UTAH TRANSPORTATION COALITION
ENVIRONMENT | ECONOMY | QUALITY OF LIFE

# H.B. 362 – Transportation Infrastructure Funding

## Sponsor – Representative Johnny Anderson / Floor Sponsor – Senator Al Jackson

**H.B. 362 is a comprehensive approach to addressing part of the funding shortfall identified in Utah's Unified Transportation Plan. The bill reforms the state gas tax and authorizes a local option transportation sales tax to allow for priority investments in state and local roads, transit and bike facilities. It will help Utah preserve our current infrastructure and accommodate our projected population growth. There are two main provisions in the bill:**

## 1. Gas Tax Reform and Increase: change the state gas tax from the current 24.5 cents per gallon to a percentage

- Effective January 1, 2016, the bill would convert the current 24.5 cents per gallon state gas tax to a 12 percent tax with a $2.45 rack price floor. This is the equivalent of an immediate 5 cents per gallon increase.
- Just like any sales tax, as the price of fuel changes the amount of revenue would change. This would help to address the decline in buying power of the cents per gallon tax, which due to inflation has lost 40 percent of its buying power since 1997 (effectively making a 24.5 cents per gallon tax in 1997 worth only 14.7 cents per gallon today).
- To limit potential price volatility there would be a floor and a fixed ceiling set on the tax so that it could not go below or above certain levels.

## 2. Local Option Transportation Sales Tax: give local communities a tool to address their needs

- Counties are authorized to enact a 0.25% general sales tax for transportation after voter approval. This is the equivalent of 25 cents for every hundred dollars.
- In areas with transit service, the funds would be allocated as follows:
  - 0.10% to the transit provider
  - 0.10% to cities, towns and unincorporated county areas
  - 0.05% to the county
- In areas without transit service, the funds would be allocated as follows:
  - 0.10% to cities, towns and unincorporated county areas
  - 0.15% to the county

# Benefits of H.B. 362

We all benefit from a well-functioning and well-maintained transportation system. This comprehensive approach to transportation will improve our air quality, support our vibrant economy and enhance our overall quality of life.

- **Real reform** – H.B. 362 converts the cents per gallon tax to a percentage so that the buying power of the tax keeps pace with inflation.
- **Rural Needs** – Gives UDOT funding for rural state roads and bridges with a 5 cent per gallon increase.
- **Clean Air** – Allows for additional transit service and local improvements to bike and pedestrian infrastructure that would reduce approx. 33,000 car trips per day and prevent 200 tons of emissions.
- **Local Needs** – Provides cities and counties tools to address their needs.
- **Provides options** – By providing funding for roads, transit and biking, the bill will help to maintain our current infrastructure and provide transportation options as our population continues to grow.