

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

PENNSYLVANIA COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Counties receive a portion of the state's Motor License Fund, consisting mostly of revenues from liquid fuels taxes, licenses and fees and turnpike revenues. Counties receive 4.17 mills of the Oil Company Franchise Tax (OCFT) — amounting to approximately \$35 million in FY 2014 — distributed on the basis of historic volume of gasoline sales in each county. Additionally, counties receive 2 percent of the 56 mills of the OCFT dedicated to county and forestry bridges — amounting to approximately \$9 million in FY 2014 — distributed based on square footage of deck area of county owned bridges. Counties also receive a supplemental \$5 million allocation to county bridges, distributed based on square footage of deck area for county owned bridges.
- Counties may also receive funds on a project basis including supplemental funding for repair or replacement of bridges through the Highway Bridge Improvement Fund.

From County Funds:

- Some counties use their general fund revenues from their local property tax levy to supplement state and federal funds they receive for road and bridge projects.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Counties are severely obstructed by their limited taxing authority to supplement funding for roads and bridges. Counties can use only property tax revenues for transportation, as they do not have authority to levy income, sales and use or realty transfer taxes to fund transportation projects.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- Act 89 of 2013 took effect January 1, 2014 eliminating the state 12 cent per gallon fixed rate gas tax and the inflationary cap on the Oil Company Franchise Tax (OCFT) — a state millage levied against the wholesale price of liquid fuels that was previously capped at \$1.25 per gallon since 1983. The OCFT rate is adjusted annually based on the average wholesale price (AWP) of all taxable liquid fuels, calculated annually by the Department of Revenue. In 2014, the OCFT amounts to 40.7 cents per gallon, based on an AWP of \$1.87 per gallon in 2014. This restructure of the OCFT will generate an additional \$2.3 billion per year by FY

Share of County Owned Road Miles Out of Public Roads Statewide	2%
Share of County Owned Bridges Out of Public Bridges Statewide	12%
Share of Structurally Deficient Bridges Out of County Owned Bridges	36%

COUNTY FINANCIAL AUTHORITY		
	County Authority	Limitations
Levy Property Taxes	X	Counties only have the authority to levy a nominal tax levy, which is the property tax used for general fund purposes.
Levy Personal Property Taxes	X	Counties can levy personal property taxes limited to stocks, bonds and privately-held mortgages.
Levy Local Option Sales Taxes		
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee	X	Counties have the authority to impose a county-option \$5 annual vehicle registration fee, authorized by Act 89 of 2013, that takes effect January 1, 2015.
Form Special Districts for Transportation	X	Counties have the ability to create regional mass transit authorities and to create Transit Revitalization Investment Districts.

2017-18 for the Commonwealth's transportation system, with local governments expected to see approximately 60 percent increase in their liquid fuels payments from the state by March 2018. The Act also grants counties the authority to levy a \$5 vehicle registration fee.

- The 2012 the Pennsylvania Department of Transportation (PennDOT) Modular Bridge Pilot Program allows counties to use pre-approved, pre-manufactured, commonly engineered components for bridge construction and maintenance.
- The PennDOT Bridge Bundling Program packages state owned and/or locally owned bridges for the purpose of cost-efficient design and construction. Counties owning bridges involved in the program are relieved of any local match requirement. In the pilot phase, the program is estimated to save up to 10 percent on construction costs and 30 percent on engineering and preparation costs. The mass design and production of material also shortens project turn-arounds to as little as one year for projects that typically took up to five years.
- The "Agility" program allows PennDOT to enter into informal agreements with counties and municipalities whereby they service small parts of others' highway responsibilities. For example, the municipality might agree to plow a state bridge that is within the municipal road system. In response, the state may upgrade an intersecting municipal side street while paving one of its own roads.
- The PennDOT Local Technical Advisory Program (LTAP) is an extensive local assistance program created to share transportation knowledge, improve road maintenance and safety skills and put research and new technology into practice at the municipal level. The program provides training in road-related technologies and innovations, consulting assistance, product testing and other services to counties and municipalities.
- The Public and Private Partnerships for Transportation Act signed into law July 5, 2012, allows PennDOT, local governments and other public transportation entities to partner with private companies to finance, deliver, operate and maintain transportation related projects. The law created an independent, seven member Public-Private Transportation Partnership Board, which reviews and approves PPP proposals. The board approved guidelines for considering both solicited and unsolicited proposals from private investors.