

Transportation Regulatory Environment

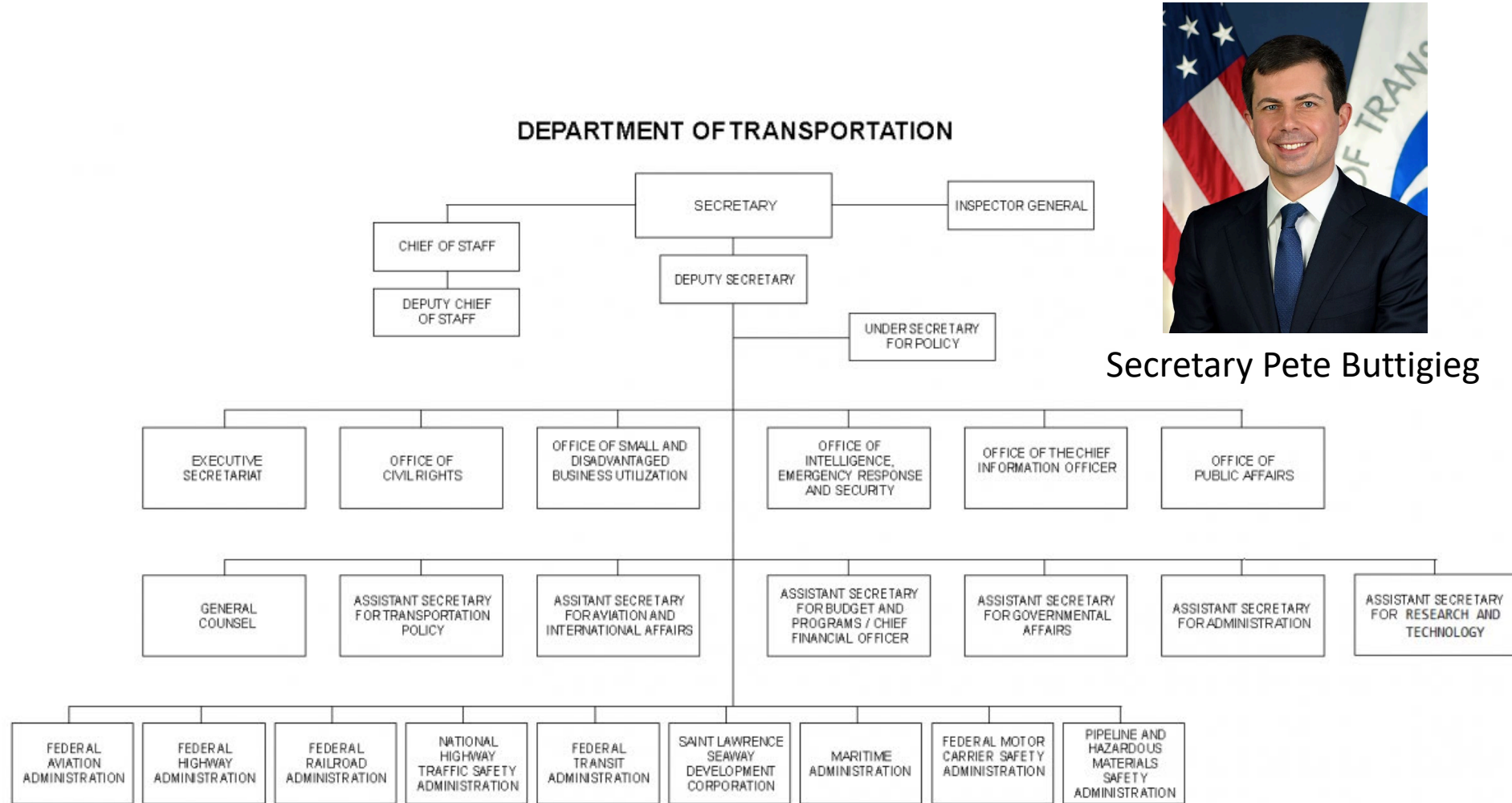
CIVE 461: Urban Transportation Planning
Supplemental Notes



Federal Transportation Governance

- Construction and maintenance of National Highway System, inland water navigation facilities, aviation facilities, and other Federally regulated interstate commerce and transportation systems largely **delegated to states** with financial support and technical assistance from USDOT and other Federal agencies
- Federal funds through Federal Highway Trust Fund – from Federal fuel taxes and other highway user revenue
- Current legislation is Infrastructure Investment & Jobs Act (IIJA) of 2021
- As of 2014, about **24%** of revenue used on highway construction and maintenance was from Federal sources
- Fuel tax has not kept abreast of spending – fixed at **18 cents per gallon** since 1980s!
- US DOT a **cabinet-level department** under U.S. Secretary of Transportation

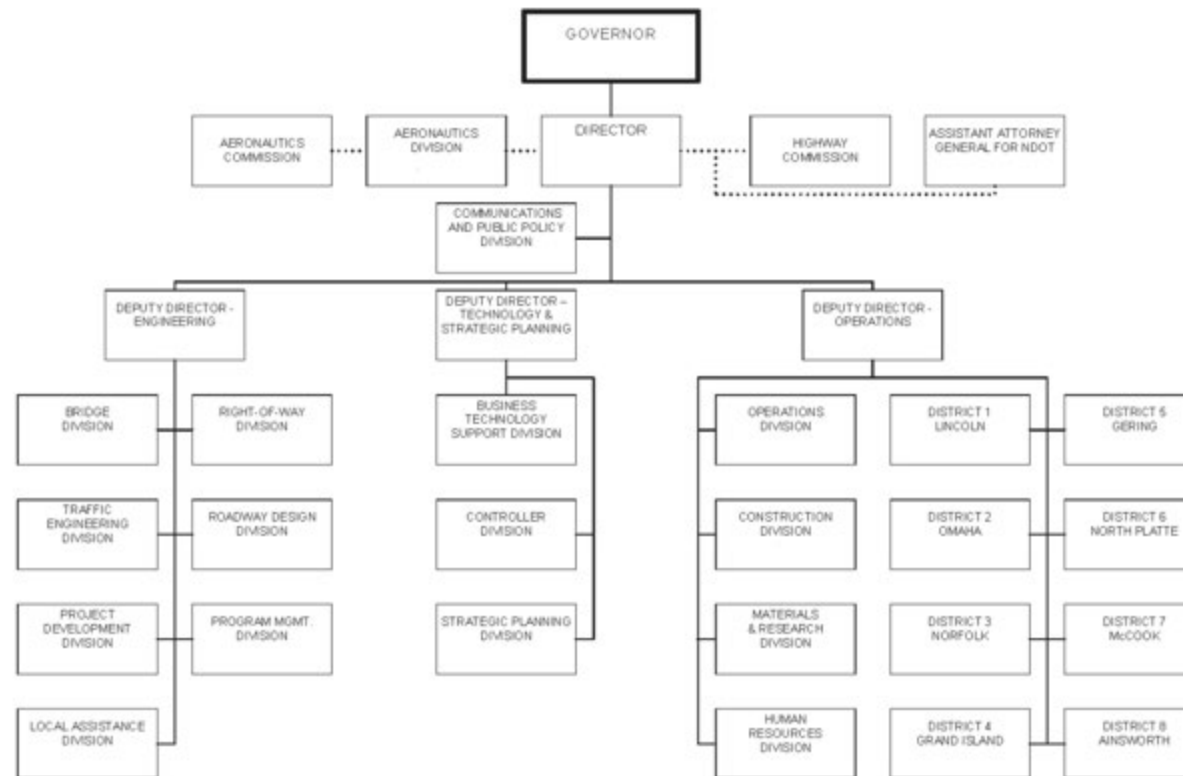
Federal Department of Transportation



State Transportation Governance

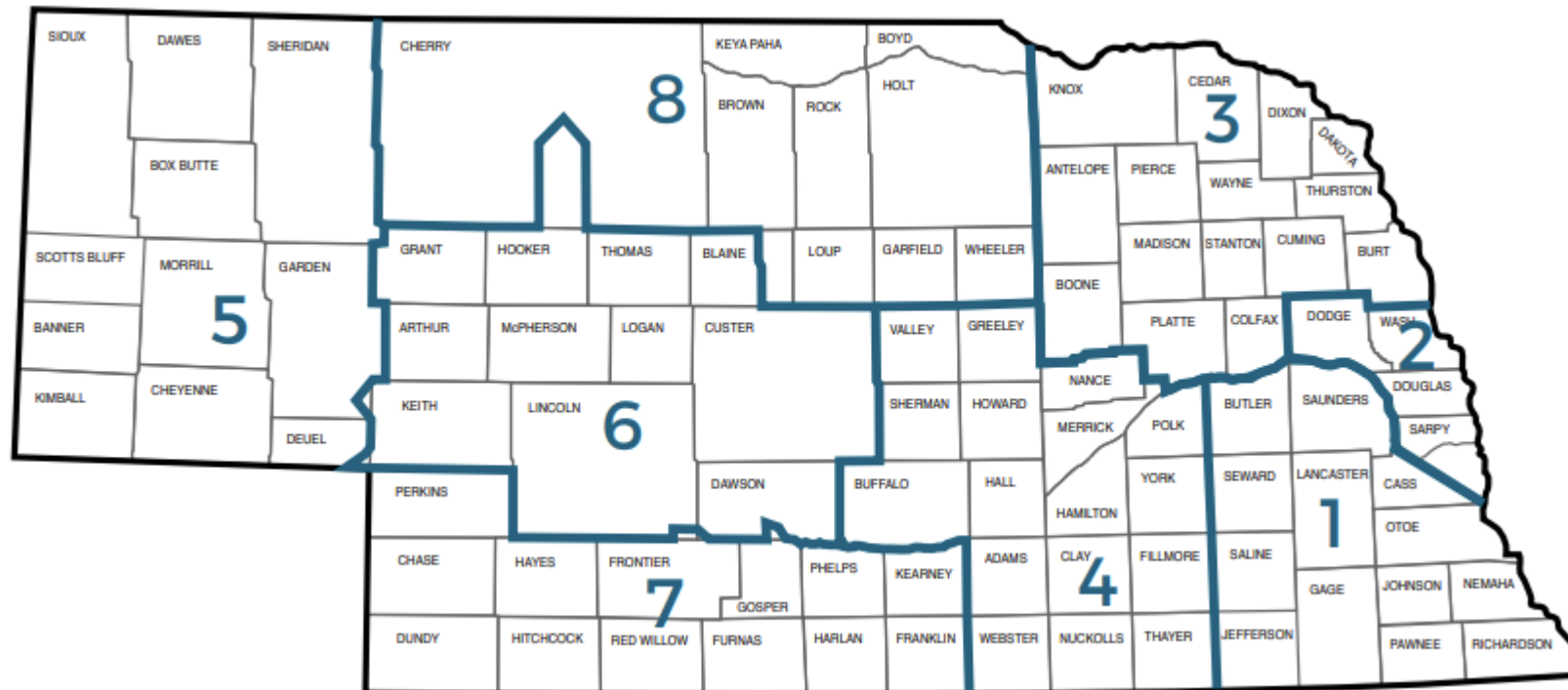
- State DOTs as **executive branch agencies** fall under authority of state governors
- NDOT Director appointed by governor with legislative approval
- Nebraska Aeronautics falls under NDOT
- DMV and state patrol separate from DOT in Nebraska
- Legislature has **no role** in Nebraska in planning and capital project selection (not the case in most states)
- **Governor** has ultimate **authority** on planning and capital project selection though

Nebraska Department of Transportation



Director Vicki Kramer

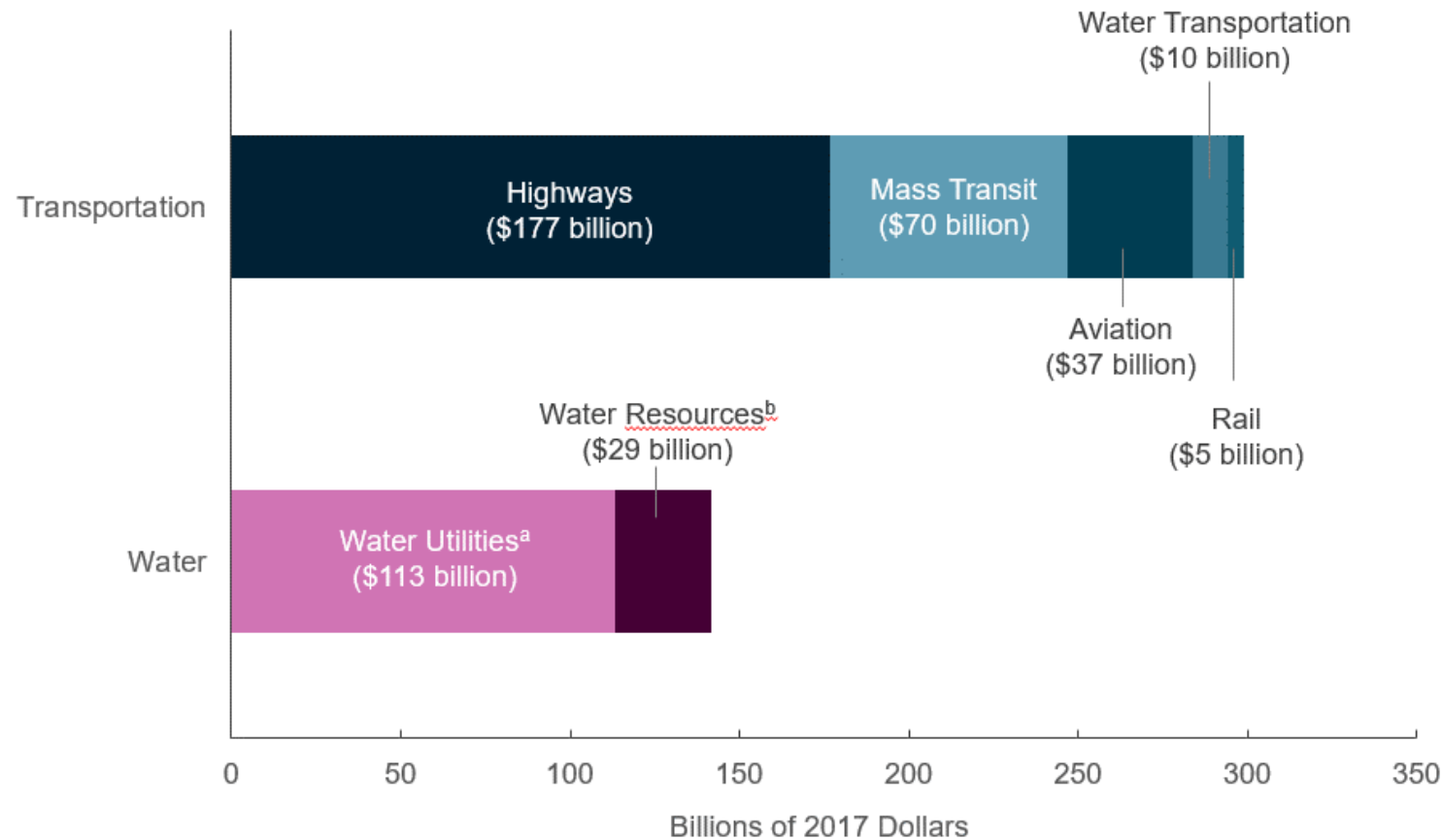
Nebraska Department of Transportation



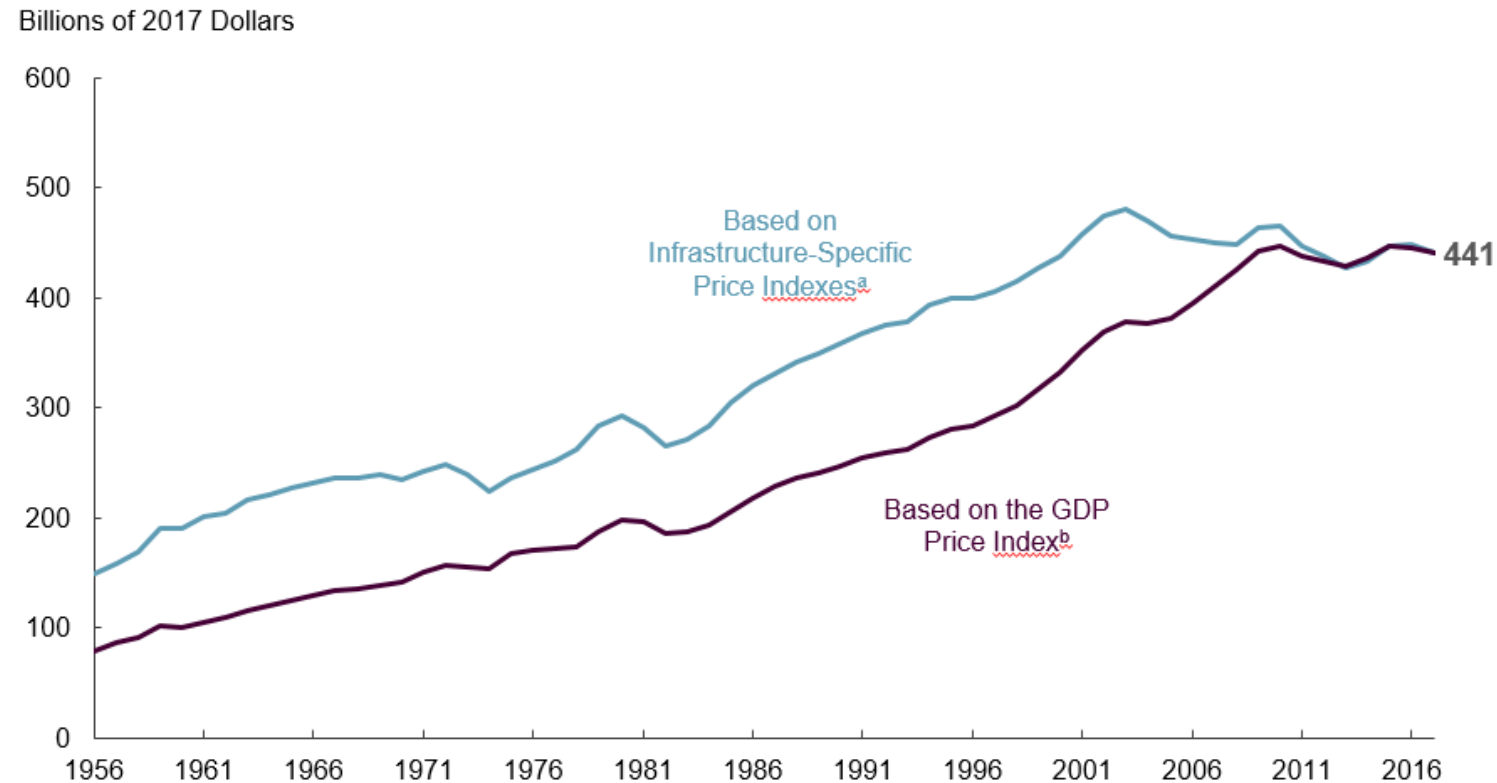
Metropolitan Planning Organizations (MPO)

- Create in Highway Act of 1973 in response to criticism that existing decision-making process did not place enough emphasis on **environmental** and **community issues**
- MPO role strengthened in Intermodal Surface Transportation Efficiency Act of 1991 in response to concern about **urban sprawl**, **vehicle-related**, **population**, and economic costs of congestion
- MPO facilitates collaboration within a metropolitan region
- NE has 3 MPOs: Lincoln, MAPA – Metropolitan Area Planning Agency (Omaha), and Grand Island
- IIJA requires MPOs to develop **long-range transportation plans** focused on mobility of people and freight, economic growth and development, and minimizing fuel consumption and air pollution

Public Spending on Transportation & Water Infrastructure (2017)

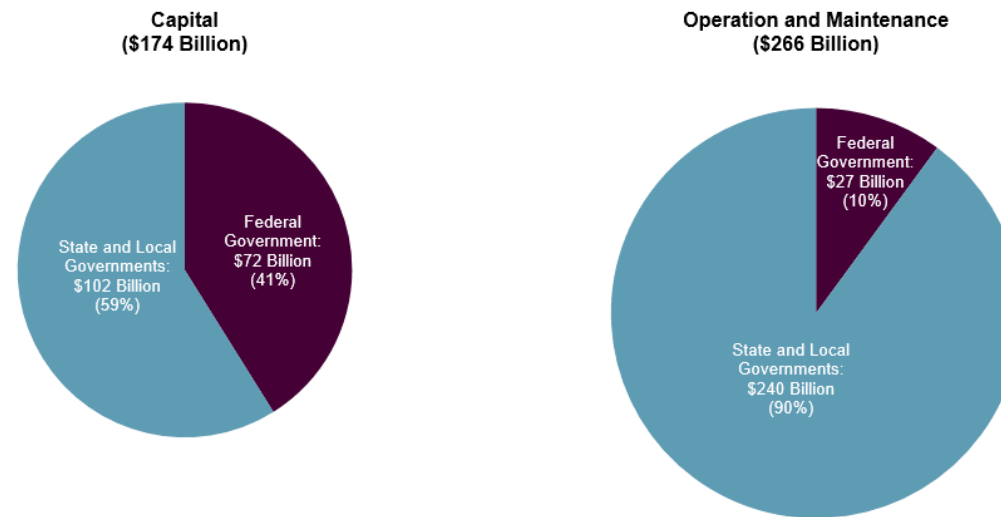


Public Spending on Transportation & Water Infrastructure (2017)



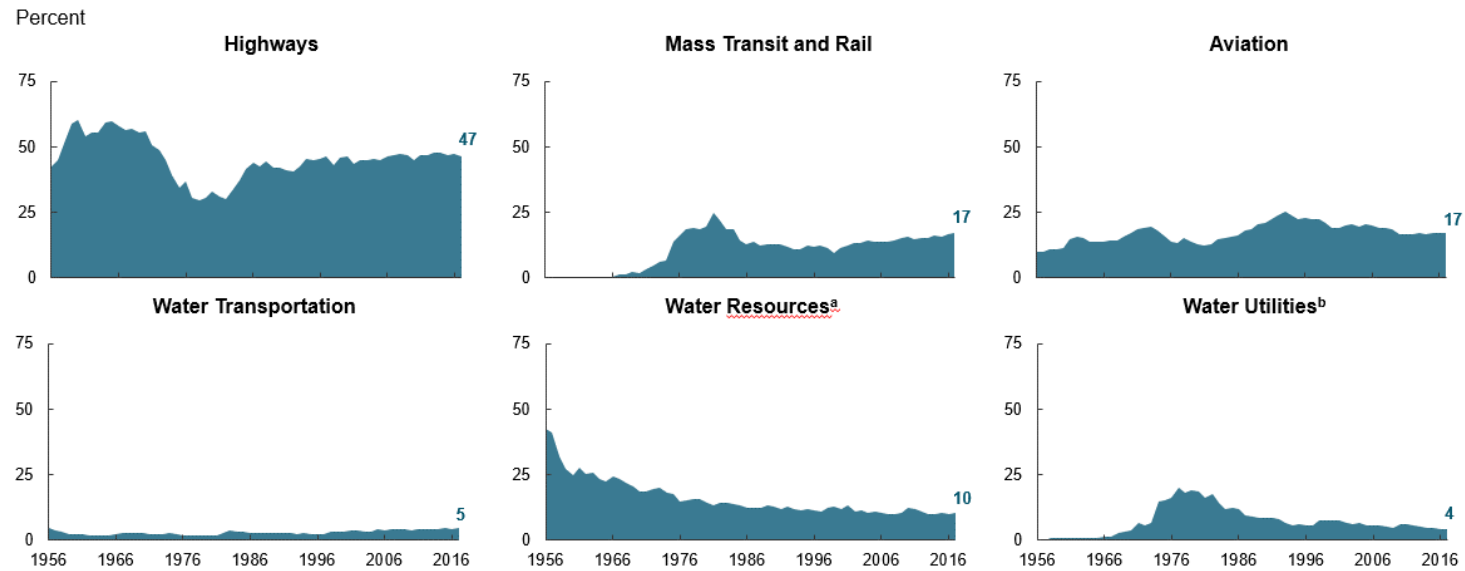
Public Spending on Transportation & Water Infrastructure

The Federal Government's and State and Local Governments' Shares of Spending on Transportation and Water Infrastructure, by Category of Spending, 2017



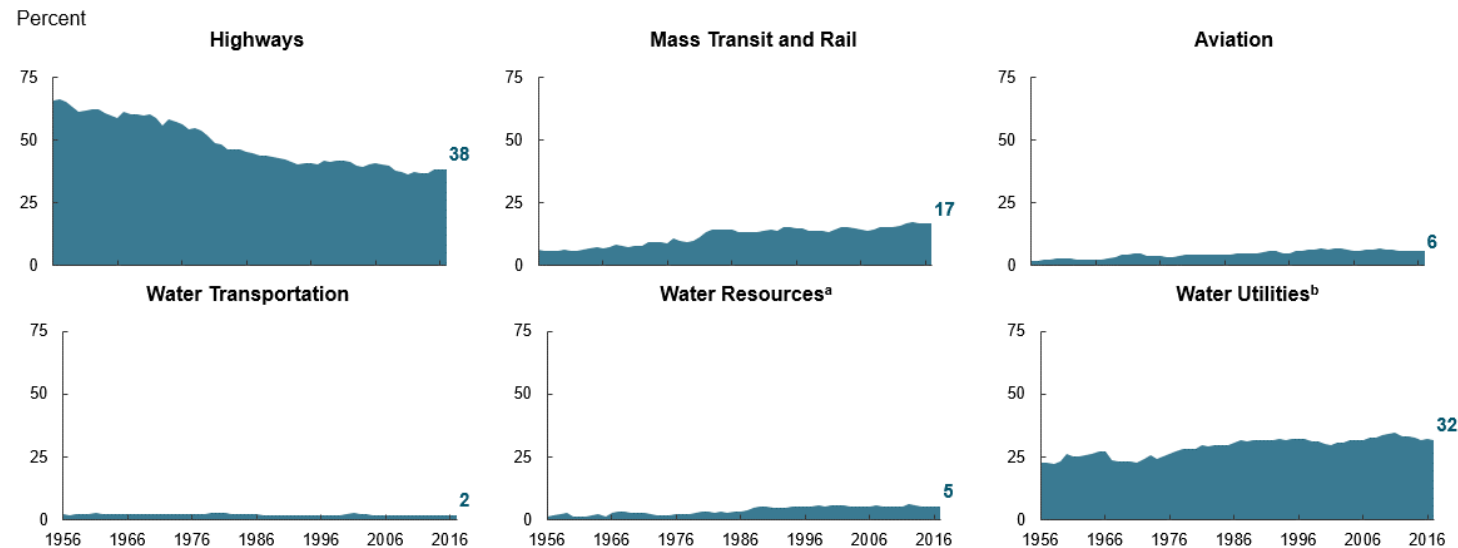
Public Spending on Transportation & Water Infrastructure

Federal Spending on Transportation and Water Infrastructure, by Type of Infrastructure, 1956 to 2017



Public Spending on Transportation & Water Infrastructure

State and Local Spending on Transportation and Water Infrastructure, by Type of Infrastructure, 1956 to 2017



State Transportation Financing

- State fuel taxes, vehicle fees, sales taxes, tolls, mode-specific revenues, and an assortment of other sources such as congestion pricing, cigarette taxes, and state lotteries
- **NE uses:**
 - Taxes on alternative fuels
 - Special fees on electric/some alternative fuel vehicles
 - Sales taxes on motor vehicle sales/leases
 - Oversize/overweight truck permit fees
 - Property leases and rentals
 - Train-mile taxes (used for grade crossings)
 - Outdoor advertising revenues
 - Dedication of state fuel tax to roads, bridges transit is statutory in NE

State Transportation Financing

- **NE does not use:**
 - Bond issuances, by which states borrow money from investors with a promise of future repayment
 - These include **general obligation bonds** that are backed by the full faith and credit of the state and **revenue bonds** that are guaranteed by specific state revenue streams such as tolls
 - Federal debt financing tools, including Build America Bonds, Grant Anticipation Revenue Vehicles (also known as GARVEEs or GARVEE bonds), and private activity bonds
 - Build America Bonds provided a mechanism in 2009 and 2010 by which states could elect to have the interest on certain bonds be taxable in return for a Federal interest subsidy
 - GARVEEs allow states to borrow against anticipated future Federal-aid receipts
 - Private activity bonds allow a state to issue tax-exempt debt on behalf of a private entity that is financing and delivering a transportation project

Nebraska Transportation Funding

- Local government manages **75%+** of roads and transit, so need state dollars
 - Nearly every state distributes portion of **fuel taxes** and other **state revenues** to counties and municipalities
 - In NE: After set-asides, **23.3 percent** of the Highway Trust Fund is allocated to counties and **23.3** percent to municipalities
- In addition to **state vehicle fees** that are levied for local use, municipalities may also adopt **motor vehicle fees** for road and street maintenance (Neb. Rev. Stat. §14-109 and §18-1214).
- Counties, municipalities, and transit authorities may levy **property taxes** for transportation purposes (Neb. Rev. Stat. §14-1821 and §23-397).
- Municipalities may levy **local option sales taxes** for public infrastructure including roads, airports, ports, and public transit (Neb. Rev. Stat. §77-27,142).
- Improvement districts may levy **special assessments** for road or street improvements (Neb. Rev. Stat. §17-510 and §39-1601).

Nebraska Transportation Funding

- **Traditional fees** ([Neb. Rev. Stat. §60-3,190](#); [Neb. Rev. Stat. §60-3,140](#); [Nebraska Department of Motor Vehicles](#))
 - **\$15 annual registration fee**
 - Additional taxes and fees are collected at the time of registration
- **EV fees** [Neb. Rev. Stat. §60-3,191/LB 289](#) (2011)
 - **\$75 additional annual fee**
 - Annual fees of **\$90** for alternative fuel vehicles in addition to all other annual fees and taxes
- **Question:** Why does NE charge a higher fee for EVs?

Nebraska

Roads and Bridges	Total lane miles	175,875 (161,560 rural, 14,315 urban)
	Bridges	15,341
	Toll facilities	Yes (bridges: 2)
	High-occupancy toll (HOT) lanes	No
Public Transit	Transit modes	Bus, demand response
	Urban transit trips in 2015	6.3 million
Rail	Freight rail route miles	3,375
Aviation	Total airports	197
	Public-use airports	80
	Passengers boarded in 2015	2.3 million
Ports and Waterways	Waterborne cargo tonnage in 2014	9,000

Iowa

Roads and Bridges	Total lane miles	234,073 (206,730 rural, 27,343 urban)
	Bridges	24,598
	Toll facilities	Yes (bridges: 3)
	High-occupancy toll (HOT) lanes	No
Public Transit	Transit modes	Bus, ferry boat, vanpool, demand response
	Urban transit trips in 2013	22.7 million
Rail	Freight rail route miles	Freight rail route miles: 3,851
Aviation	Total airports	202
	Public-use airports	115
	Passengers boarded in 2013	1.7 million
Ports and Waterways	Waterborne cargo tonnage in 2014	8.9 million