

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 liquid fuels taxes from the state's Motor License Fund – 4.17 mills of the Oil Company Franchise Tax (OCFT) for general liquid fuels purposes (about \$35 million in 2014), distributed on the basis of historic volume of gasoline sales; two percent of the 56 mills of the OCFT for county and forestry bridges, distributed on relative square foot of deck area of county owned bridges (about \$9 million in 2014), and a supplemental \$5 million, also distributed on relative square foot of deck area.
- Counties can also receive funds on a project basis including supplemental funding for repair or replacement of bridges through the Highway Bridge Improvement fund, typically with a 20 percent county match for the non-federal share.

From County Funds:

- Some counties have vehicle rental and leasing fees that are dedicated to capital project costs for transit.
- Counties use their general fund revenues from their local property tax levy to supplement state and federal funds.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- To increase funding to roads and bridges, counties are severely limited to their existing taxing authority which is normally property taxes. Counties don't have authority to levy income, sales and use or realty transfer taxes to fund transportation projects.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- The state passed legislation, taking effect January 1, 2014, that eliminated the state fixed rate (cents per gallon) gas tax, and replacing it with an increased oil company franchise tax (OCFT), which is a state millage levied against the wholesale price of liquid fuels that varies based on the price of liquid fuels. The act also granted counties the authority to locally levy a \$5 vehicle registration fee.
- The 2012 PennDOT modular bridge pilot program allows counties to use pre-approved, pre-manufactured, commonly engineered components for bridge construction and maintenance

Share of County Owned Road Miles Out of Public Roads Statewide	2%
Share of County Owned Bridges Out of Public Bridges Statewide	13%
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, 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.

- The bridge bundling initiative bundles state owned and/or locally owned bridges for the purpose of cost-efficient design and construction. Counties owning bridges involved in the program will be relieved of any local match requirement.
- Act 88 (2012) allows the states and municipal authorities to enter into contracts for transportation projects that transfer the rights for use or control of transportation facilities to public or private development entities
- The State of Pennsylvania has an “Agility” program under which PennDOT enters 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, or the state, while paving one of its roads, may upgrade an intersecting municipal side street.
- The State of Pennsylvania has an extensive local assistance program, Local Technical Advisory Program (LTAP) that provides training, consulting assistance, product testing, and other services to counties and municipalities.
- Pennsylvania DOT has issued an invitation for companies to submit proposals for unsolicited public-private partnerships authorized under the "Public and Private Partnerships for Transportation Act" passed last September. The PPP process may be used to contract with private firms to reduce the state's backlog of over 1000 structurally deficient bridges using "availability" payments.