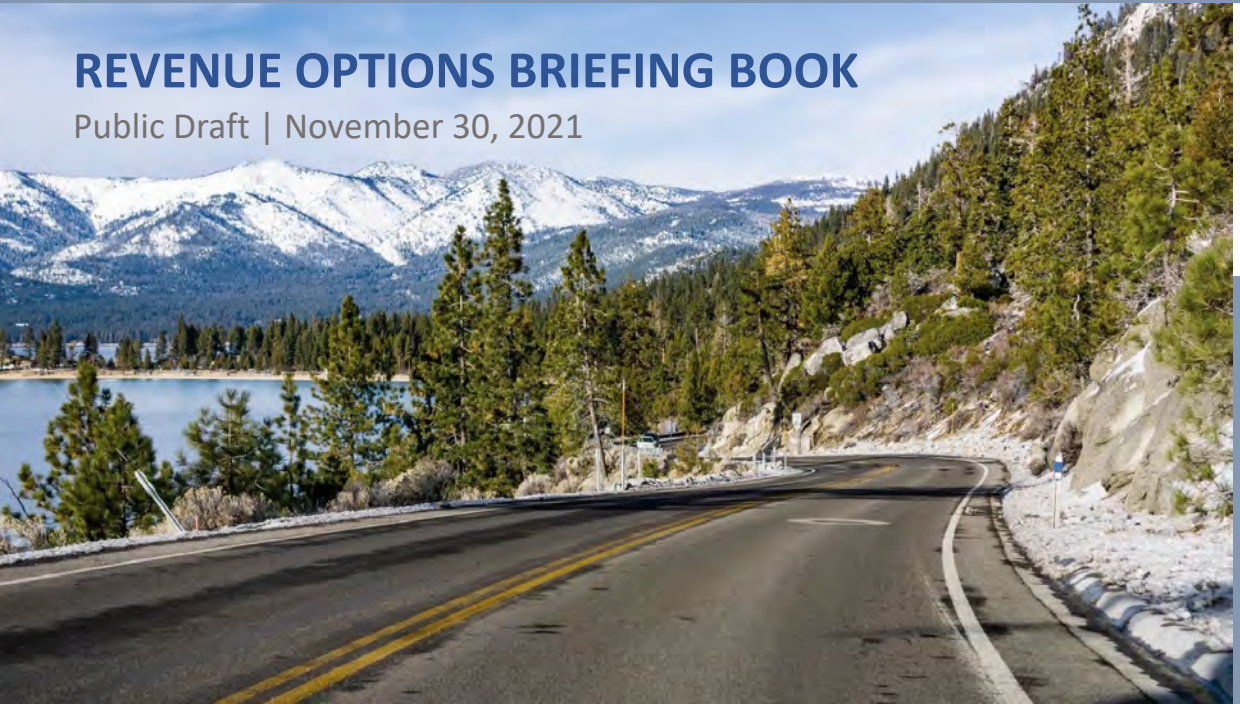
LAKE TAHOE SUSTAINABLE TRANSPORTATION FUNDING INITIATIVE

REVENUE OPTIONS BRIEFING BOOK

Public Draft | November 30, 2021



TAHOE REGIONAL PLANNING AGENCY

Tahoe Transportation DISTRICT

CONSULTANT TEAM

Urban Economics | *Robert Spencer*

Regional Government Services | *Joshua Metz*

Table of Contents

1. Tahoe Basin Transportation Planning 4

2. Regional Transportation Projects 9

3. Sustainable Transportation Funding Initiative Policy Drivers 13

4. Revenue Evaluation 21

5. Revenue Option Descriptions 26

6. Next Steps 47

INTRODUCTION

The purpose of this briefing book is to support Lake Tahoe Basin decision makers in arriving at sound transportation funding policy decisions. This briefing book is supported by a Revenue Options Report that can be found at:

https://www.trpa.gov/transportation/funding/sustainable-funding-initiative/.

New sustainable regional transportation funding is needed to (1) leverage funding from other sectors, and (2) support basin-wide transit system operations and maintenance.

This briefing report is organized into the following sections:

1. Tahoe Basin transportation planning;
2. Regional transportation projects;
3. Sustainable transportation funding initiative policy drivers;
4. Revenue evaluation;
5. Revenue options description;
6. Next steps.

SECTION 1

TAHOE BASIN TRANSPORTATION PLANNING

Bi-State Consultation on Transportation

In 2017, the states of California and Nevada convened a Bi-State Consultation on Transportation to work with public and private partners on ways to accelerate transportation improvements at Lake Tahoe. The consultation created a Transportation Action Plan that identifies top-priority projects and services.

Following the direction from the Bi-State Consultation, TRPA and TTD have continued to engage partners to identify and recommend new funding sources to generate a minimum of $20 million annually to deliver improvements to meet regional goals. Initial findings suggest that contributions from all sectors (federal, state, local, and private) may be needed to fill this minimum target for new funding.

Regional Transportation Plan (RTP)

Millions of visitors from outside the Region, primarily seasonal tourism and outdoor recreation, drives the Region's $5 billion annual economy. Visitor flows put metropolitan-level travel demands on the Region's limited and largely rural transportation system. During peak times of visitation, Tahoe's roads clog with traffic and parking demands exceed capacity at recreation sites. This seasonal influx of motorists has consequences for the air and water quality, for local communities and their mobility, and for the visitor experience.

The RTP is adopted every four years by the Tahoe Regional Planning Agency (TRPA), providing a funding plan and identifying priority transportation improvements over a multi-decade planning horizon to address these challenges.

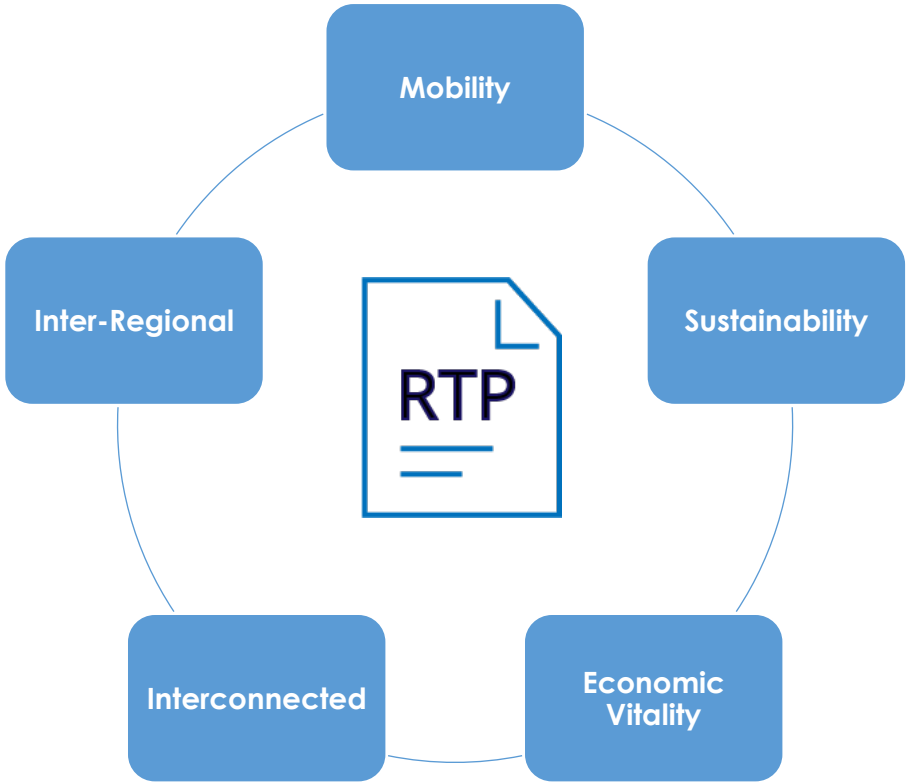
The recently adopted RTP for the Tahoe Basin articulates a vision for Tahoe's transportation system to meet goals for mobility, environmental sustainability, and economic vitality. The vision is for a system that is interconnected, inter-regional, and sustainable, connecting people and places in ways that reduce reliance on the private automobile.

Regional Transportation System Consensus

There is broad consensus within the region that to meet growing travel demand a transportation system transformation is needed to:

- **Improve transportation system efficiency**: Help people travel to, from, and around the Region more efficiently.
- **Expanding transportation options to conserve and restore Tahoe's environment**: Enable transit, bicycle, and pedestrian options and multi-modal services to compete with and reduce auto travel, thereby (1) protecting the Basin's sensitive natural environment, especially the Lake, and (2) supporting federal, state & regional policy objectives to reduce greenhouse gas emissions and build a resilient system in response to climate change.
- **Strengthen other initiatives**: Strengthen initiatives underway to revitalize communities, improve quality of life for residents and quality of experience for visitors, and improve mobility and safety for people walking and biking, and improve recreation access and sustainability.

Regional Transportation Plan Goals & Vision



SECTION 2

REGIONAL TRANSPORTATION PROJECTS

Regional Priority Projects

Regional priority projects were identified through collaboration with the Bi-State Consultation on Transportation, TRPA, TTD, and local governments.

State Route 89 Emerald Bay Corridor

The corridor management plan calls for Emerald Bay shuttles every 15 minutes, parking management, new trails, and other infrastructure improvements.

New Regional Funding: $15 million

Total Project Cost: $60 million

U.S. 50 South Stateline Community Revitalization

Reclaiming a main street along U.S. Highway 50 will make the heart of the South Shore more walkable, bikeable, and economically viable while protecting Lake Tahoe's spectacular environment.

New Regional Funding: $56 million

Total Project Cost: $156 million

State Route 28 Stateline-to-Stateline Corridor

Infrastructure investments are needed to advance the trail along the entire East Shore linking Incline Village to Spooner Summit. Parking and safety enhancements, pedestrian crossings, and a link to Spooner Front Country facilities are needed.

New Regional Funding: $18 million

Total Project Cost: $80 million

Placer Resort Triangle Priority Transit Lanes

Placer County is leading this innovative project to dedicate transit lanes on State Routes 89 and 267 during peak travel times to reduce congestion and improve traffic flow and safety.

New Regional Funding: $20 million

Total Project Cost: $410 million

Illustrative RTP Projects:

- Transit
- Trails

TRANSIT

Transit investments are needed to improve service to the local community and the millions of visitors to Lake Tahoe. By growing public-private partnerships on transit, Lake Tahoe will benefit from reduced congestion and greenhouse gas emissions.

Key projects: Free local transit and new transit routes to recreation hot spots.

New Regional Funding:	**$207 million**
Other Funding:	**$502 million**
Total Project Cost:	**$709 million**

TRAILS

The Tahoe Region has a growing system of shared-use paths, sidewalks, bicycle lanes, crosswalks, and accessible facilities. The network is critical to increasing trips by foot and bike in the region.

Key projects: Resort Triangle Bikeway Network, Pioneer Trail Sidewalks, and the South Tahoe Greenway network.

New Regional Funding:	**$36 million**
Other Funding:	**$5 million**
Total Project Cost:	**$41 million**

Illustrative RTP Projects:

- Communities & Corridors
- Operations & Maintenance

COMMUNITIES & CORRIDORS

Enhancing our communities to provide travel options for workforce, local trips, and visitors that connect town centers, recreation, housing, and jobs.

Key projects: Corridor revitalization, complete street projects, and safety improvements.

New Regional Funding:	$20 million
Other Funding:	$12 million
Total Project Cost:	$32 million

OPERATIONS & MAINTENANCE

Continued investment in operations and maintenance ensures the transportation system functions at a high level and reduces the impact from emissions and stormwater runoff on Lake Tahoe.

Key projects: Closing the funding gap on maintaining local roads, existing trails, and new complete streets projects.

New Regional Funding:	$24 million
Other Funding:	$24 million
Total Project Cost:	$48 million

SECTION 3

SUSTAINABLE TRANSPORTATION FUNDING INITIATIVE POLICY DRIVERS

Current RTP & State Policy Drivers for New Funding

There are three current RTP and state policies driving the need for the region to identify new sustainable transportation revenue:

- **RTP minimum target for new regional funding;**
- **Nevada Senate Concurrent Resolution 8;**
- **TRPA vehicle miles traveled threshold.**

Policy Driver #1:

Regional Funding Target

To deliver the RTP, the Tahoe region needs new sustainable regional transportation funding. The new regional funding target shown below represents the minimum target of $20 million annually in ongoing new funding ($400 million over 20 years).

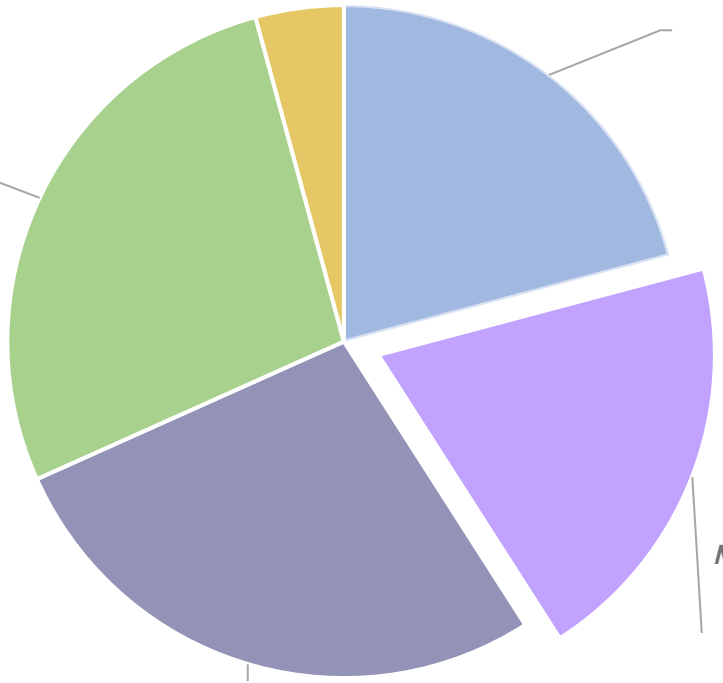
New Regional Funding Target

Regional Priorities	$109 million
Transit	$207 million
Trails	$36 million
Communities & Corridors	$20 million
Operations & Maintenance	$24 million
Accountability	$4 million
Total	**$400** million

This table summarizes areas of investment for the minimum regional funding target of $400 million over the next 20 years. Additional detail and illustrative projects are included later in this document and found in the 2020 Regional Transportation Plan.

**These amounts do not reflect other leveraged funding sources needed.*

RTP Average Annual Funding by Sector



No regional revenue sources currently exist. Meeting this target is the focus of this Briefing Book.

Policy Driver #1:

Regional Funding Target

The lack of regional funding makes the Basin more dependent on state and federal sources compared to other regions.

Given the Basin's transportation priorities, revenue options that address the minimum target for new funding need to focus on funding that is highly "fungible", that is, applicable to a variety of uses and most importantly:

- As a match to leverage funding from other sectors and secure the balance of funding necessary to fully fund projects, and
- For transit operations and maintenance (as opposed to transit capital projects) that other regions primarily fund with regional revenue because transit O&M gets only limited support from state and federal sources.

Policy Driver #2:

Nevada Senate Concurrent Resolution 8

The Director of the Nevada State Department of Conservation and Natural Resources and the Secretary of the California Natural Resources Agency have been convening a Bi-State Consultation on Transportation consisting of persons representing state, local, regional and federal governmental agencies, business groups, the environmental community and the resort and tourism industries to help identify appropriate solutions to meet the Lake Tahoe Basin's unique and complex transportation challenges.

The Nevada Senate has requested that the Bi-state Consultation identify priority transportation projects and potential recommendations for funding those projects in the Lake Tahoe Basin (*Nevada Senate Concurrent Resolution 8* (2021)).

Policy Driver #3:

TRPA Vehicle Miles Traveled (VMT) Threshold

The TRPA has recently adopted a revised vehicle miles traveled (VMT) threshold. Achievement of that threshold requires a reduction in annual daily average VMT per capita by 6.8 percent by 2045. *Successful implementation will require full funding of the RTP.*

The RTP includes a funding policy (Policy 5.4) to "*collaborate with local, state, tribal, regional, federal, and private partners to develop a regional revenue source to fund Lake Tahoe transportation investments*". TRPA has committed to implementing Policy 5.4 to demonstrate support for the revised VMT threshold with the following management actions:

- By December 31, 2021: submit a proposal for dedicated sources of transportation funding to the California and Nevada Legislatures supported by the Bi-State Consultation.
- By December 31, 2023: begin collection of ongoing regional revenue source(s) dedicated to transportation in the Tahoe Basin that is reasonably expected to meet the $20 million average annual minimum target for new regional funding for the RTP.

Other Issues Affecting Revenue Options

Three other significant issues affect the selection of revenue options:

- **Visitor impacts:** The large impact of visitors suggests the need to identify revenue options directly related to visitor activity.
- **Existing local funding:** Local jurisdictions dedicate substantial transient occupancy tax funds to transportation and have recently approved significant new transportation funding ($1.1M annually from North Lake Tahoe Tourism and Business Improvement District (TBID), and $2.1M annually from the City of South Lake Tahoe sales tax measure for road repair).
- **Complex governance:** The Basin's complex governance structure requires the consensus of local and state government as well as private stakeholders to implement a successful funding strategy.

SECTION 4

REVENUE OPTIONS EVALUTION

Revenue Options

- Revenue options were identified to address the identified minimum $20M per year minimum regional funding target.
- This effort is the result of extensive stakeholder engagement initiated during the summer of 2021.
- This report analyzes 19 revenue options for sustainable transportation funding in the Basin. Revenue options included in this report met the following criteria:
  - Analyzed in the One Tahoe effort mentioned above (that report included 24 revenue options and was the primary source of revenue options for this report);
  - Identified through research conducted for this report;
  - Likely not to require amendment to the California or Nevada constitutions;
  - Likely not to require federal legislation.

Revenue Options Evaluation Criteria

The stakeholder engagement process included a survey to identify revenue option evaluation criteria. Final implementation will not include those that require congressional action or have constitutional conflicts. Based on the survey, the following six criteria received the most responses from those surveyed:

- **Fungible (any use):** is funding flexible, particularly for transit services and as a local match for state and federal grants?
- **Fungible (basin-wide):** can funding be used throughout the Basin?
- **Equity (by income):** does the funding burden fall disproportionately on lower income households as a percent of income or otherwise inhibit access to destinations in the Basin?
- **Equity (visitors/residents):** do day and overnight visitors contribute funding proportionate to their impacts on the transportation system?
- **Sustainable:** will funding provide a reasonably predictable and constant funding stream, can bonds be issued, and is funding significant enough to assist in achieving the minimum funding target (greater than $1M annually against the $20M minimum target)?
- **Transparent:** is funding transparent as a transportation revenue source to those who pay and could funding provide a pricing strategy for a more efficient use of the transportation system?

REVENUE OPTIONS EVALUATION

SECTOR	Evaluation Criteria: ✓=met ✗=not met ?=outcome uncertain					
	Fungible (Any Use)	**Fungible** (Basin-wide)	**Equity** (Income)	**Equity** (Visitor/Resident)	**Transparent**	**Sustainable**
LOCAL						
L1. Sales Tax	✓	✗	✗	✗	✗	✓
L2. Transient Occupancy Tax	✓	✗	✓	✗	✗	✓
L3. Property Transfer Tax	✓	✗	?	✗	✗	✗
REGIONAL						
R1. Sales Tax	✓	✓	✗	✗	✗	✓
R2. Transient Occupancy Tax	✓	✓	✓	✗	✗	✓
R3. Real Property Transfer Tax	✓	✗	?	✗	✗	✓
R4. Vacancy Tax	✓	✓	✓	✓	✗	✓
R5. Basin Entry Fee	✗	✗	✗	✓	✓	✓
R6. Zonal Fee	✗	✗	✗	✓	✓	✓
R7. Parking Fees	✓	✓	✗	✓	✓	✓
R8. Mobility Fee	✓	✓	✗	✓	✗	✗
R9. Rental Car Mitigation Fee	✓	✓	✓	✓	✗	✗
PRIVATE						
P1. Commuter Transit Subsidies	✗	✓	?	✗	✗	?
STATE						
S1. CA & NV Funding Formula	✗	✓	✗	✓	✗	✓
S2. CA Budget Surplus	✗	✗	✓	✓	✗	✗
S3. CA Existing Grants	✗	✗	✗	✓	✗	✗
S4. CA New Grant Programs	✗	✗	✗	✓	✗	✗
S5. NV Bonds	✗	✗	✗	✓	✗	✗
FEDERAL						
F1. Transportation Act: Formula	✗	✓	✗	✓	✗	✓
F2. Transportation Act: Grants	✗	✓	✗	✓	✗	✗

REVENUE OPTIONS POTENTIAL

Sector	Revenue Options	Jurisdiction	Avg Annual Amount (M)[1]	Tax/Fee Rate	% Funding Target[3]
Regional	R5. Basin Entry Fee		$23.9	$4.00 per vehicle[3]	123%
Regional	R6. Zonal Fee		$9.5	$10.00 per vehicle[4]	49%
Regional	R7. Parking Fees		$7.0	$10.00 per vehicle	36%
Regional	R4. Vacancy Tax		$6.3	$250 per vacant housing unit	33%
Federal	F2. Transportation Act: Grants		$5.8	$5M initially (2023)	30%
Regional	R1. Sales Tax (basin-wide)	Basin-wide	$5.7	0.5% of taxable sales	30%
Regional	R2. Transient Occupancy Tax	Basin-wide	$4.0	1.0% of lodging sales	21%
Local	L1. Sales Tax	City of SLT	$3.2	0.5% of taxable sales	16%
State	S1. CA & NV Funding Formula		$2.9	$3M initially (2026)	15%
State	S3. CA Existing Grants		$2.9	$3M initially (2026)	15%
Federal	F1. Transportation Act: Formula		$1.7	$1.5M initially (2023)	9%
Local	L2. Transient Occupancy Tax	City of SLT	$1.6	1.0% of lodging sales	8%
Local	L1. Sales Tax	Placer	$1.1	0.5% of taxable sales	6%
Local	L2. Transient Occupancy Tax	Douglas	$1.0	1.0% of lodging sales	5%
State	S4. CA New Grant Programs		$1.0	$1M initially (2026)	5%
Local	L1. Sales Tax	Washoe	$0.9	0.5% of taxable sales	5%
Local	L2. Transient Occupancy Tax	Placer	$0.9	1.0% of lodging sales	4%
Regional	R3. Real Property Transfer Tax	Basin-wide	$0.8	$1.00 per $1,000 of real property sales	4%
Local	L3. Real Property Transfer Tax	Washoe	$0.6	$1.00 per $1,000 of real property sales	3%
Local	L1. Sales Tax	Douglas	$0.5	0.5% of taxable sales	3%
Local	L2. Transient Occupancy Tax	Washoe	$0.5	1.0% of lodging sales	3%
Regional	R8. Mobility Mitigation Fee		$0.4	$0.3M initially (2022)	2%
State	S5. NV Bonds		$0.4	$10M one-time (2026)	2%
Local	L3. Real Property Transfer Tax	Douglas	$0.2	$1.00 per $1,000 of real property sales	1%
Regional	R9. Rental Car Mitigation Fee		$0.1	$5.50 per car per day	<1%
State	S2. CA Budget Surplus		<$0.1	$2M one-time (2022)	<1%
Private	P1.Commuter Transit Subsidies		TBD	TBD	TBD

[1] Revenue estimates ($M=million) assume two percent annual inflation increase from initial year and calculate annual average by dividing by 25 years (2021-2045) regardless of initial year. [2] RTP minimum regional funding target is $485.9 million, or $19,400,000 annually over 25 years. [3]Basin entry fee assumes payment by visitors only and exempts residents and commuters. [4] Zonal fee assumes payment only by vehicles stopping in zone, not vehicles driving through zone.

SECTION 5

REVENUE OPTION DESCRIPTIONS

LOCAL

Sales Tax

Additional sales tax increment within the Basin – by jurisdiction.

CA: Legislature gives each county separate authority to create special tax district (City of SLT already has authority), district (or City) seeks 2/3 voter approval.
NV: Legislature directly authorizes tax for each County within Basin with 2/3 legislature approval.

REVENUE POTENTIAL

Jurisdiction	Avg Annual Amount	Tax/Fee Rate	%RTP Funding Gap
Placer	**$1.1M**	**0.5% of retail sales**	6%
City of SLT	**$3.2M**		16%
Washoe	**$0.9M**		6%
Douglas	**$0.5M**		4%

PROS

Fungible (any use): May be used for any transportation purpose.

Sustainable: Reasonably predictable and bondable and generates significant funding for most jurisdictions.

CONS

Fungible (basin-wide): Limited to jurisdiction-related projects/services.

Equity (by income): Lower income households pay more as percent of income.

Equity (visitors/residents): Captures limited funding from day visitors relative to impact.

Transparent: Not transparent as a transportation funding source to those paying.

OTHER

Using North Tahoe TBID approach basin-wide (assessing taxable and non-taxable sales) would increase revenue by 65% or more above the estimates in this table.

Implementation: Consider including Resort Triangle area in Placer County tax area and funding agreements with the Town of Truckee.

LOCAL

Transient Occupancy Tax

Additional TOT increment within the Basin – by jurisdiction.

Requires 2/3 voter approval within each jurisdiction's area within the Basin.

REVENUE POTENTIAL

Jurisdiction	Avg Annual Amount	Tax/Fee Rate	%RTP Funding Gap
Placer	**$900K**	**1.0% of lodging sales**	4%
City of SLT	**$1.6M**		8%
Washoe	**$500K**		3%
Douglas	**$1M**		5%

PROS

Fungible (any use): May be used for any transportation purpose.

Equity (by income): Households spend similar percent of income on lodging.

Sustainable: Reasonably predictable and bondable and generates significant funding for most jurisdictions.

CONS

Fungible (basin-wide): Limited to jurisdiction-related projects/services.

Equity (visitors/residents): Captures funding from overnight visitors but not from day visitors relative to impact.

Transparent: not transparent as a transportation funding source to those paying.

OTHER

Implementation: Consider including Resort Triangle area in Placer County tax area and funding agreements with the Town of Truckee.

LOCAL

Real Property Transfer Tax

Additional real property transfer tax within the Basin – by jurisdiction.

CA: Prohibited by Proposition 13 in California (only charter cities can increase RPTT).

NV: Legislature directly authorizes tax with 2/3 legislature approval for each jurisdiction.

REVENUE POTENTIAL

Jurisdiction	Avg Annual Amount	Tax/Fee Rate	%RTP Funding Gap
Placer	**NA**	$1 per $1,000 of real property sales	NA
El Dorado	**NA**		NA
City of SLT	**NA**		NA
Washoe	**$600K**		3%
Douglas	**$200K**		1%

PROS

Fungible (any use): May be used for any transportation purpose.

CONS

Fungible (basin-wide): Limited to jurisdiction-related projects/services.

Equity (visitors/residents): Does not capture funding from day or overnight visitors.

Sustainable: Reasonably predictable and bondable but not significant by jurisdiction.

Transparent: Not transparent as a transportation funding source to those paying.

OTHER

Equity (by income): No data to evaluate.

Existing funding: Existing tax rates in Nevada jurisdictions about 4x higher than in CA jurisdictions ($3.90 to $4.00 versus $1.10 per $1,000).

Implementation: Consider including Resort Triangle area in Placer County tax area and funding agreements with the Town of Truckee.

REGIONAL

Sales Tax

Additional sales tax increment within the Basin – basin-wide

TTD adopts additional sales tax increment within the Basin.

Requires 2/3 voter approval per Bistate Compact, Article IX.

REVENUE POTENTIAL	Tax Rate	Avg Annual Amount	%RTP Funding Gap
	0.5%	**$5.7M**	31%

PROS

Fungible (by use): May be used for any transportation purpose.

Fungible (basin-wide): May be used throughout the Basin.

Sustainable: Reasonably predictable and bondable and generates significant revenue.

CONS

Equity (by income): Lower income households pay more as percent of income.

Equity (visitors/residents): Captures limited funding from day visitors relative to impact.

Transparent: Not transparent as a transportation funding source to those paying.

OTHER

Implementation: Consider using existing dormant Placer County special tax district and integrating Resort Triangle and Town of Truckee into funding and project programming.

REGIONAL

Transient Occupancy Tax

Additional TOT increment within the Basin – basin-wide.

Requires 2/3 voter approval per Bistate Compact, Article IX.

REVENUE POTENTIAL	Tax Rate	Avg Annual Amount	%RTP Funding Gap
	1.0%	**$4M**	21%

PROS

Fungible (by use): May be used for any transportation purpose.
Fungible (basin-wide): May be used throughout the Basin.
Equity (by income): Households spend similar percent of income on lodging.
Sustainable: Reasonably predictable and bondable and generates significant revenue.

CONS

Equity (visitors/residents): Captures funding from overnight visitors but not from day visitors relative to impact.
Transparent: Not transparent as a transportation funding source to those paying.

OTHER

Implementation: Consider integrating Resort Triangle area and Town of Truckee into funding and project programming.

REGIONAL

Real Property Transfer Tax

Additional real property transfer tax within the Basin – basin-wide.

CA: Prohibited by Proposition 13 in California (only charter cities can increase RPTT).

NV: Legislature directly authorizes tax with 2/3 legislature approval for Nevada side of Basin.

REVENUE POTENTIAL	Tax Rate	Avg Annual Amount	%RTP Funding Gap
	1.0%	**$0.8M**	8%

PROS

Fungible (any use): May be used for any transportation purpose.

Fungible (basin-wide): May be used throughout the Basin.

Sustainable: Reasonably predictable and bondable and generates significant revenue.

CONS

Equity (visitors/residents): Does not capture funding from day or overnight visitors.

Transparent: Not transparent as a transportation funding source to those paying.

REGIONAL

Vacancy Tax

Tax on single family housing units including condominiums that are not the permanent residence of the owner.

TTD places tax measure on ballot. Requires 2/3 voter approval.

REVENUE POTENTIAL	Tax Rate per Housing Unit	Avg Annual Amount	%RTP Funding Gap
	$250	**$6.3M**	33%

PROS

Fungible (any use): May be used for any transportation purpose.

Fungible (basin-wide): May be used throughout the Basin.

Equity (by income): Higher income households more likely to be second homeowners.

Equity (visitors/residents): Capture funding from overnight but not day visitors.

Sustainable: Reasonably predictable and bondable and generates significant revenue.

CONS

Transparent: Not transparent as a transportation funding source to those paying.

OTHER

Vacancy tax is typically adopted to incentivize use of vacant property to increase housing supply.

Vancouver and Oakland have vacancy taxes; Los Angeles and San Francisco considering them.

Implementation: Consider integrating Resort Triangle area and Town of Truckee into funding and project programming.

REGIONAL

Basin Entry Transportation User Fee

Fee paid by roadway transportation users entering the Basin (fee could vary by peak vs. off-peak periods).

CA & NV legislatures amend Bistate Compact, Article IX, and approved by 2/3 of Basin voters.

REVENUE POTENTIAL	Fee Rate	Avg Annual Amount	%RTP Funding Gap
	$4	**$23.9M**	123%

PROS

Equity (visitors/residents): Captures funding from day and overnight visitors.

Sustainable: Reasonably predictable and bondable and generates significant revenue.

Transparent: Transparent as a transportation funding source to those paying.

CONS

Fungible (basin-wide): CA revenue may be used basin-wide. NV revenue limited to use on NV public highways (NV Const. Article IX, Section 5).

Fungible (by use): In CA may be used for any transportation purpose. In NV constrained to the construction, maintenance, and repair of the public highways (NV Const. Article IX, Section 5).

Equity (by income): Lower income households pay more as percent of income.

OTHER

Funding increased transit service would mitigate negative impacts on equity (by income).
The public typically does not pay for transportation services through this type of fee.

REGIONAL

Zonal Transportation User Fee

Fee paid by visitors stopping in two high recreation use zones: Hwy. 28 and Hwy. 89/Emerald Bay corridors (fee could vary by peak vs. off-peak periods).

CA & NV legislatures amend Bistate Compact, Article IX, and approved by 2/3 of Basin voters.

REVENUE POTENTIAL	Fee Rate	Avg Annual Amount	%RTP Funding Gap
	$10	**$9.5M**	49%

PROS

Equity (visitors/residents): Captures funding from day and overnight visitors.

Sustainable: Reasonably predictable and bondable and generates significant revenue.

Transparent: Transparent as a transportation funding source to those paying.

CONS

Fungible (basin-wide): CA revenue may be used basin-wide. NV revenue limited to use on NV public highways (NV Const. Article IX, Section 5).

Fungible (by use): In CA may be used for any transportation purpose. In NV constrained to the construction, maintenance, and repair of the public highways (NV Const. Article IX, Section 5).

Equity (by income): Lower income households pay more as percent of income.

OTHER

Funding increased transit service would mitigate negative impacts on equity (by income).
The public typically does not pay for transportation services through this type of fee.

REGIONAL

Parking Fees

Fee for parking in off-street lots serving recreation sites

Tahoe Transportation District authorizes in cooperation with state and federal partners.

If funding greater than parking management and related costs (e.g., for transit), requires 2/3 voter approval in CA, and may need NV state legislation.

REVENUE POTENTIAL	Fee Rate	Avg Annual Amount	%RTP Funding Gap
	$10	**$7.0M**	36%

PROS

Fungible (by use): May be used for any transportation purpose.

Fungible (basin-wide): May be used throughout the Basin.

Equity (visitors/residents): Captures funding from day and overnight visitors.

Sustainable: Reasonably predictable and bondable and generates significant revenue.

Transparent: Transparent as a transportation funding source to those paying.

CONS

Equity (by income): Lower income households pay more as percent of income. Depending on fee rate, revenue may not cover needs beyond operations and maintenance of parking lots.

OTHER

Funding increased transit service would mitigate negative impacts on equity (by income).

Use electronic payment systems at each parking lot and/or sell parking passes online and through local retailers.

REGIONAL

Mobility Fee

Projects creating new VMT within the Basin (formerly air quality mitigation fee).

Tahoe Regional Planning Agency authorize, adopts revised fee through ordinance.

REVENUE POTENTIAL	Fee Rate	Avg Annual Amount	%RTP Funding Gap
	2x current	**$0.4M**	2%

PROS

Fungible (by use): May be used for any transportation purpose.

Fungible (basin-wide): May be used throughout the Basin.

Equity (visitors/residents): Captures funding from day and overnight visitors.

CONS

Equity (by income): No data to evaluate.

Sustainable: Not predictable or bondable but does generate significant revenue.

Transparent: Not transparent as a transportation funding source to those paying.

OTHER

The Mobility Mitigation Fee is not necessarily a revenue strategy however through the update, in progress, the fee is proposed to increase over revenues assumed in the 2020 RTP and could help fill the $20M gap.

REGIONAL

Rental Car Mitigation Fee

Fee paid on cars rented within the Basin (100% increase in current fee.)

Tahoe Regional Planning Agency authorizes.

REVENUE POTENTIAL	Fee Rate per Car per Day	Avg Annual Amount	%RTP Funding Gap
	$5.50	**$0.1M**	<1%

PROS

Fungible (by use): May be used for any transportation purpose.

Fungible (basin-wide): May be used throughout the Basin.

Equity (by income): Households spend similar percent of income on car rental.

Equity (visitors/residents): Captures funding from day and overnight visitors.

CONS

Sustainable: Not predictable or bondable and does not generate significant revenue.

Transparent: Not transparent as a transportation funding source to those paying.

OTHER

The Rental Car Mitigation Fee is not a new revenue source, however an increase to the fee could be proposed to increase revenues over those assumed in the 2020 RTP.

PRIVATE

Commuter Transit Subsidies

Private employers

REVENUE POTENTIAL	Tax/Fee Rate	Avg Annual Amount	%RTP Funding Gap
	TBD	**TBD**	TBD

PROS

Fungible (basin-wide): Major employers are located throughout the Basin.

CONS

Fungible (by use): Funding restricted to those working for major employers.

Equity (visitors/residents): Does not capture funding from visitors.

Transparent: Not transparent as a transportation funding source to those paying.

OTHER

Equity (by income): Difficult to evaluate depending on the employer.

Sustainable: To be determined. May provide significant and predictable funding based on the amount but is not bondable.

STATE

CA & NV Funding Formula Population Adjustment

CA & NV adopt same population basis for Basin that federal government adopted in 2015 for transportation formula funding resulting in an increase in state formula funding.

CA & NV legislatures authorizes.

REVENUE POTENTIAL		Avg Annual Amount	%RTP Funding Gap
		$2.9M	15%

PROS

Fungible (basin-wide): Program funding may be used throughout the Basin.

Equity (visitors/residents): Statewide funding captures impact from visitors.

Sustainable: Reasonably predictable and generates significant revenue, but not bondable.

CONS

Fungible (by use): Funding restricted by program, limited funding for transit services, cannot fund local match for grants.

Equity (by income): Funded mostly by gas tax and lower income households pay more as percent of income.

Transparent: Not transparent as a transportation funding source to those paying.

STATE

California Budget Surplus Allocation

One-time allocation of FY 2021-22 budget surplus.

California legislature authorizes.

REVENUE POTENTIAL		Avg Annual Amount	%RTP Funding Gap
		$0.8M	<1%

PROS

Fungible (basin-wide): Potentially could be used throughout the CA-side of the Basin depending on authorization.

Equity (by income): Primary revenue source for state general fund is the income tax and higher income households pay more as a percent of income.

Equity (visitors/residents): Statewide funding captures impacts from visitors.

CONS

Fungible (by use): Funding potentially restricted to specific programs.

Sustainable: Not predictable or bondable and does not generate significant revenue.

Transparent: Not transparent as a transportation funding source to those paying.

STATE

California Existing Grant Programs

Improve competitiveness for existing California transportation grant programs.

No legislation required.

REVENUE POTENTIAL		Avg Annual Amount	%RTP Funding Gap
		$2.9M	15%

PROS

Fungible (basin-wide): Grant funding may be used throughout the CA-side of the Basin.

Equity (visitors/residents): Statewide funding captures impact from visitors.

Sustainable: Reasonably predictable and generates significant revenue, but not bondable.

CONS

Fungible (by use): Funding restricted by program, limited funding for transit services, cannot fund local match for grants.

Equity (by income): Funded mostly by gas tax and lower income households pay more as percent of income.

Sustainable: Not predictable or bondable and does not generate significant revenue.

Transparent: Not transparent as a transportation funding source to those paying.

STATE

California New Grant Programs

Successfully compete for funding from recently authorized grant programs such as climate resilience, REAP 2.0, Electrification, etc.

No legislation required.

REVENUE POTENTIAL		Avg Annual Amount	%RTP Funding Gap
		$1M	5%

PROS

Fungible (basin-wide): Grant funding may be used throughout the CA-side of the Basin.

Equity (visitors/residents): Statewide funding captures impact from visitors.

Sustainable: Reasonably predictable and generates significant revenue, but not bondable.

CONS

Fungible (by use): Funding restricted by program, limited funding for transit services, cannot fund local match for grants.

Equity (by income): Funded mostly by gas tax and lower income households pay more as percent of income.

Transparent: Not transparent as a transportation funding source to those paying.

STATE

Nevada Bonds

Environmental Improvement Program (EIP) bonds: NV bonding authority of $71.6M expires in 2030.

Requires proposal from Dept. of Conservation and Natural Resources and approval of NV Legislature or Interim Finance Committee.

Bond amount subject to State's debt capacity limit.

REVENUE POTENTIAL	Bond Amount	Avg Annual Amount	%RTP Funding Gap
	$10M	**$0.4M**	2%

PROS

Fungible (basin-wide): Funding may be used throughout the NV-side of the Basin for the trail system.

Equity (visitors/residents): Statewide funding captures impact from visitors.

CONS

Fungible (by use): Funding restricted by program, limited funding for transit services, cannot fund local match for grants.

Equity (by income): State general obligation bonds are funded by the property tax that is considered mildly regressive because lower income households pay more as percent of income for housing, though housing values and therefore property tax tend to increase with income.

Transparent: Not transparent as a transportation funding source to those paying.

FEDERAL

Transportation Act Reauthorization Formula Funding

Transportation Act reauthorization, U. S. Congress.

REVENUE POTENTIAL		Avg Annual Amount	%RTP Funding Gap
		$1.7M	9%

PROS

Fungible (basin-wide): Program funding may be used throughout the Basin.

Equity (visitors/residents): National funding captures impact from visitors.

Sustainable: Reasonably predictable and generates significant revenue, possibly bondable

CONS

Fungible (by use): Funding restricted by program, limited funding for transit services, cannot fund local match for grants.

Equity (by income): Funded mostly by gas tax and lower income households pay more as percent of income.

Transparent: Not transparent as a transportation funding source to those paying.

FEDERAL

Transportation Act Reauthorization Grant Funding

Transportation Act reauthorization, U. S. Congress.

REVENUE POTENTIAL		Avg Annual Amount	%RTP Funding Gap
		$5.8M	30%

PROS

Fungible (basin-wide): Grant funding may be used throughout the Basin.

Equity (visitors/residents): National funding captures impact from visitors.

Sustainable: Reasonably predictable and generates significant revenue, but not bondable.

CONS

Fungible (by use): Funding restricted by program, limited funding for transit services, cannot fund local match for grants.

Equity (by income): Funded mostly by gas tax and lower income households pay more as percent of income.

Transparent: Not transparent as a transportation funding source to those paying.

SECTION 6

NEXT STEPS

Next Steps

- Information in this briefing book will be shared widely with stakeholders.
- Discussions will culminate with a recommendation for sustainable transportation funding to the California and Nevada Legislatures in early 2022.