Recent Legislation
Governor Hutchinson’s Highway Package

Two Bills

Four Revenue Sources

$300 Million Per Year
Motor Fuel Taxes

1.6% Tax On Wholesale Price of Gas  
(equals 3 cents per gallon)

2.9% Tax On Wholesale Price of Diesel  
(equals 6 cents per gallon)
Act 416

Motor Fuel Taxes

Results in $86 Million in Additional Annual Revenue

$58 Million to ARDOT

$14 Million to Cities and Counties Each

“And we feel like we would like to invest and spend money to make the roads better so that they are safer, so that they are easier on the equipment, so that the volume of traffic can move more freely. The benefit of those things outweighs any increased costs.”

– Shannon Newton, Arkansas Trucking Association President
Electric and Hybrid Vehicle Registration Fees

Electric Vehicles - $200 Registration Fee

Hybrid Vehicles - $100 Registration Fee

$2 Million to ARDOT
Casino Revenue

All New Casino Revenue

$35 Million Annually to ARDOT
Act 416 Summary

Motor Fuel Tax $ 58 Million
Electric and Hybrid Vehicle Registration Fees $ 2 Million
Casino Revenue $ 35 Million

Total to ARDOT $ 95 Million

All for System Preservation, Pavements, Bridges, etc.
Proposed Constitutional Amendment

- To Be Voted On In General Election – November 2020
- ½-Cent Sales Tax Permanent After 2023
- Continues To Provide $205 Million To ARDOT Annually
- Continues To Provide $43 Million To Cities Annually
- Continues To Provide $43 Million To Counties Annually
Governor’s Long-Term Highway Funding Plan

Plan Summary

Act 416 of 2019  $ 95 Million  
(Immediate Funding dedicated to System Preservation)

Proposed Amendment  $205 Million  
(Funding for System Preservation plus Capital Projects beginning in SFY 2024)

Total to ArDOT  $300 Million
Governor’s Long-Term Highway Funding Plan

Benefits from Additional $300 Million Per Year

Provide $8.2 Billion in Economic Activity over 10 Years*
Support 3,596 Jobs Each Year*
Maintain Interstates in a State of Good Repair
Improve Approx. 6,900 Miles of Non-Interstate Highways over 10 Years
Repair/Replace Structurally Deficient and Posted Bridges over 10 Years
Increase Safety Improvements
Implement a Second Connecting Arkansas Program (CAP-2)

* Source: “The Economic Impacts of an Annual $478 Million Increase in Arkansas Highway, Street and Bridge Construction Investment,” prepared by the American Road & Transportation Builders Association (ARTBA), October 2018; data prorated for $300 million in additional annual revenue.
Annual Revenue Available

If the Constitutional Amendment passes, Annual Revenue Expected to be Available Beginning in SFY 2024 (July 2023):

- Act 416 of 2019: $95 Million
- Proposed Amendment: $205 Million
- Current Construction Program: $440 Million

Total Available SFY 2024: $740 Million
Governor’s Long-Term Highway Funding Plan

Commission-Adopted Plan

- Pavement Preservation $ 3.0 Billion
- Bridge Improvements and Preservation $ 1.1 Billion
- Interstate Maintenance $ 1.0 Billion
- Safety Improvements $ 0.5 Billion
- Capital and Congestion Relief (CAP-2) $ 1.8 Billion

10-Year Total $ 7.4 Billion
Fayetteville to Bentonville (Selected Sections) $300 Million
XNA Connector $30 Million 3,500 ADT

Highway 412 West to Highway 142 (Springdale Bypass) $300 Million 5,000 - 10,000 ADT
Highways 65/59/8 Harrison (Selected Sections) $60 Million
Clinton to Harrison (Selected Sections) $50 Million

Highway 22 to Interstate 40, Two Lanes $270 Million 5,000 - 10,000 ADT
Fort Smith to Charleston (Selected Sections) $25 Million
Greenwood Bypass $65 Million 14,000 ADT

"Y" City to South of Greenwood (Two Lanes) $270 Million 2,000 ADT
Highway 270 Interchanges (Hot Springs) $65 Million

Interstate 49 (Including Connector) (Selected Sections) - Two Lanes $150 Million 3,000 - 15,000 ADT
Arkansas to Hot Springs (Selected Sections) $35 Million

Central Arkansas Area (Selected Sections) $520 Million (See Insert)

Interstate 49 to Highway 265 (Springdale Bypass) $60 Million 5,000 - 10,000 ADT

North Little Rock to Black Rock (Selected Sections) $50 Million

Grove City North $55 Million

Walnut Ridge to Missouri State Line (Selected Sections) $80 Million

Conway Area (Selected Sections) $50 Million
Hannondale Street 8,000 ADT
Drive Ward Drive 39,000 ADT

North Little Rock to West Memphis (Selected Sections) $570 Million

Mynre-East (Selected Sections) $50 Million

East Bypass 4,000 - 12,000 ADT
Interstate 49-430 Connector

Texas State Line to Interstate 49 (Texarkana) $20 Million

Texas to Lake Village (Selected Sections) $15 Million

Providence to Russellville $54 Million
Paragould to Marmaduke $50 Million

DRAFT

Job Type
Roadway
New Location

Average Daily Traffic (ADT)
2017 ADT
Future I-69

Completed
2 Projects
$29.4 Million

Scheduled
1 Project
Est. $40-50 Million

Programed
6 Projects
2 Proj. Est. $35-50 Million

STATUS
- Completed
- Scheduled
- Programed
- Right of Way Purchased
Connecting Hwy 83S & Hwy 278

Scheduled
1 Projects
2 Miles
Estimated $5-10 Million
Looking Forward
Next Steps to November 2020 Election

What is the road to good roads?

Governor Asa Hutchinson paves the way for a highway plan to be presented to voters in 2020. But the politics ahead could be bumpy.

ARDOT / Cities / Counties
Educate Public

Stakeholders
Educate Public
Campaign
Infrastructure Investment and Quality of Life

Quality of Life is Directly Linked to:

• Reliable Access to:
  ✓ Housing
  ✓ Family, Friends, Spirituality
  ✓ Employment
  ✓ School
  ✓ Health Care
  ✓ Recreation/Entertainment
  ✓ Consumer Goods
  ✓ Consumer Services
2023 vs. 2024 if HJR1018 Fails

Turnback to Cities
2023 - $156 million
2024 - $113 million

Nearly a 30% Reduction

Turnback to Counties
2023 - $156 million
2024 - $113 million

Nearly a 30% Reduction
½ Cent Sales Tax Turnback Funds

Drew County
Received $2.5 Million to date
Projected to Receive $1.6 Million
Total $4.1 Million (Ending in 2023)

City of Monticello
Received $1.2 Million to date
Projected to Receive $0.8 Million
Total $2 Million (Ending in 2023)
Next Steps to November 2020 Election

ARDOT / Cities / Counties
Educate Public

Stakeholders
Educate Public
Campaign
Arkansans Need to Decide How to Fund Your Transportation System
Funding Challenges
Challenges

- 12th largest system in the country
- 41st in highway revenue per mile.

- $9.3 billion in needs
- $4.5 billion in available revenue

“This is a problem that we can’t leave for our children or grandchildren to solve.”

~Arkansas Department of Transportation Director Scott Bennett
Pay a **Little Now**

- Overlay
  - $100,000 per lane mile

Pay a **Whole Lot Later**

- Reconstruction
  - $1,500,000 per lane mile
THEN

In 1995, **200 miles** of highway could be overlaid with $10 million.

NOW

Using $10 million today, only **54 miles** of highway can be overlaid.
Highway Revenue at 14.4% of General Revenue

- General Revenue
- Net Highway Revenue
- Highway Revenue at 14.4% of General Revenue

Billions

- 1980: 14.4% $139M
- 1988: 14.4% $259M
- 1996: 14.4% $455M
- 2004: 14.4% $626M
- 2012: 14.4% $829M
- 2016: 14.4% $931M

Excludes County & City Aid funds | Excludes CAP funds

Fiscal Year
### Exhibit III

Arkansas Department of Transportation (ArDOT)
Summary of Annual State Funds Needed to Meet Proposed Highway Construction Plan Over a 10-Year Period

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual Funds Needed for Highway Construction Plan</th>
<th>Annual Funds Available for Highway Construction</th>
<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$387,000,000</td>
<td>$137,000,000</td>
<td>$250,000,000</td>
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<tr>
<td>Pavement</td>
<td>$117,000,000</td>
<td>$90,000,000</td>
<td>$27,000,000</td>
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<td>Bridges</td>
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<td>Total System Preservation</td>
<td>$504,000,000</td>
<td>$227,000,000</td>
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<td>Capacity Relief</td>
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<td>Safety Improvements</td>
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<td>$44,000,000</td>
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<tr>
<td>Maintenance</td>
<td>$19,000,000</td>
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<tr>
<td>Equipment upgrades</td>
<td>$8,000,000</td>
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<td>$8,000,000</td>
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<tr>
<td>Facilities upgrades</td>
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<tr>
<td>Intelligent Transportation System (ITS)</td>
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<tr>
<td>Total Maintenance</td>
<td>$30,000,000</td>
<td>$19,000,000</td>
<td>$11,000,000</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>$925,000,000</strong></td>
<td><strong>$447,000,000</strong></td>
<td><strong>$478,000,000</strong></td>
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</tbody>
</table>

Note: Amounts shown are rounded.

The total annual funds needed for the proposed highway construction plan over a 10-year period is $478,000,000.
Interstate Rehabilitation Program

Completed
47 Projects
291 Miles
$1,027 Million

Under Construction
5 Projects
53 Miles
$287 Million

Let To Contract
52 Projects
344 Miles
$1,314 Million

Scheduled
27 Projects
160 Miles
$219 Million
Funding

Costs

Revenue
Other Improvements
Questions?