

2014 LEGISLATIVE SUMMER STUDY HIGHWAY NEEDS AND FINANCING

Peggy Laurenz

Director

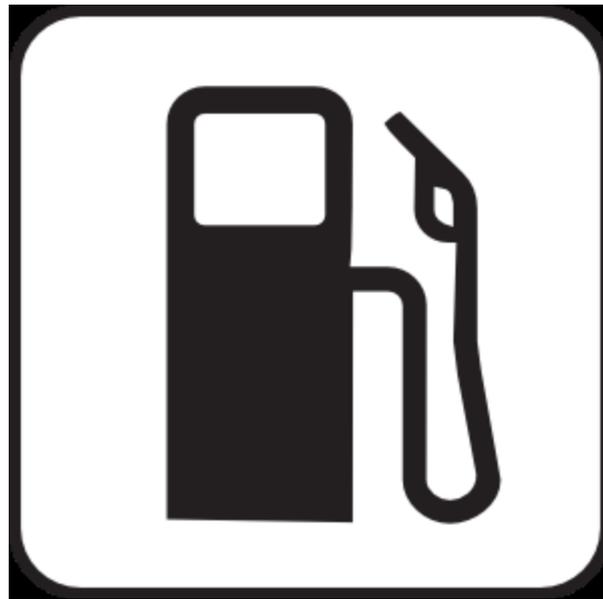
Division of Motor Vehicles

Department of Revenue

Highway Funding Revenue Sources

- ❑ **Motor Fuel**
 - SDCL 10-47B
- ❑ **Vehicle Excise**
 - SDCL 32-5B
- ❑ **Vehicle License**
 - SDCL 32-5
- ❑ **Wheel Tax**
 - SDCL 32-5-135

Motor Fuel Tax



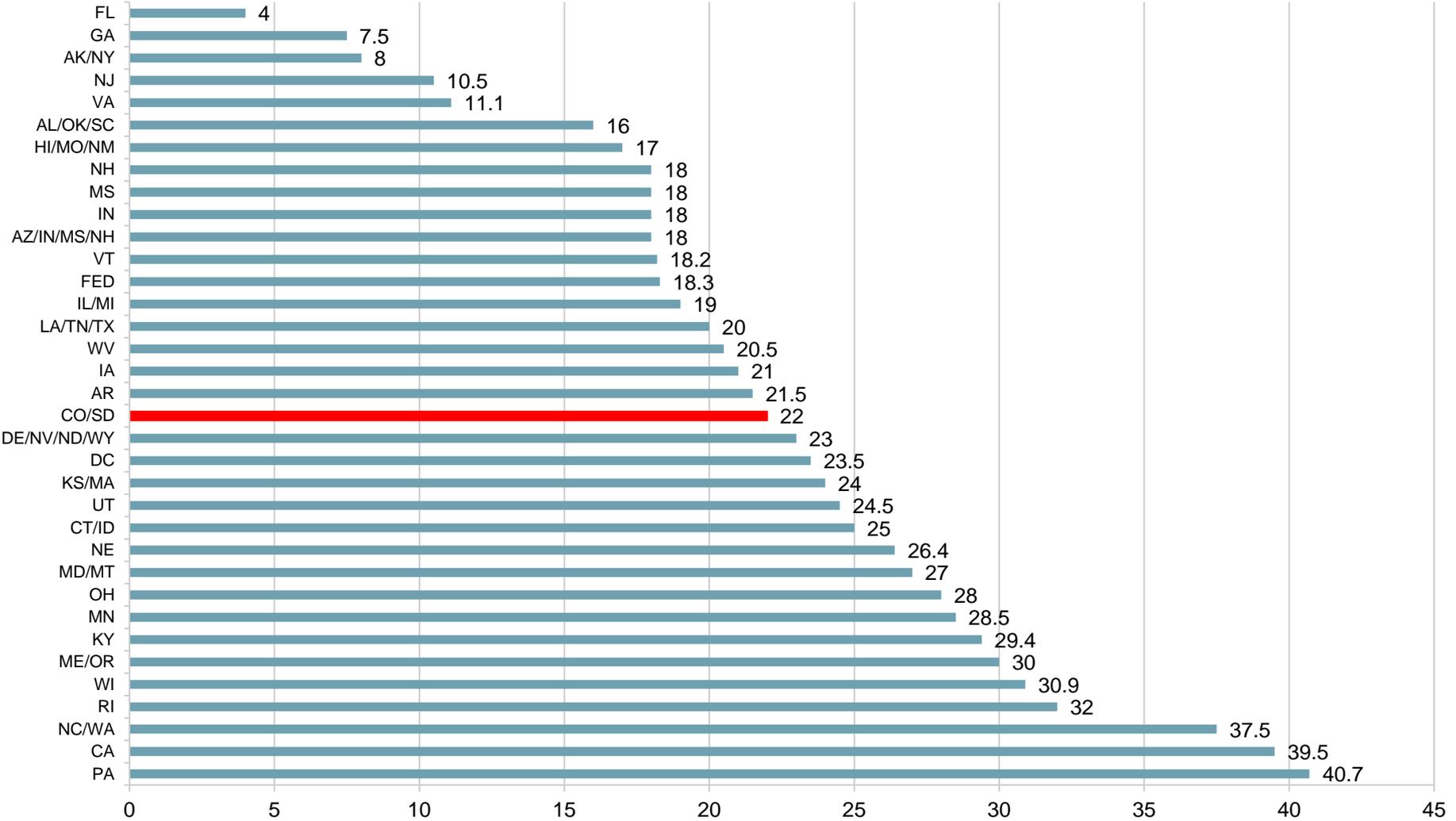
History of Motor Fuel and Special Fuel Taxes

Year	Gasoline	Ethanol (E10)	Diesel	Ethyl & Methyl Alcohol
1933	\$ 0.04			
1941			\$ 0.04	
1951	\$ 0.05		\$ 0.05	
1957	\$ 0.06		\$ 0.07	
1969	\$ 0.07			
1975	\$ 0.08		\$ 0.08	
1979	\$ 0.09	\$ 0.06	\$ 0.09	
1980		\$ 0.08	\$ 0.12	
1981	\$ 0.12		\$ 0.13	
1984	\$ 0.13	\$ 0.09		
1986		\$ 0.11		
1988	\$ 0.18	\$ 0.16	\$ 0.18	
1997	\$ 0.21	\$ 0.19	\$ 0.21	
1998	\$ 0.18	\$ 0.16	\$ 0.18	
1999	\$ 0.22	\$ 0.20	\$ 0.22	
2009	\$ 0.22	N/A	\$ 0.22	\$ 0.08

- ❑ Prior to 2009, all ethanol fuel blends were taxed at .20 cents per gallon regardless of gasoline vs. alcohol blend with the exception of E85 at .10 cents per gallon.
- ❑ In 2009, changed to taxing blends as follows:
 - Gasoline at .22 cents/gal
 - Alcohol at .08 cents/gal

2014 State *Gasoline Taxes Throughout the U.S.

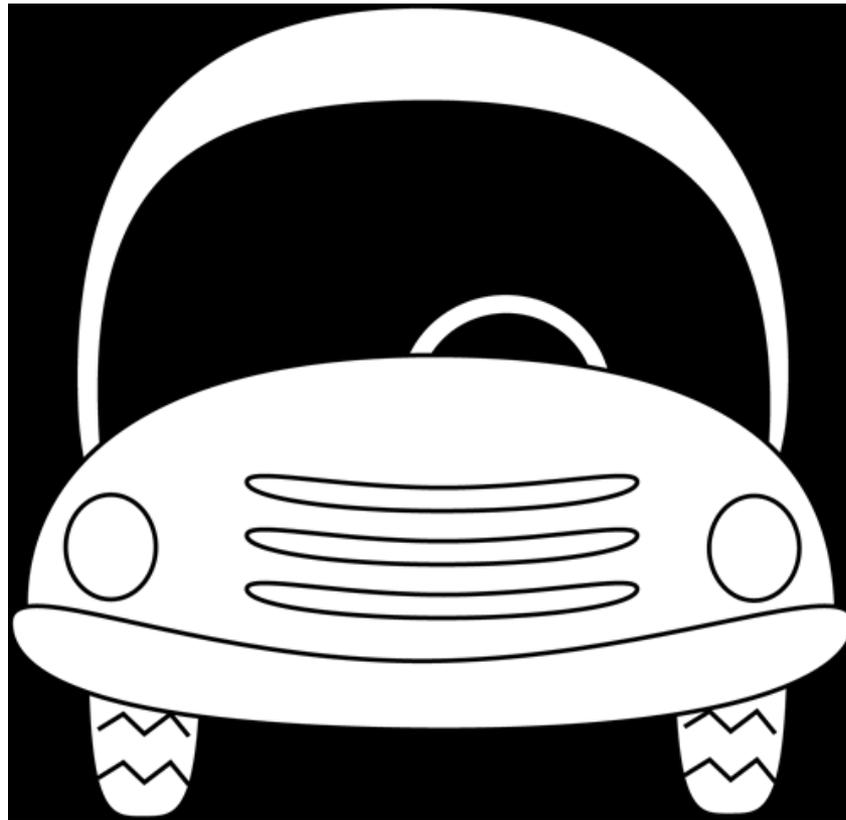
*Straight Gasoline



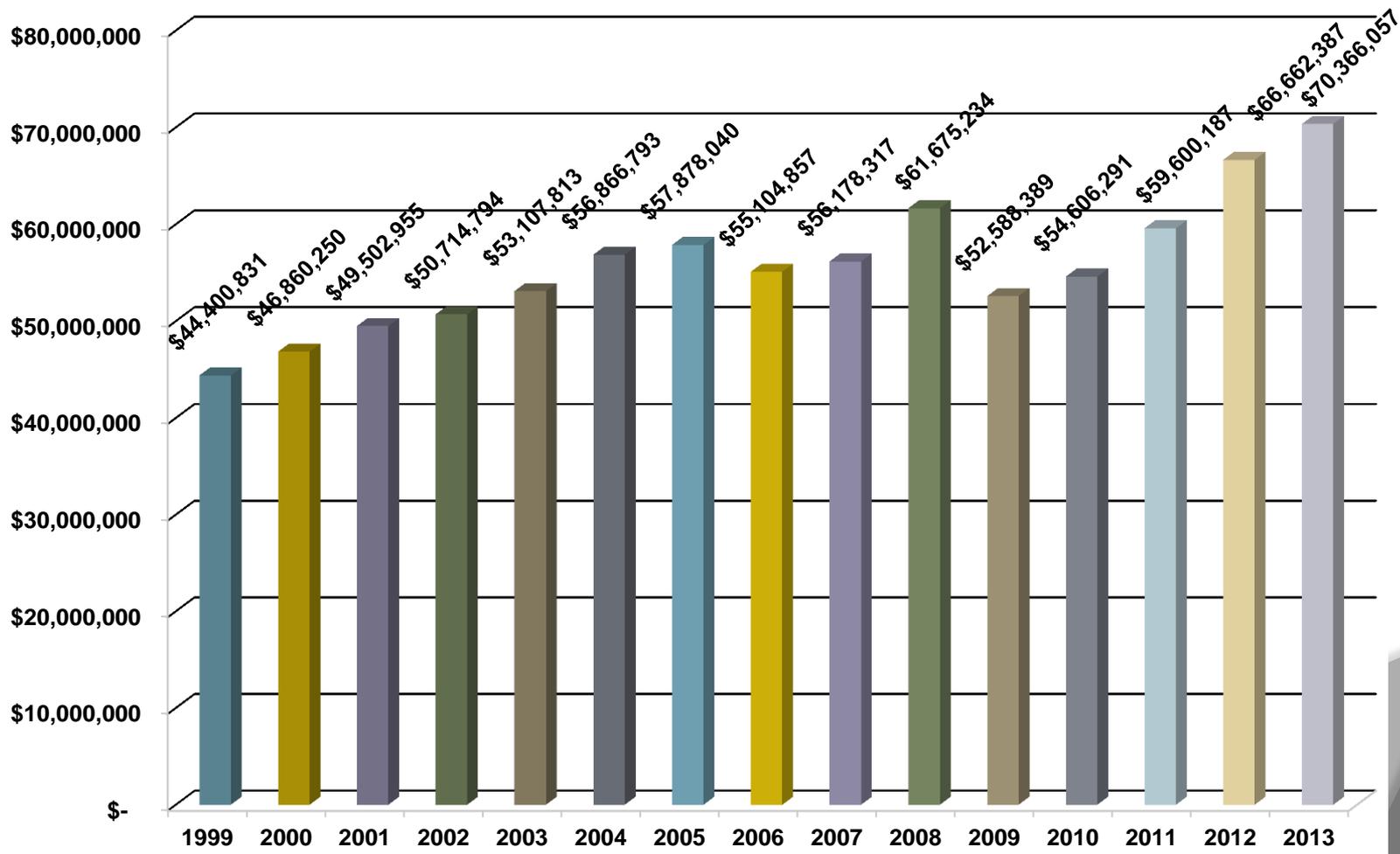
Motor Fuel Tax Distribution FY 2013

Gross Collected	\$148,611,752
<input type="checkbox"/> Motor Vehicle Fund	(2,834,185)
<input type="checkbox"/> Natural Resource Conservation Fund	(500,000)
<input type="checkbox"/> Motor Fuel Allowances	(3,134,645)
<input type="checkbox"/> Tribal Motor Fuel Tax Collection Agreements	(3,767,844)
<input type="checkbox"/> IFTA Refunds	(4,291,139)
<input type="checkbox"/> GFP / Snowmobile Trails	(408,238)
<input type="checkbox"/> GFP / Parks & Recreation	(1,582,750)
<input type="checkbox"/> Counties & Townships	(700,000)
<input type="checkbox"/> D of Ag – Northern Crop Institute	(75,000)
<input type="checkbox"/> <u>Value added Agriculture fund</u>	<u>(135,000)</u>
NET TO STATE HIGHWAY FUND	\$131,182,951

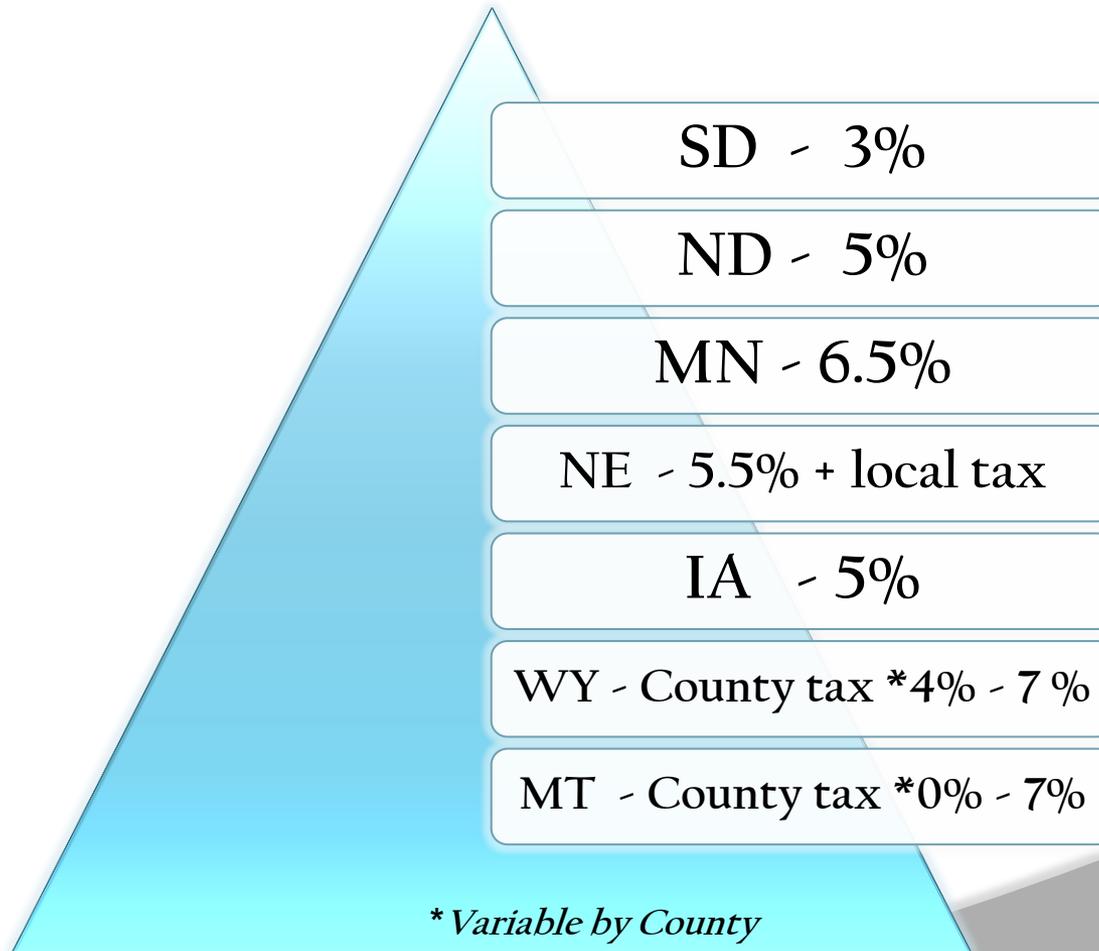
Vehicle Excise Tax



3% Motor Vehicle Excise Tax FY 1999 to 2013



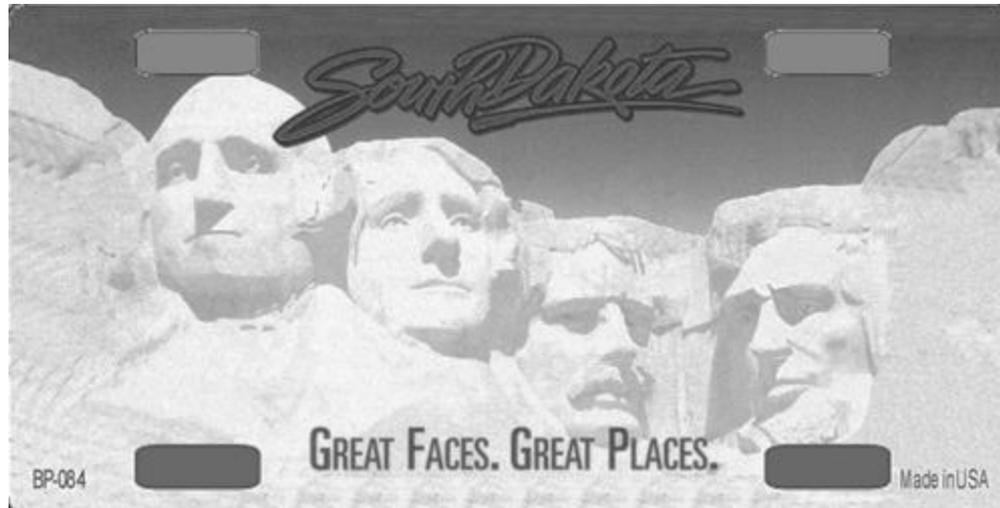
Motor Vehicle Tax Comparison by State



Vehicle Excise Tax Collections for FY 2013

Vehicle Excise 3% Tax	\$ 70,366,057
Rental 4.5% Gross Receipts	\$ 1,683,090
Prorate Excise Tax	<u>\$ 1,525,498</u>
Total Vehicle Excise Tax to State Highway Fund	\$ 73,574,645

License Fees



License Fee History

1999

- Cars, Pickups, and Vans increased an average of \$12.00
- Non-Commercial Gross Weight Vehicles increased by \$5.50

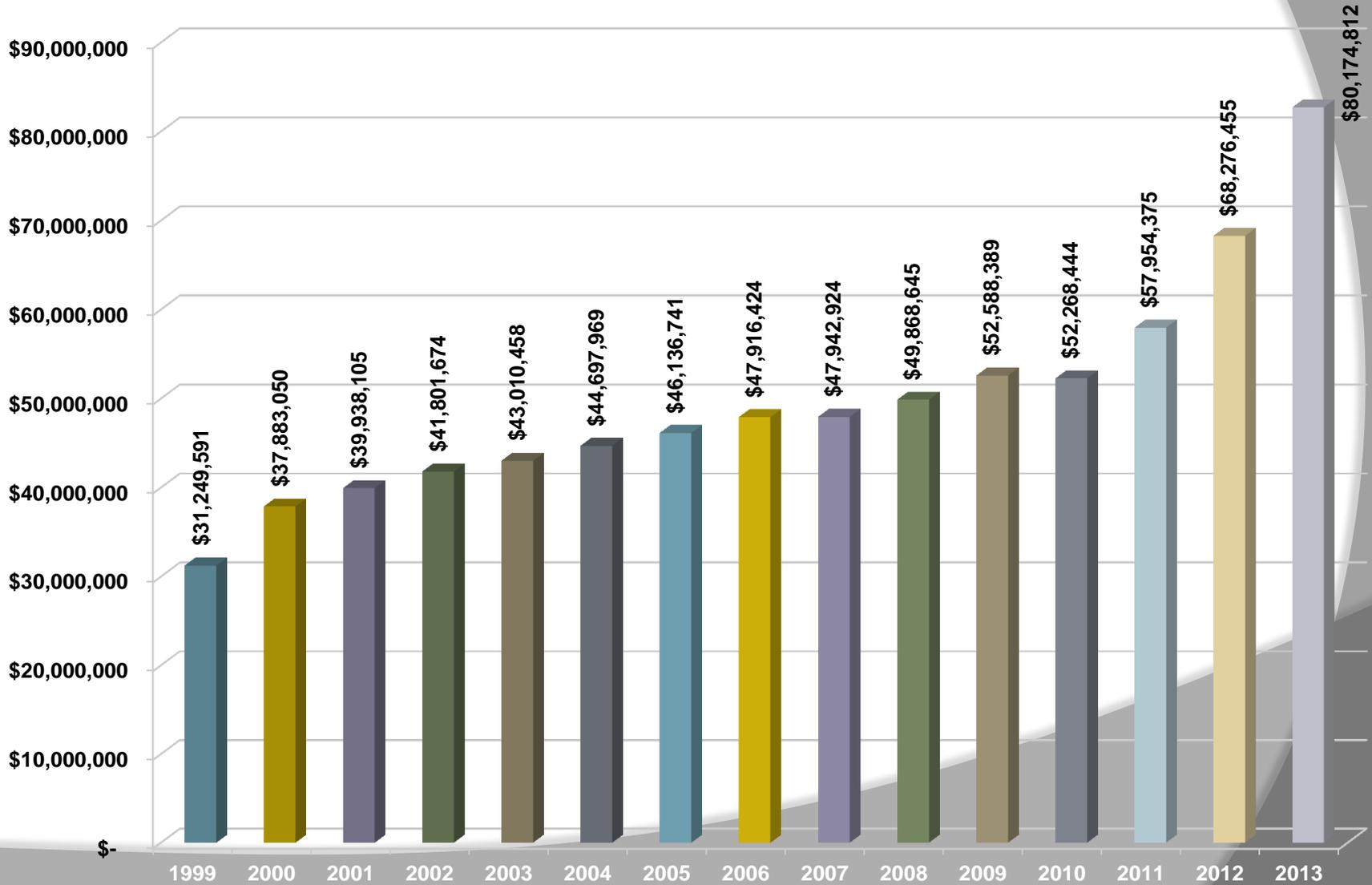
2011

- Cars, Pickups and Vans increased an average of \$9.00
- Non-Commercial Gross Weight Vehicles were increased to 45% of the commercial fee schedule

2013

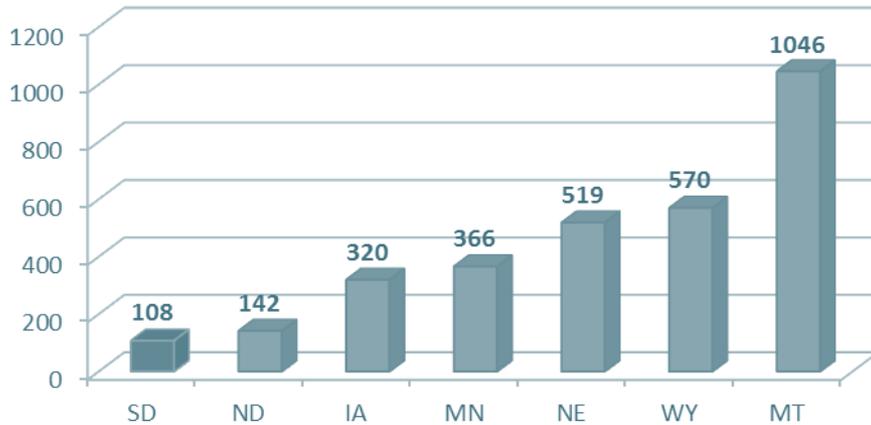
- Cars, Pickups and Vans increased an average of \$9.00
- Non-Commercial Gross Weight Vehicles were increased to 60% of the commercial fee schedule

License Fee Collections FY 1999 to 2013

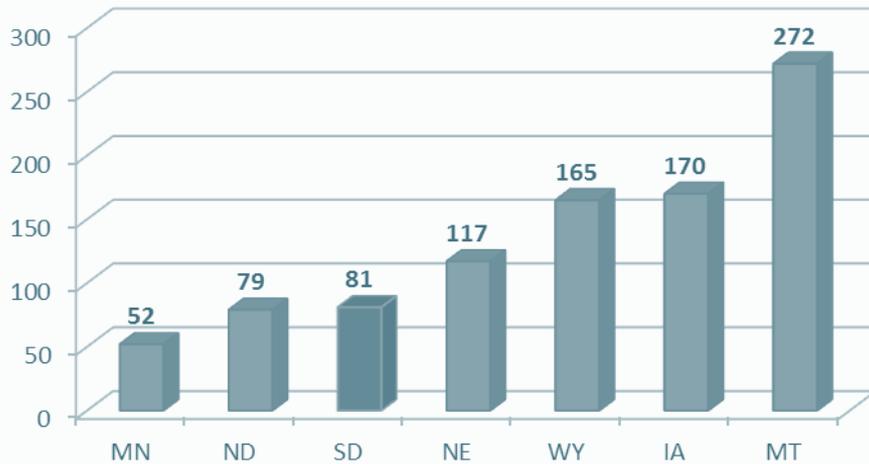


Regional Comparison License Fees

2013 Ford F150



2003 Ford F150



weight: 5,000 lbs msrp: \$30,000

SD Registrations based on weight and age of vehicle

ND Registration based on weight and first year registered (FYR)

MN Registration based on age and MSRP of vehicle (ad valorem tax)

NE Registration based on age, year of registration, MSRP and county registered

IA Registration fees based on weight, age and MSRP

WY Registration fees based on weight, factory price and years registered

MT Based on age and MSRP

Distribution of County License Fee Collections

32-11-4.1. Distribution of county license fund collections. All funds collected for motor vehicle licenses in each county shall be distributed in the following manner:

- ❑ (1) Fifty-four percent of all funds collected shall be transmitted to the secretary of revenue and credited to the local government highway and bridge fund;
- ❑ (1A) Twenty-two and one-half percent shall be credited to the county road and bridge fund of the county in which they were collected;
- ❑ (2) Fourteen percent shall be retained by the county and placed in a fund to be known as the special highway fund, which shall be used for the construction, reconstruction, and maintenance of roads and bridges in the county as provided by this section and §§ 32-11-5 to 32-11-9, inclusive. If the county in which funds are collected for motor vehicle licenses has completed the construction of the county highway system, the entire amount in the special highway fund shall be used for township roads, and the board of county commissioners may direct the county auditor to pay the collected amount directly to the townships pursuant to §§ 32-11-6 and 32-11-7;
- ❑ (3) Five percent shall be forwarded to the municipalities within the counties in the following proportions: each municipality within each county shall receive funds in the proportion which the total street mileage of each municipality bears to the total street mileage of all the municipalities within the county. The apportionment shall be made quarterly by the county commissioners at the first meeting in January, April, July, and October. In any county having no municipalities, the five percent collection shall be placed in the county road and bridge fund of the county;
- ❑ (4) One and three-fourths percent shall be credited to the state motor vehicle fund; and
- ❑ (5) One-fourth of one percent shall be credited to the county treasurer fund in the county in which the fees were collected to cover expenses for supplies such as toner, paper, etc.;
- ❑ (6) Two and one-half percent shall be credited to the state license plate special revenue fund.

Vehicle License Fee Collection and Distribution FY 2013

Motor Vehicle License Fees
\$96,453,317



Collected by County (License Fees)
\$80,174,812

Collected by State (Prorate License Fees)
\$16,278,505

32-11-4.1 Distribution Formula for Annual License Fees Collected by COUNTY

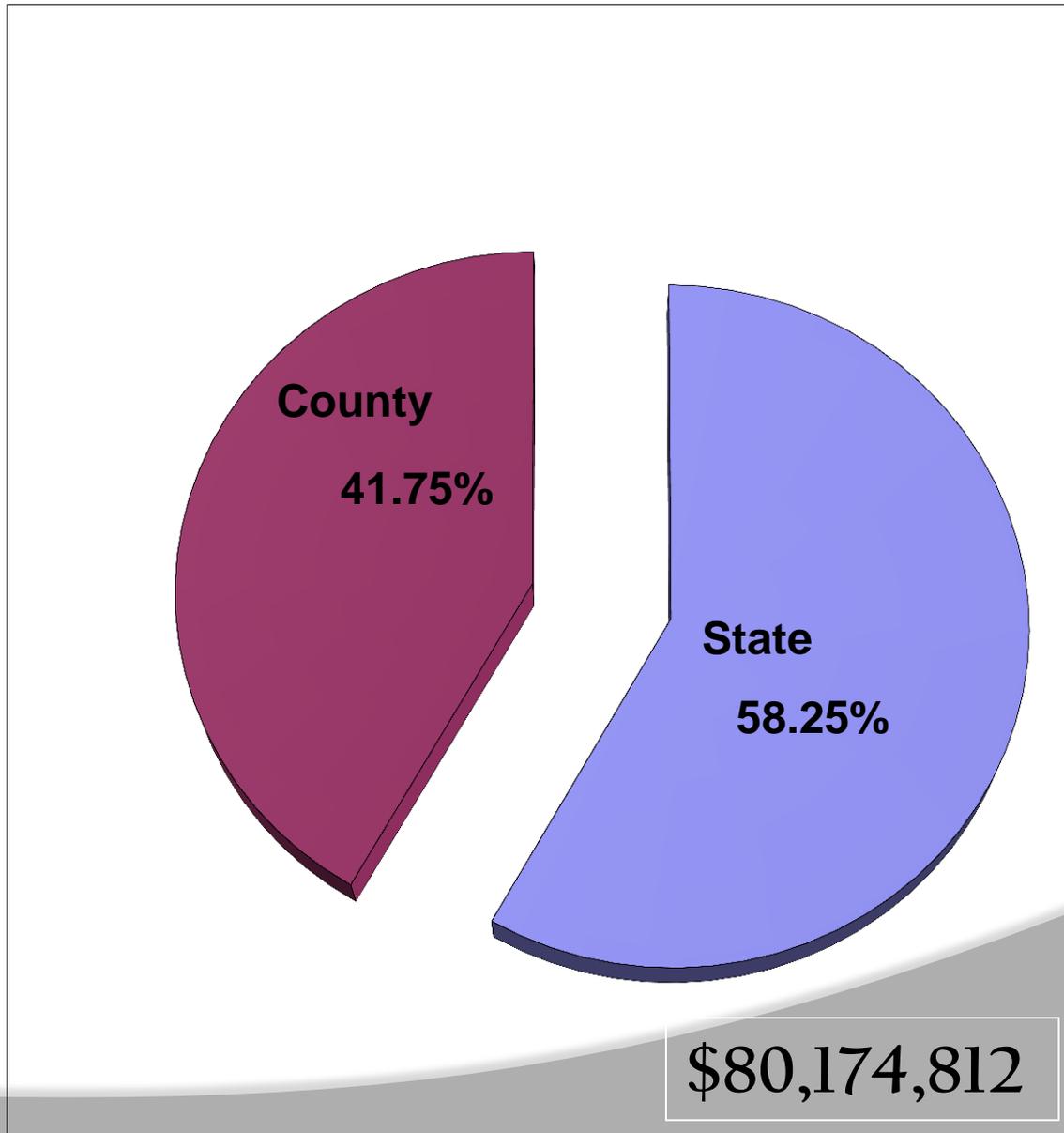
(41.75%)
Retained by County
Distributed as follows:

(0.25%) *County Treasurer*

(22.5%)
County Road & Bridge Fund

14%
Special Hwy Fund (Townships)

5%
Municipalities



(58.25%)
Sent to State
Distributed as follows:

(54%)
Local Gov't Highway & Bridge Fund

(2.5%)
State License Plate Revolving Fund

(1.75%)
Motor Vehicle Fund

32-11-4.1 Distribution Formula for Annual License Fees Collected by COUNTY

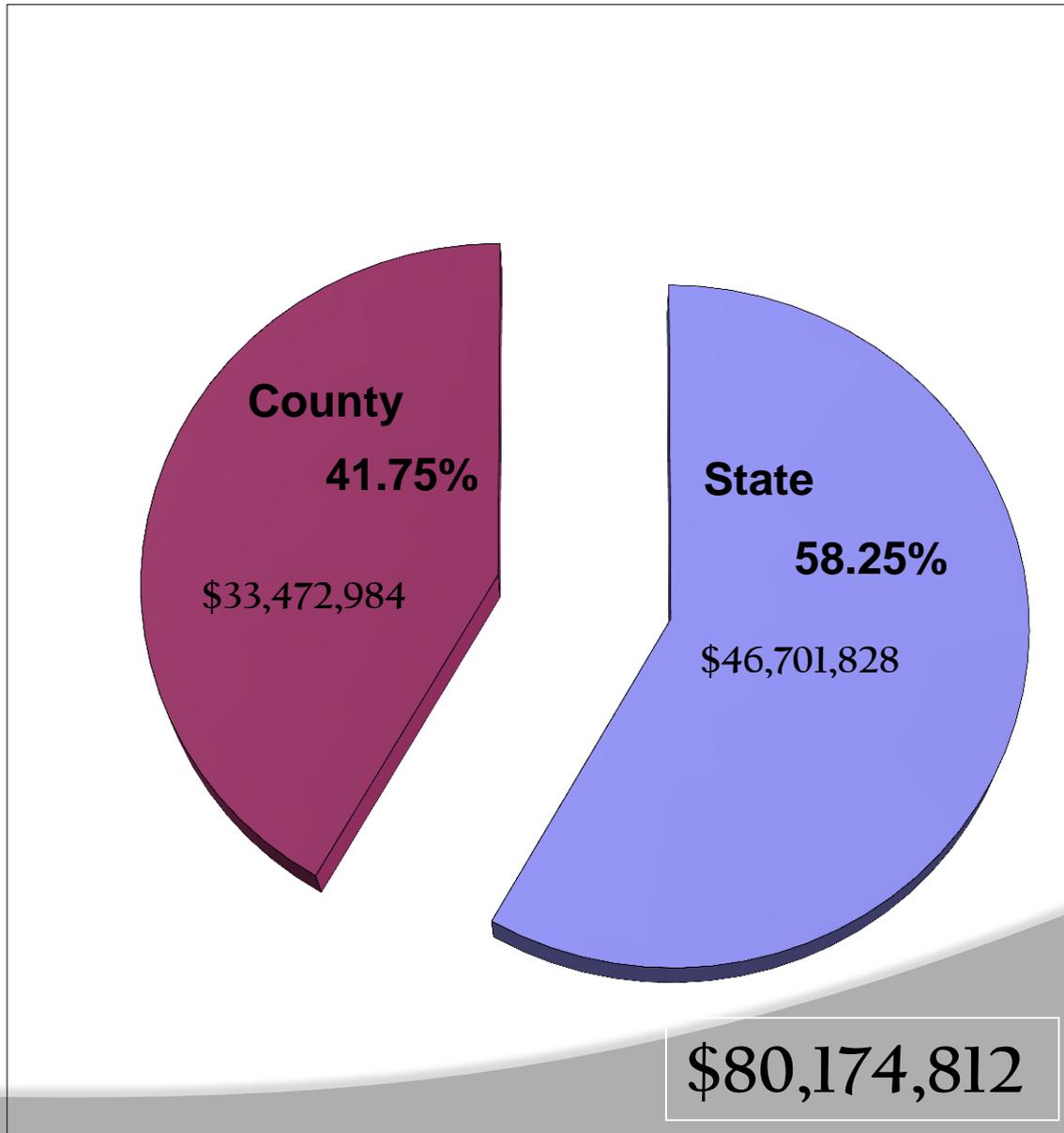
(41.75%)
 \$33,472,984
Retained by County
 Distributed as follows:

(0.25%)
 \$200,437
County Treasurer

(22.5%)
 \$18,039,333
County Road & Bridge Fund

14%
 \$11,224,473
Special Hwy Fund (Townships)

5%
 \$4,008,741
Municipalities



(58.25%)
 \$46,701,828
Sent to State
 Distributed as follows:

(54%)
 43,294,399
 Local Gov't Highway & Bridge Fund

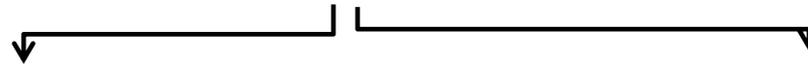
(2.5%)
 \$2,004,370
 State License Plate Revolving Fund

(1.75%)
 \$1,403,059
 Motor Vehicle Fund

\$80,174,812

Vehicle License Fee Collection and Distribution FY 2013

Motor Vehicle License Fees
\$96,453,317

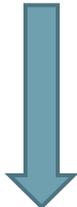


Collected by County (License Fees)
\$80,174,812

Collected by State (Prorate License Fees)
\$16,278,505

Distribution Formula for Prorate License Fees Collected by STATE

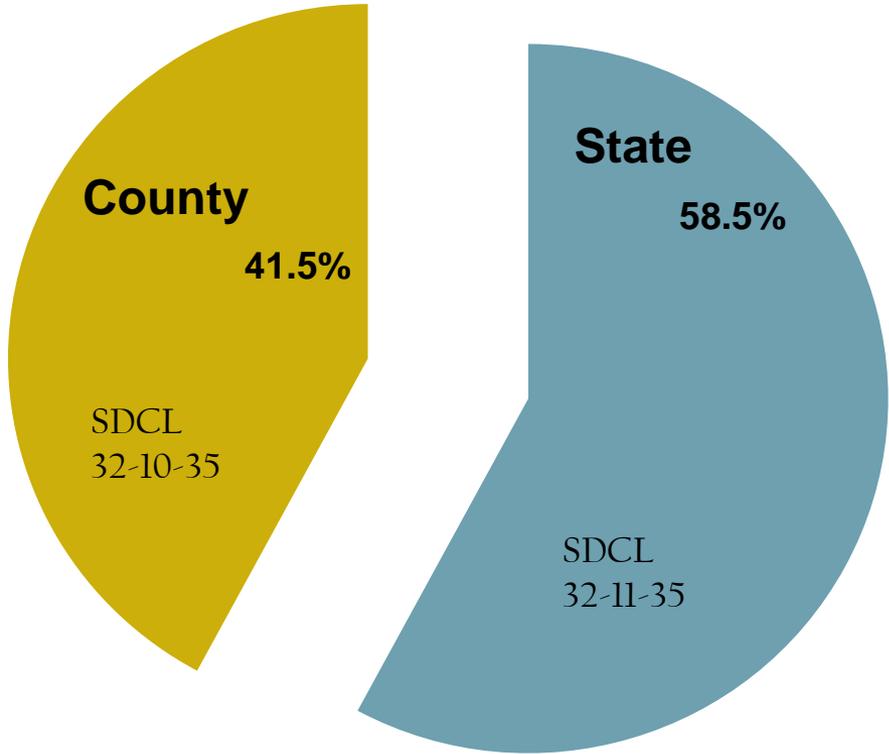
(41.5%)
Sent to County
 41.5 % is Distributed as follows:



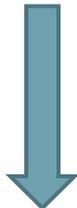
(54%)
County Road & Bridge Fund

(34%)
Special Highway Fund (Township)

(12%)
Municipalities



(58.5%) Retained by the State
 Distributed as follows:



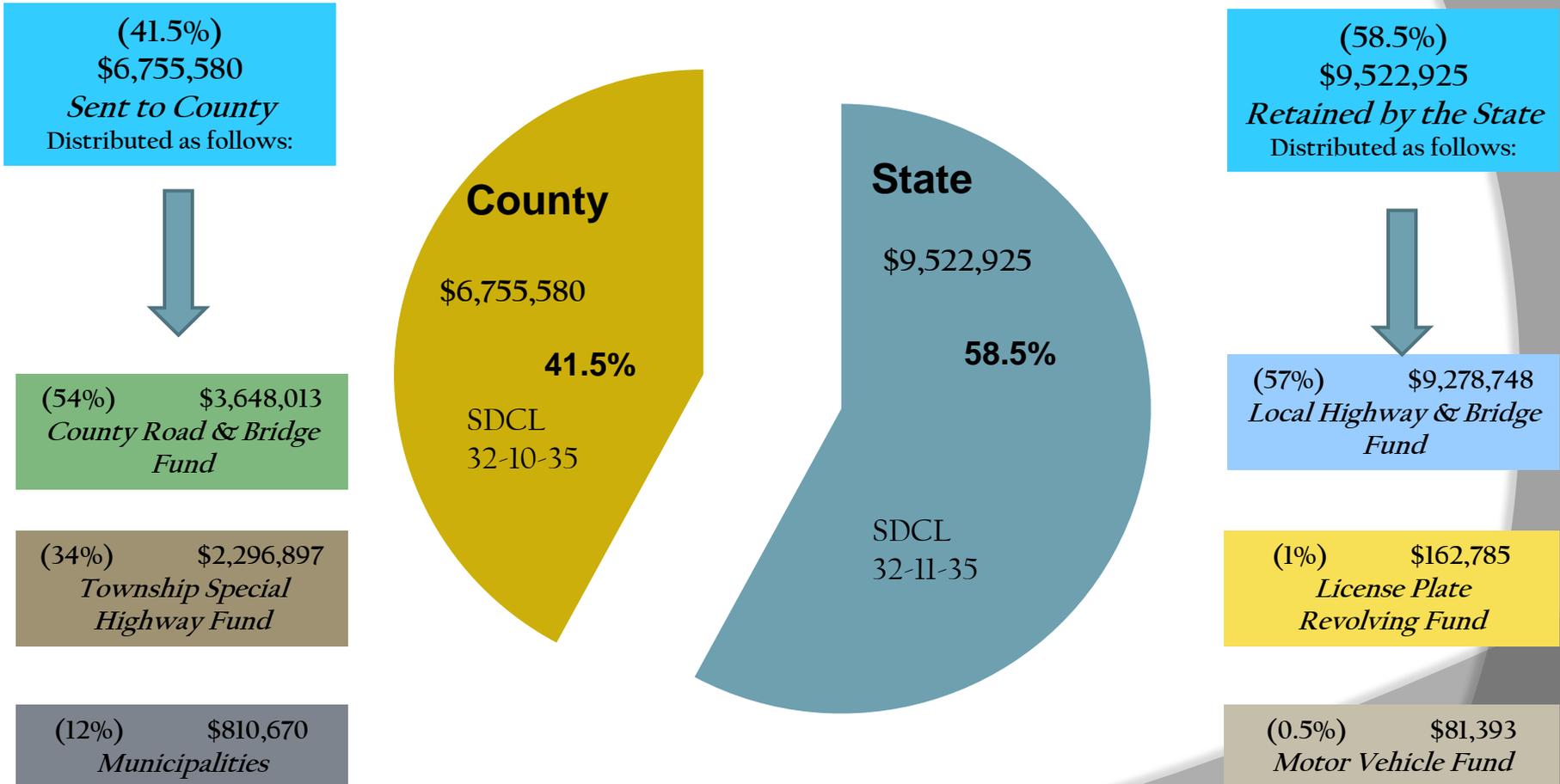
(57%) Local Gov't Highway & Bridge Fund

(1%) License Plate Revolving Fund

(0.5%) Motor Vehicle Fund

\$16,278,505

Distribution Formula for Prorate License Fees Collected by STATE



\$16,278,505

Vehicle License Fee Collection and Distribution

FY 2013

Motor Vehicle License Fees
\$96,453,317

Collected by County (License Fees)
\$80,174,812

Collected by State (Prorate License Fees)
\$16,278,505

State
\$46,701,828
(58.25%)

County
\$33,472,984
(41.75%)

Hwy/Bridge
\$9,278,747
(57%)

County
\$6,755,580
(41.5%)

MV Fund
\$1,484,452
(1.75%)

Plate Fund
\$2,167,155
(2.5%)

Cty Treas Fund
\$200,473
(.025%)

Plate Fund
\$162,785
(1%)

Hwy/Bridge
\$43,294,399
(54%)

Cty Rd & Brdg
\$18,039,333
(22.5%)

MV Fund
\$81,393
(.5%)

Counties
\$33,392,970
(77.13%)

Cities
\$8,031,111
(18.55%)

Township
\$11,224,473
(14%)

Townships
\$1,870,318
(4.32%)

Cities
\$4,008,741
(5%)

FY 2013

Other Fees

Collected and Distributed

State Highway Fund \$320,282

▪ Duplicate Cab Cards	\$9,574
▪ Transfer Fees	215
▪ Tractor Registration	114,950
▪ Special Highway Permits	193,604

License Plate Revolving Fund \$204,919

▪ Trailer Registration Fees	\$89,202
▪ Duplicate Plates	115,717

Motor Vehicle Fund \$ 2,536,204

▪ Title, Lien & Penalty Fees	\$2,534,444
▪ Administration Fees	1760

TOTAL **\$2,741,123**

Wheel Tax



COUNTY WHEEL TAX

32-5A-1. Imposition of tax authorized-Administration-Collection-Rate.

Any county may, by ordinance, impose a wheel tax on all motor vehicles, as defined in § 32-3-1, registered in the county at a rate not to exceed four dollars per vehicle wheel. The tax shall be administered and collected by the county. The total vehicle tax may not exceed sixteen dollars per vehicle.

32-5A-5. Schedule of rates.

The per vehicle wheel rate imposed pursuant to § 32-5A-1 may be imposed according to the manufacturer's shipping weight, including accessories, and may vary according to the following schedule:

- (1) Two thousand pounds or less, inclusive;
- (2) From 2001 to 4000 pounds, inclusive;
- (3) From 4001 to 6000 pounds, inclusive;
- (4) Over 6000 pounds.

Counties with Wheel Tax FY 2013

County	Rate
Minnehaha	\$ 4.00
Brown	\$ 4.00
Beadle	\$ 2.00
Codington	\$ 2.00
Brookings	\$ 4.00
Yankton	\$ 4.00
Davison	\$ 2.00
Aurora	\$ 4.00
Bennett	\$ 4.00
Bon Homme	\$ 2.00
Brule	\$ 4.00
Butte	\$ 2.00
Charles Mix	\$ 4.00
Clark	\$ 4.00
Custer *	\$2.00 to \$3.00
Day	\$ 4.00
Deuel	\$ 2.00
Douglas	\$ 4.00
Faulk	\$ 4.00
Gregory	\$ 2.00
Grant	\$ 4.00
Haakon	\$ 4.00
Hamlin	\$ 2.00

Hughes	\$ 2.00
Hutchinson	\$ 3.00
Jerauld	\$ 2.00
Lake	\$ 4.00
Kingsbury	\$ 4.00
Lincoln	\$ 4.00
Lyman	\$ 4.00
Marshall	\$ 4.00
Mc Cook	\$ 4.00
Mellette	\$ 4.00
Miner	\$ 4.00
Moody	\$ 2.00
Perkins	\$ 2.00
Roberts	\$ 4.00
Sanborn	\$ 4.00
Spink	\$ 4.00
Stanley	\$ 4.00
Sully	\$ 4.00
Tripp	\$ 4.00
Turner	\$ 2.00
Union	\$ 4.00
Walworth	\$ 4.00
Ziebach	\$ 2.00

County Wheel Tax Collection CY 2013

\$11,918,089

Net Distribution To Highway Fund

Motor Fuel Tax	\$131,182,951	<i>(Slide 6)</i>
Excise Tax	\$73,574,645	<i>(Slide 10)</i>
Other Fees	\$320,282	<i>(Slide 23)</i>
TOTAL	\$205,077,878	