

Arkansas State Highway and Transportation Department



LeadAR Class 16

February 8, 2013



Challenges

➤ **12th** largest system in the country

➤ **43rd** in highway revenue per mile

➤ **\$23 billion** in needs

➤ **\$4 billion** in available revenue



Total Cost for Needs and Other Improvements

Congestion Relief.....	\$3.7 billion
Maintaining the System	\$10.8 billion
Congressionally-Designated High Priority Corridors....	\$7.5 billion
Economic Development Connectors.....	\$1.6 billion
Total Needs and Other Improvements.....	\$23.6 billion
Anticipated Funding (Including Half-Cent Revenue)..	\$5.6 billion
SHORTFALL.....	\$18.0 billion





Blue Ribbon
Committee
on Highway Finance
BlueRibbonHighways.com

FINAL REPORT

December 1, 2010

Presented to:

The Honorable Mike Beebe, Governor
House Interim Committee on Public Transportation
Senate Interim Committee on Transportation, Technology and Legislative Affairs
House Interim Committee on Revenue and Taxation
Senate Interim Committee on Revenue and Taxation
Arkansas Legislative Council
Arkansas State Highway Commission
Association of Arkansas Counties
Arkansas Municipal League



Revenue Proposals



- Reissue GARVEE Bonds for a New Interstate Rehabilitation Program
- State Aid Program for Cities
- Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries



Revenue Proposals



Reissue GARVEE Bonds for Interstate Rehabilitation Program

- Needed Vote of the People
- \$575 Million in Bonds
- No New Taxes



Interstate Rehabilitation Program

1999

50 Projects | 360 Total Miles | \$1.0 Billion

Interstate Condition Improved From 21% 'Good' to 72%

2011

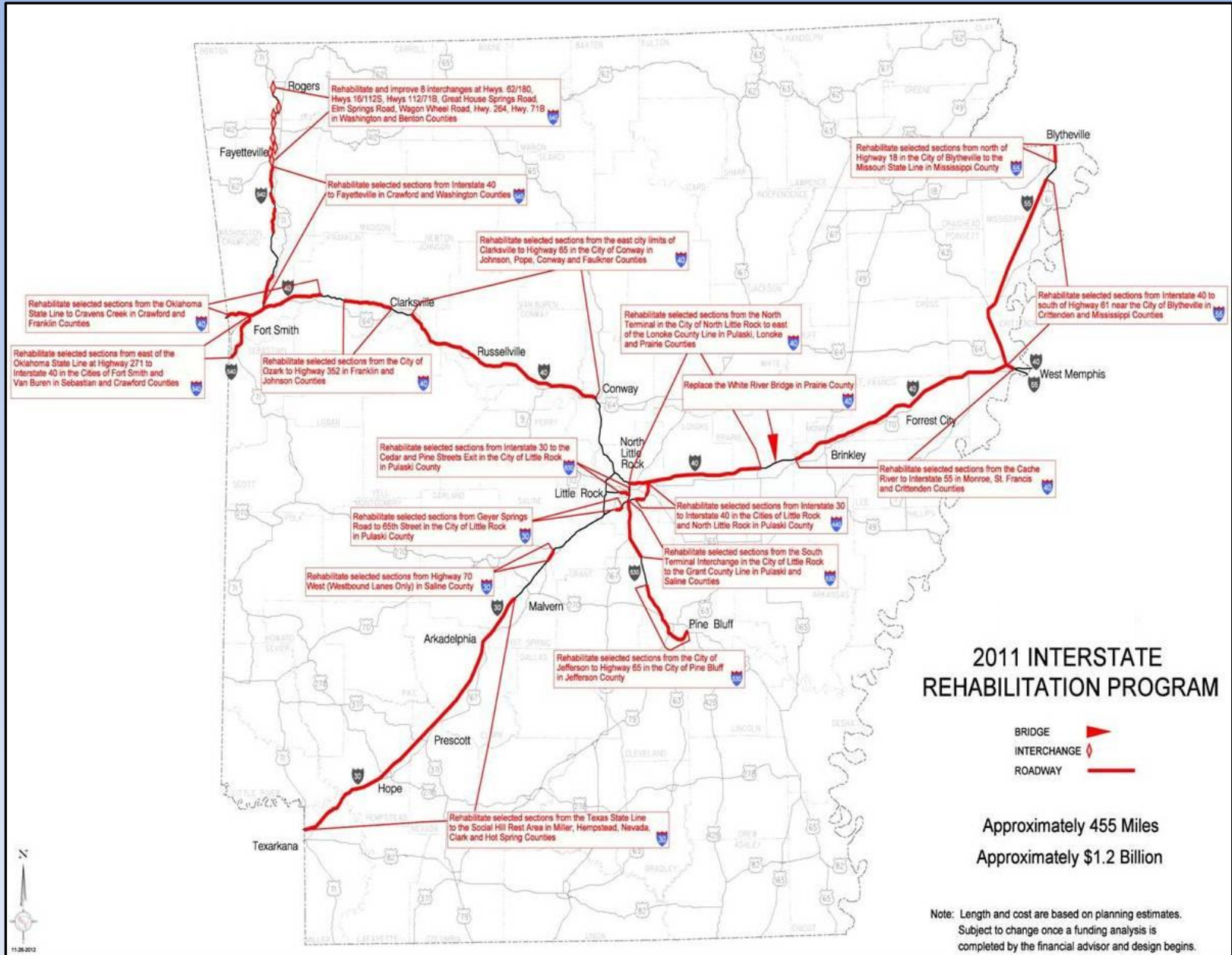
Passed With 81% of Vote

75 +/- Projects | 455 Total Miles | \$1.2 Billion

First Contracts Awarded in November 2012



Interstate Rehabilitation Program



Revenue Proposals



State Aid Program for Cities

- Dedicate 1¢ Per Gallon of Existing Motor Fuel Tax
- Similar to County Aid Program
- Funds Distributed by 9-Member Panel
- Passed in 2011; Triggered by Issue #1 Vote



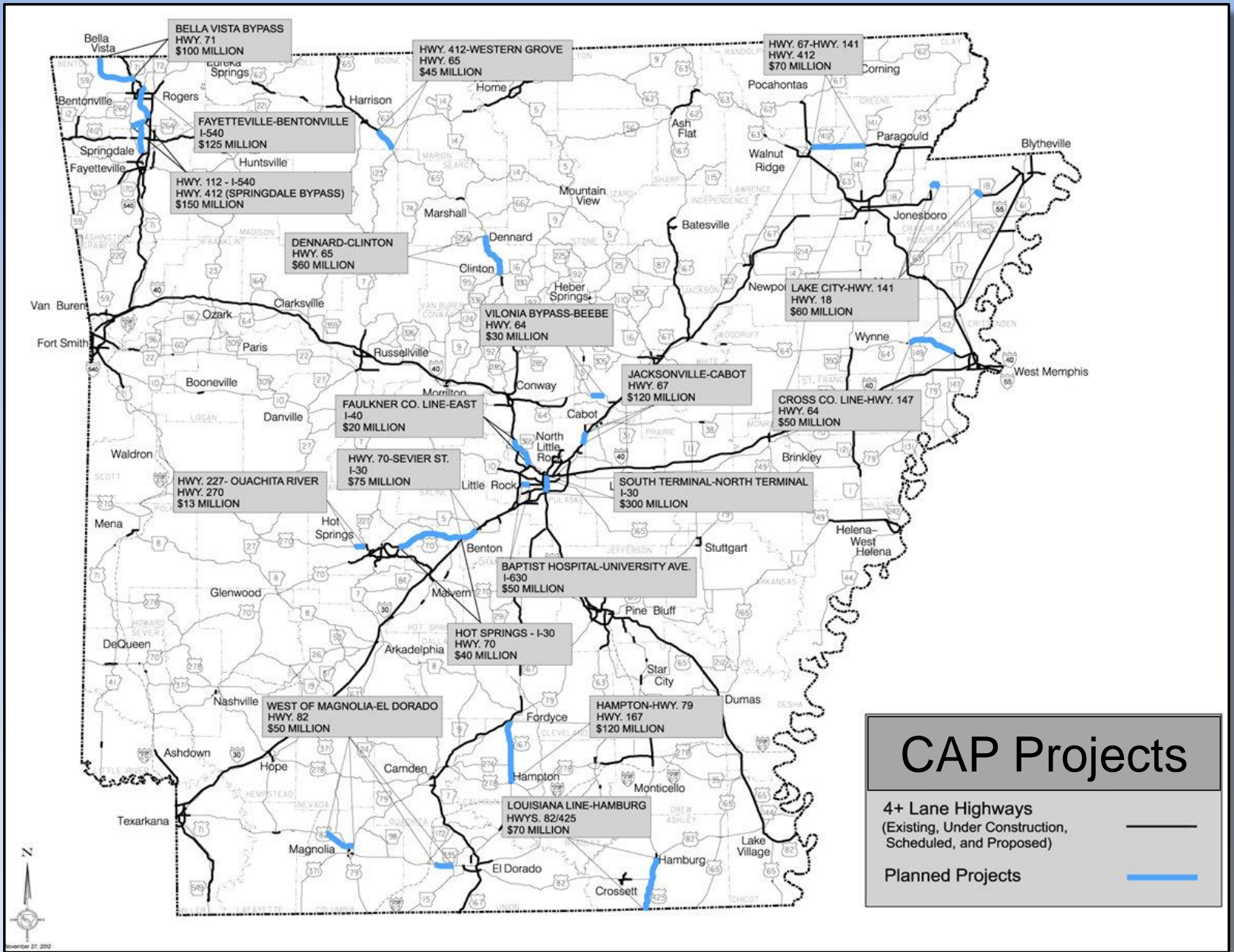
Revenue Proposals



Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program

- Sunset in 10 Years
- Used for Multi-Year Bond Program
- Would Generate \$1.8 Billion Total Program
- Recommended to Refer to a Vote of the People





CAP Projects

4+ Lane Highways
(Existing, Under Construction,
Scheduled, and Proposed)

Planned Projects



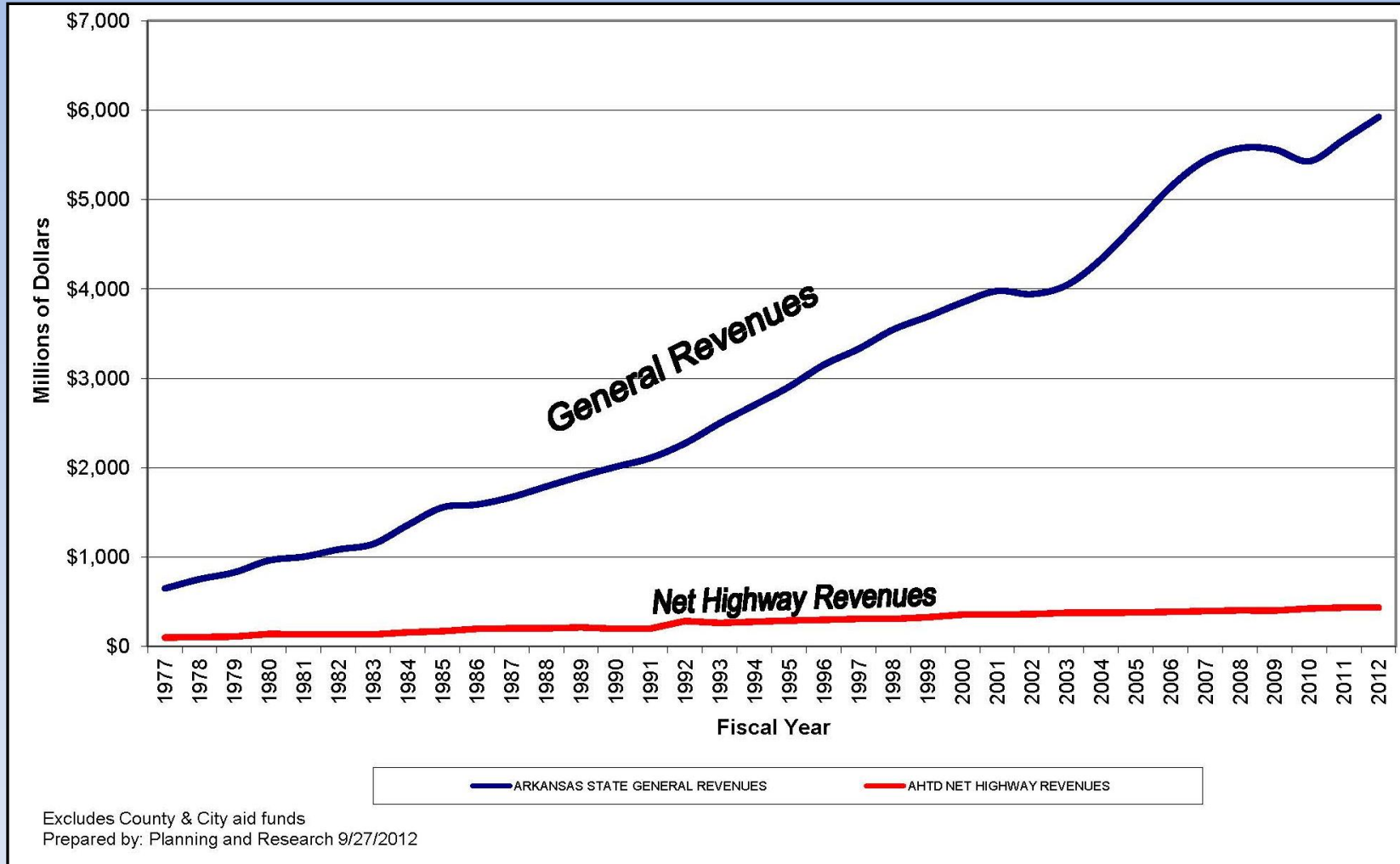
Revenue Proposals



- Reissue **APPROVED** GOVIE Bonds for Interstate Rehabilitation Program
- State Aid Programs for Cities **APPROVED**
- Temporary One-half Cent General Sales Tax to Fund a Multi-Year Construction Program **APPROVED**
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries



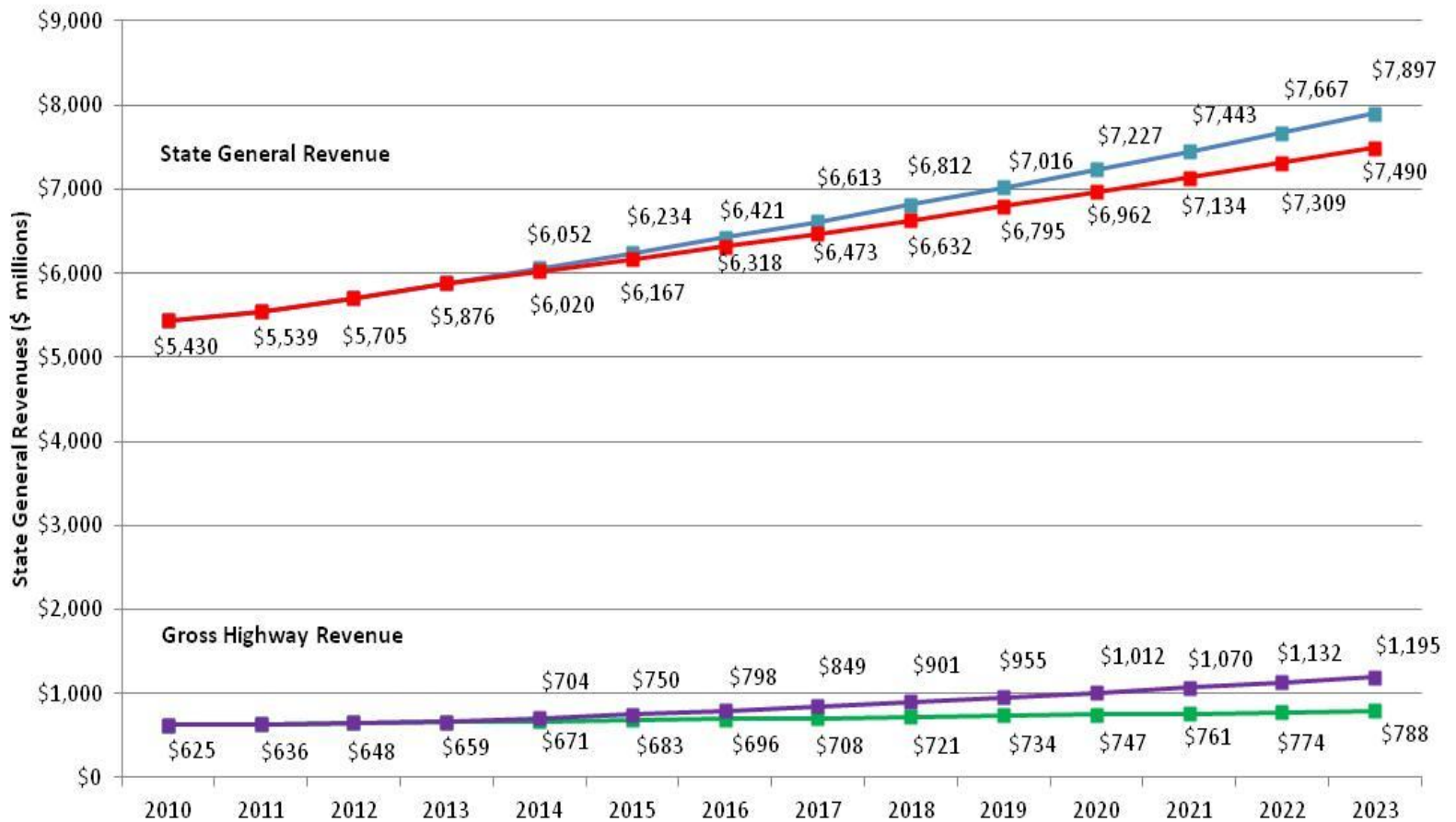
State General Revenues vs. AHTD Net Highway Revenues



Excludes County & City aid funds
Prepared by: Planning and Research 9/27/2012



**Revenue from Transferring 6% of the Gross State Sales and Use Tax (Representing Road-User Related Sales and Use Tax)
and the 4.5% Sales and Use Tax on the Sale of New and Used Vehicles
In millions -- Phased in Over Ten Years -- Beginning in 2014**



- Projected Existing General Revenue
- Projected General Revenue with Transfer in Place (see details above)
- Projected Gross Highway Revenue
- Projected Gross Highway Revenue with Transfer in Place (see details above)



**Revenue from Transferring 6% of the Gross State Sales and Use Tax (Representing
Road-User Related Sales and Use Tax) and
the 4.5% Sales and Use Tax on the Sale of New and Used Vehicles
(in millions)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue to AHTD	\$23	\$47	\$72	\$98	\$126	\$155	\$185	\$217	\$250	\$285
Revenue to Counties	\$5	\$10	\$15	\$21	\$27	\$33	\$40	\$47	\$54	\$61
Revenue to Cities	\$5	\$10	\$15	\$21	\$27	\$33	\$40	\$47	\$54	\$61
Total	\$33	\$67	\$102	\$140	\$180	\$221	\$265	\$311	\$358	\$407





If you have any questions please contact us through our website
or by e-mail at:

ArkansasHighways.com

or

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