

FREQUENTLY ASKED QUESTIONS

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I. BACKGROUND

I-1. What is the purpose of the proposed regional sales tax?

The purpose of the region-based tax is to allow voters in each of twelve (12) special districts in the State to determine whether to increase their sales and use tax rate by 1% to fund transportation infrastructure. For a number of years the State has been under-investing in its transportation infrastructure. Instead, Georgia has relied upon infrastructure put in place years ago to support existing development and continued growth. According to the Federal Highway Administration and National Transit Database statistics, the State of Georgia devotes fewer resources per capita to transportation than any US state except Tennessee. The opportunity to vote on a regional sales tax is an acknowledgement of the need to invest more heavily in transportation infrastructure to support the state's continued growth. The 2010-2030 Statewide Strategic Transportation Plan stated that if additional transportation funding is not secured and transportation funding remains as is currently projected, Georgia's transportation network will continue to deteriorate, and diminish Georgia's ability to compete for jobs and growth in the future. For more information on the Statewide Strategic Transportation plan, please visit <http://www.it3.ga.gov/Documents/Final-SSTP.pdf>.

I-2. Why not just raise the state gas tax?

By state code, the state motor fuel tax can only be used on roads and bridges. The funding mechanism created by HB 277 allows more flexibility in transportation investments. Additionally, HB 277 allows each region to determine its own transportation priorities. Finally, state motor fuel taxes continue to be negatively impacted by more fuel efficient vehicles,

carpooling and transit use. Even a sizeable increase in the motor fuel tax would likely be insufficient in the next few years as consumers continue to change their driving habits

I-3. How will HB 277 impact local SPLOST efforts?

The impact of HB 277 on a local government SPLOST will vary from jurisdiction to jurisdiction based on local actions. Many local governments are choosing to reschedule reauthorization of their SPLOST so that it does not coincide with the 2012 transportation sales tax vote. At this time, no one can predict how local SPLOST efforts will be affected.

I-4. What are the boundaries of the twelve special districts?

The special districts boundaries are the same as the geographic boundaries of the State's twelve (12) regional commissions and are available online at <http://www.dca.state.ga.us/development/PlanningQualityGrowth/DOCUMENTS/Publications/RegionalCommissions/RCDirectory.pdf> . These boundaries were set in 2009 under the direction of the Department of Community Affairs.

I-5. If approved, how long would the regional sales tax last?

The new regional sales tax would be in place for a period of ten (10) years. At the end of those ten years, the regional sales tax may be reinitiated per a majority of the district's counties and a special act of the General Assembly. Please see document page 24 of HB 277 at <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

I-6. How much money will be raised by a regional sales tax, if approved by voters?

This varies greatly by region. Current estimates place the amount within a range of nearly \$37 million annually for the lowest earning region, to over \$700 million for the highest earning region. If the voters in all twelve regions approve of the tax, the current estimate is that as much as \$1.5 billion could be raised throughout the State each year. <http://www.it3.ga.gov/Documents/2013-2023RevenueProjections.pdf> . Please note that all estimates of revenue are provided by the State Economist.

I-7. If the regional sales tax is approved in my region, what will the money be spent on?

Similar to a Special Purpose Local Option Sales Tax (SPLOST), the increased revenues will be spent on a list of projects that is provided to the voters prior to the vote. Additionally, local governments will receive a portion of the revenue by formula to spend on discretionary transportation projects specifically for their jurisdictions. The money raised in a region may only be spent within that region. In other words, none of the money raised from the Savannah area would be spent in the Atlanta region or vice versa. Please see document page 18 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

I-8. Can the revenue raised from the Regional Sales Tax be used to match Federal funds?

Yes. There will be many projects already in the federal-aid pipeline that will be good candidates for the regional sales tax. Helping fund the required match with regional sales tax dollars will free up state and local funds for other projects.

I-9. What happens if a project chosen for the region's project list is already programmed with federal, state or local funding in the Statewide Transportation Improvement Program (STIP) or one of Georgia's 15 Metropolitan Planning Organization's Transportation Improvement Programs (TIPs) ?

If federal funds are replaced by the regional sales tax funds this will free up federal funding in the STIP or TIP for additional projects. A formal STIP or TIP amendment may be required. In Georgia's three nonattainment areas for air quality, a technical analysis for conformity may also

be necessary. Please see document page 23 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

I-10. Can the Commission Chair or the Mayor assign someone to vote for them on the Roundtable?

No. The legislation specifically says that only designated members (Chairman/Mayors) of the Roundtable are allowed to vote. Please see document page 19 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

I-11. Who will facilitate the Roundtable meetings?

GDOT will provide facilitators for the two designated Roundtable and Executive meetings.

II. CRITERIA DEVELOPMENT

II-1. Are the criteria individualized per region?

The criteria are individualized for each region. The draft criteria provided for comments did not attempt to individualize each region. That will be done based on the comments and ultimately will be the decision of the roundtables.

II-2. Can the investment allocation target ranges be changed by the roundtable, or just the screening criteria?

Yes. The target ranges are part of the investment screening criteria. The target ranges may be determined by each individual Roundtable. Please see document page 19 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

III. VOTER REFERENDUM

III-1. When does my region vote on the sales and use tax increase?

According to the Secretary of State's webpage, the referendum will be held during the general primary election on August 21, 2012, provided that decision-makers within the region can reach consensus on a list of projects for voters to consider. If decision-makers cannot agree on a list of projects that the increased tax revenues would be spent on, no sales and use tax vote will be held. Please see document page 22 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

III-2. Will my region's taxes increase if my region does not approve the regional sales tax, but the majority of regions in the State approve it?

No. This is a regional tax, not a State tax. If a region does not approve the tax, that region's sales tax will not be affected, regardless of what other regions do. Please see document page 14 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

III-3. What if the voters of my county or some other county reject the tax while the rest of the region approves it?

The law specifically addresses this issue and states that individual counties are not allowed to opt out of the regional sales tax. Therefore, if the majority of voters in a region support the new tax, then all member counties of the region will be required to collect the new tax regardless of how

an individual county votes Please see document page 22 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

III-4. What happens if the Regional Transportation Roundtable is not able to approve a final project list to take to the voters?

If a Roundtable is unable to approve a project list a “special district gridlock” will be declared. As a result of the gridlock, no referendum for a sales and use tax will be held for at least 24 months. In addition, a match of 50% will be required from local governments within the region for the Local Maintenance and Improvement Grants (LMIG) provided by the GDOT. Please see document page 21 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

III-5. What happens if the voters of my region reject the regional sales and use tax?

If voters of the region reject the regional sales tax, the region will not be eligible to collect the additional tax for needed transportation infrastructure. Also, a match of 30% will be required from local governments within the region for the Local Maintenance and Improvement Grants (LMIG) provided by GDOT. If voters reject the regional sales tax, a new vote may not be called for 24 months. Please see document page 23 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

III-6. Why are there only 5 representatives on the Executive Committee? Can we have more?

The Transportation Investment Act of 2010 established the Executive Committee as five representatives to be selected from and by the Roundtable. Therefore, no additional members may be identified for the Executive Committee. Three legislators will serve on each Executive Committee but they will not be allowed to vote. (Two appointed by the House Transportation Chair and one appointed by Senate Transportation Chair.) Please see document page 17 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

IV. PROJECT SELECTION

IV-1. Who decides what goes on my region’s final investment project list?

The project list is collaboration between the Planning Director, the Executive Committee and the Regional Transportation Roundtable, however, final decisions rest with the Roundtable. This Roundtable is composed of local elected officials, county commissioner chairs and mayors. In general, the Director of Planning submits both draft criteria and a draft project list to each roundtable for their consideration. Through majority vote, this group of local officials refines the project selection criteria and the project list to suit the region’s specific needs and desires. Additionally, a portion of each region’s revenues from the regional sales tax will be designated for discretionary use by local governments within the district. The discretionary portion will be 15% in the Metro Atlanta Region and 25% in all other districts. Please see document pages 20 & 21 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>.

IV-2. Will “Safety” projects have to meet specific thresholds of fatality and injury reductions in order to qualify for regional funding?

There are no specific thresholds, however, as identified in the Draft Investment Criteria, safety projects must align with the Governor’s Strategic Highway Safety Plan and address or correct safety concerns. The objective of the safety projects should be to reduce fatalities and reduce injuries. To access the Governor’s Strategic Highway Safety Plan please use the following link <http://www.gahighwaysafety.org/shsp/>

IV-3. How is the unconstrained investment list developed?

The Director of Planning will develop an unconstrained investment list based on the approved criteria. This list may contain projects from existing plans, projects submitted by locals and others. The unconstrained investment list will be distributed to the Roundtable and local governments by early summer 2011.

IV-4. Will the performance goals and state of expected public benefits for each project on the unconstrained investment list be created solely by the Director of Planning?

While HB 277 states that the Director of Planning shall “include in the draft investment list a statement of the specific public benefits to be expected” it does not prohibit collaboration with local governments, MPOs, and Regional Commissions. Please see document page 20 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

IV-5. How will cost estimates be developed for regional projects?

Cost estimates will be developed any number of ways. Many of the projects within the STIP already have cost estimates so only newly recommended projects or projects not currently in the STIP will need cost estimates completed. Those estimates will likely be completed through collaboration with the local governments and GDOT. It will be extremely important to develop good estimates so that a region does not create an investment list that is underfunded.

IV-6. Will local governments need approval from GDOT on their list of projects to be funded with the 25% (15% in Metro Atlanta Region) discretionary funding?

No. The 25% (15% in Metro Atlanta Region) discretionary funding shall be spent on transportation projects per each local government’s discretion. The projects must meet the definition of the transportation project as defined under HB 277. However, GDOT may assist local governments in selecting projects upon request. Please see document pages 27 & 28 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

IV-7. What resources are available to assist local jurisdictions in selecting projects?

Local jurisdictions may seek assistance with their Metropolitan Planning Organizations, Regional Commissions, GDOT and others to aid in project selection.

IV-8. Can the Roundtable hold additional public meetings?

Yes, if the Executive Committee and the Roundtable so choose.

IV-9. Can the Roundtable meet more than twice?

Yes. The Transportation Investment Act of 2010 specifically identified two meetings of the Roundtable. These meetings are to be scheduled by the Department’s Director of Planning. Any additional meetings of the Roundtable will be at the discretion of the Roundtable.

IV-10. Are only non-commercial airports eligible for these funds?

This restriction is for the Atlanta area. There are no restrictions on commercial or non-commercial airports outside the Atlanta region. It is also the intent that any airport that becomes a commercial airport over the next 10 years is not excluded.

IV-11. Why isn’t commuter rail one of the categories in the criteria?

Commuter rail would be eligible under the Transit Capital program.

IV-12. What transit facilities can the Operations and Maintenance funds be used for?

Any transit facility is eligible to use HB 277 funds for operation and maintenance, subject to the approved investment criteria. However, please note that MARTA’s system in existence on

January 1, 2011 are excluded from the use of operation and maintenance funds. Please see document page 14 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

V. PROJECT DELIVERY

- V-1. What happens to any collected excess funds at the end of the 10-year period?**
If excess funds are collected those would be used to cover all project cost, including potential construction cost overruns. In the event that funds remain after the close out of all projects on the final investment list, these funds would fall under the 25% discretionary section and will be distributed per the LARP formula.
- V-2. If approved, is there any citizen oversight for the use of these funds?**
Yes. The law creates a Citizens Review Panel for each region in which the tax is approved. This panel, made up of regional citizens, is charged with assessing the progress of projects and programs included on the investment list. Panel members are appointed by the Speaker of the House and the Lt. Governor. The panel must issue an annual report to the General Assembly detailing project progress and expenditures. Please see document pages 28, 29 & 30 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>
- V-3. Will GDOT, GRTA, or the local governments construct the projects?**
GDOT and GRTA are authorized to determine whether a project should be designed and constructed by the department, by a local government, or by another public or private entity. GDOT will make this decision for all projects in the state, except bus and rail mass transit systems and passenger rail in the Metro Atlanta Region, which will be managed by GRTA. Please see document pages 26 & 27 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>
- V-4. Will any discretionary funding allocated to a local government be required to go toward the implementation of a project within the region that is located outside of the local government's jurisdiction because the project is deemed "regionally significant"?**
No. Projects of "regional significance" will be paid for from the regional funds. Local Governments may spend their discretionary share on any transportation project in their jurisdiction and those funds are not required to be used on regionally significant projects.
- V-5. What process will be used to determine order of projects being delivered?**
Projects will be scheduled based on their "shovel readiness". For example, projects that have environmental approval and completed right-of-way acquisition will be constructed before projects that are still undergoing engineering and environmental approval.
- V-6. What happens to projects that are started, but exceed the 10 year horizon of the bill's funding (i.e. project let in the ninth year, but don't finish until after the 10th year)?**
Funding will be identified for all projects on the final investment list. Construction may extend beyond the 10 year horizon.
- V-7. Will regional funds need to be accumulated before any expenditure can be made on approved projects or can project work begin January 1st, 2013?**
No. GSFIC can remit payment for "project elements" rather than the entire project. The funding does not have to be accumulated for an entire project to begin. Please see document page 26 on <http://www.it3.ga.gov/Documents/HB277-BreakdownbySection.pdf>

VI. FUNDING

VI-1. Will the Department of Revenue be able to charge an administrative fee to local governments for the collection of the sales and use tax?

No.

VI-2. Can the LARP (Local Assistance Road Program) factor be revised or updated?

The Transportation Investment Act of 2010 identifies the LARP factor as the process for determining sales tax distribution for the 25% discretionary funds. LARP has been replaced by the Local Maintenance Improvement Program (LMIG). In order for the LARP factor to be revised, it would need to be revisited by the General Assembly and amended.

VI-3. What is the current match for LMIG?

As funding allows, the Department can pay 100% of the cost for Resurfacing Projects. However, this does not often occur. A match of 10% is required for all other types of LMIG projects.

VI-4. How are lane miles and population determined and what is the ‘LARP’ factor?

These percentages are allocated to each local government by multiplying the “LARP factor” of each local government (1/5th Population and 4/5th Centerline Paved and Unpaved Roads) by the total amount of funds to be distributed to all the local governments in the district. The “LARP factor” was defined in HB 277.

Sample formula: Local share = ((population of jurisdiction/ population of region x .20) + (road mileage in jurisdiction/ road mileage in region x .80) x (.25 x estimated revenues to be collected in the region). Please note that roads within the city limits maintained by the county will count as county roads. Also, state routes and interstates are not included in the mileage calculations.

The proceeds shall be distributed to the local governments on an ongoing basis (potentially beginning in early 2013) by the Georgia State Financing and Investment Commission (GSFIC), which will act as the fiduciary agent for each region’s discretionary fund. The proceeds can be used by local governments on a variety of transportation projects as defined in HB 277 and may also serve as the local match for state transportation projects and grants.

In an effort to educate and inform local governments on how much discretionary money they can expect, GDOT is providing estimates for each county and city. This estimate is based on three items:

1. 2009 Census Estimates
2. 2009 GDOT 441 and 449 Reports**
3. State Economist's Base Case Regional Sales Tax Forecast for 2013

Please note that all estimates are subject to change based on population growth, the addition or removal of county or city roads from a jurisdiction’s system, and the actual amount collected by the tax. Additionally, GDOT will not ultimately set the allocation amounts. The actual allocations will be determined and distributed by GSFIC, as per HB 277.

It is important to keep the information provided by these estimates in perspective. In addition to the potential to change, these local funds represent a fraction of the overall funds that will be raised in each district. However, the benefits each county and city receives from the regional sales

tax will depend both on the local distribution and the regional project list that will be created over the next year in each district. Only when coupled together can the benefits to a county or city actually be determined. The goal is to provide each region and the state with benefits that will help drive economic development, improve safety and better manage the transportation network.

Should you find a discrepancy with the mileage reported, please insure that your local agency is in compliance with Georgia State Code 32-4-41(4) and 32-4-91(b) which states that all local governments should notify GDOT within 90 days following the acceptance of a new road. If you are in compliance but still have questions, please contact Tim Christian at tchristian@dot.ga.gov or 770-986-1434 or Scott Susten at ssusten@dot.ga.gov or 770-986-1364. For all other inquiries, please contact Stephanie Carter at stcarter@dot.ga.gov or 404-631-1927.