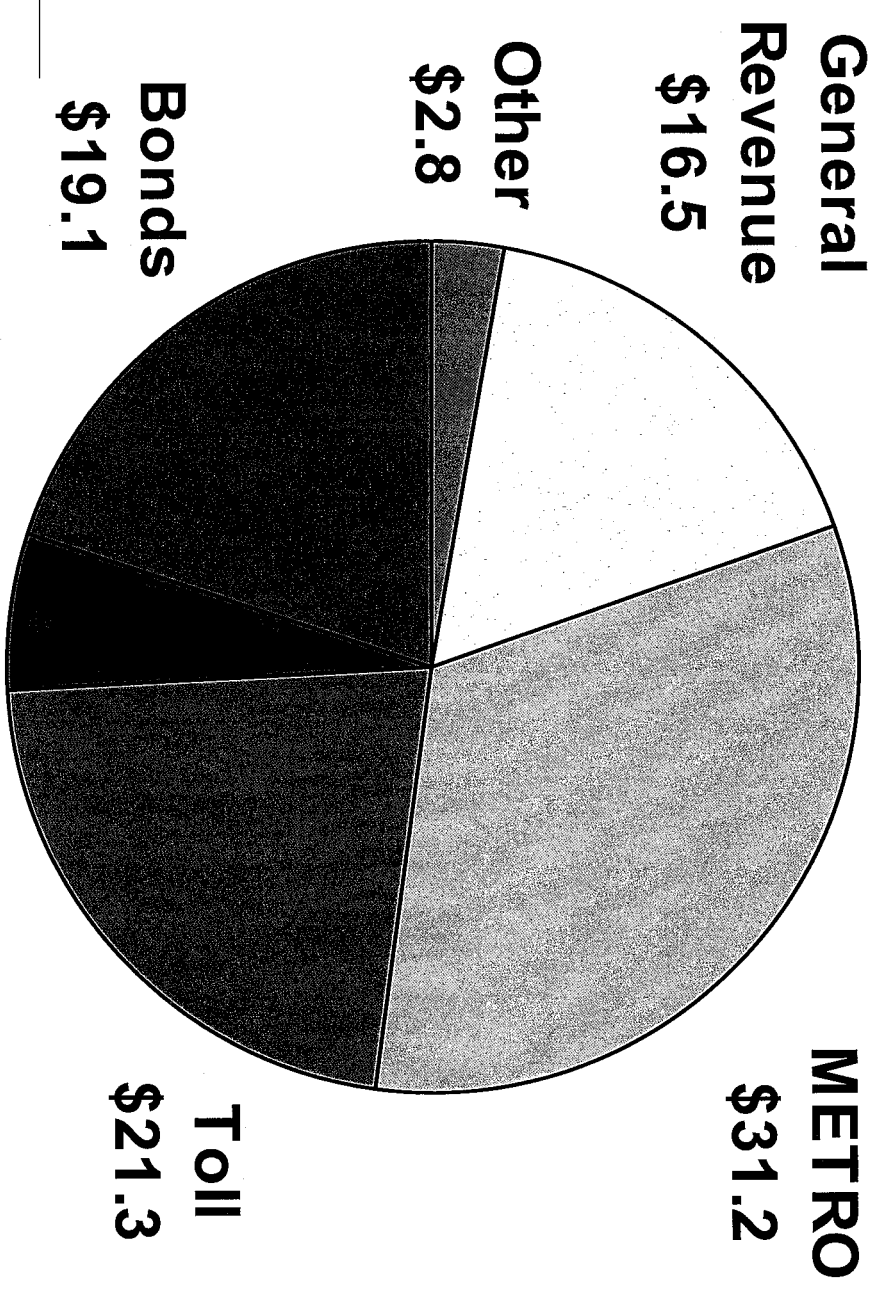


# Impact of Toll Revenue

**Local \$96.6B**



**Total \$157B**



# **Recommendations**

1. Index motor fuels tax to inflation
2. Reduce Fund 6 diversions
3. User fees – tolls
4. Local option transportation taxes
5. Increase state or federal taxes tied to equitable return

