

# 2014 LEGISLATIVE SUMMER STUDY HIGHWAY NEEDS AND FINANCING

Peggy Laurenz

Director

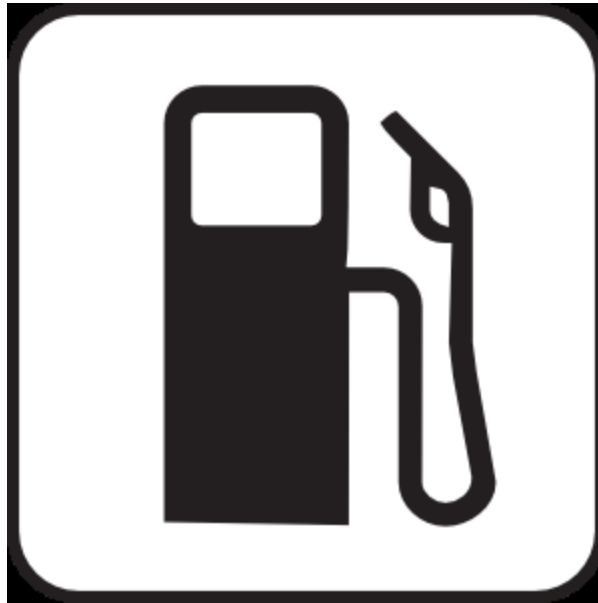
Division of Motor Vehicles

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



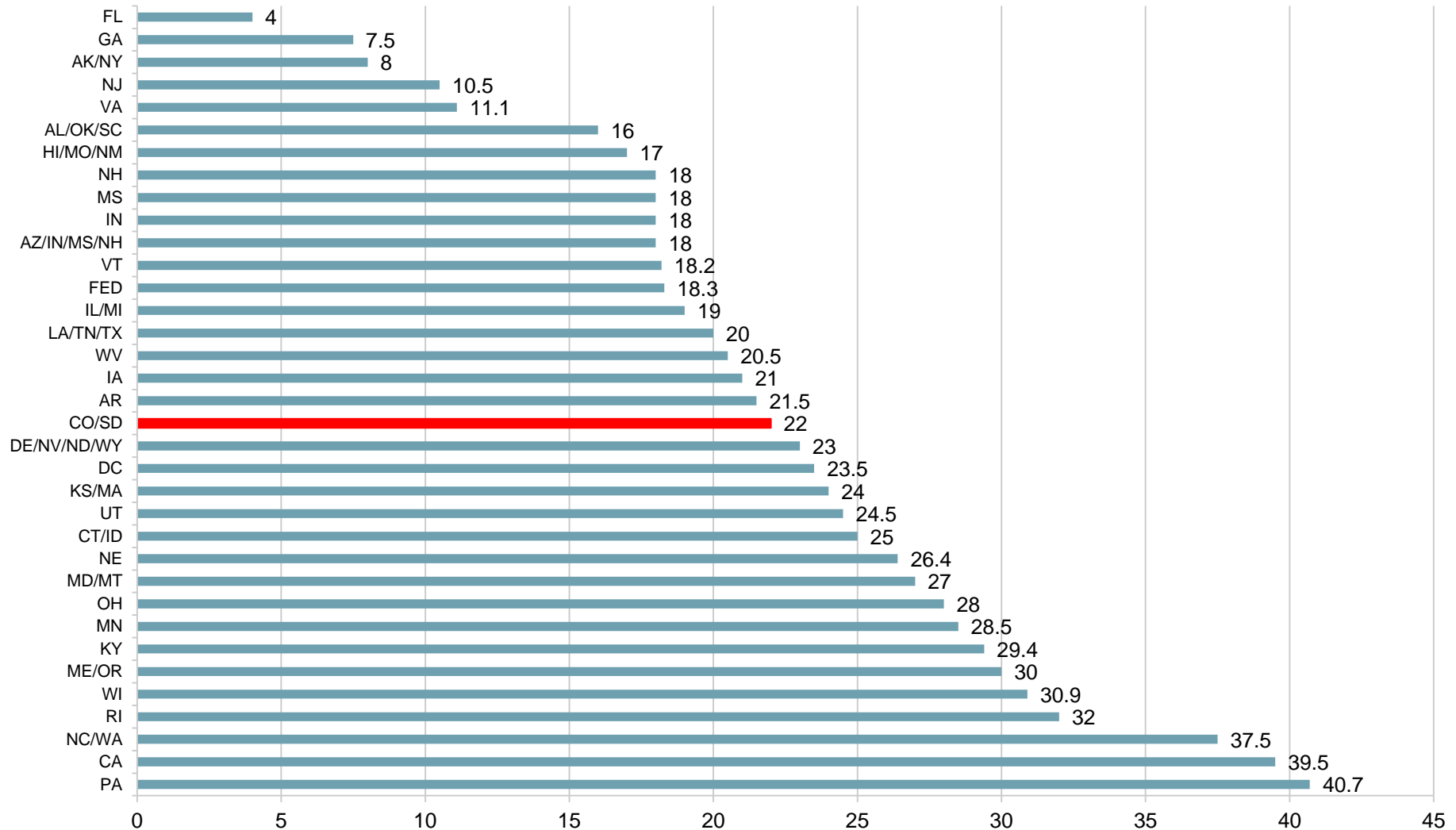
# History of Motor Fuel and Special Fuel Taxes

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

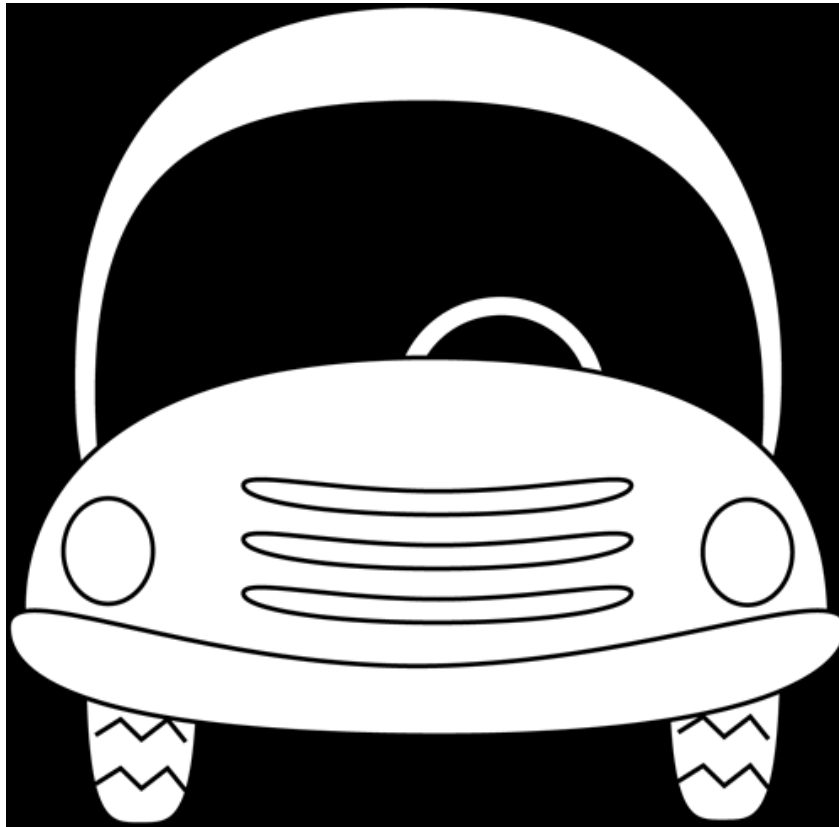


# Motor Fuel Tax Distribution

## FY 2013

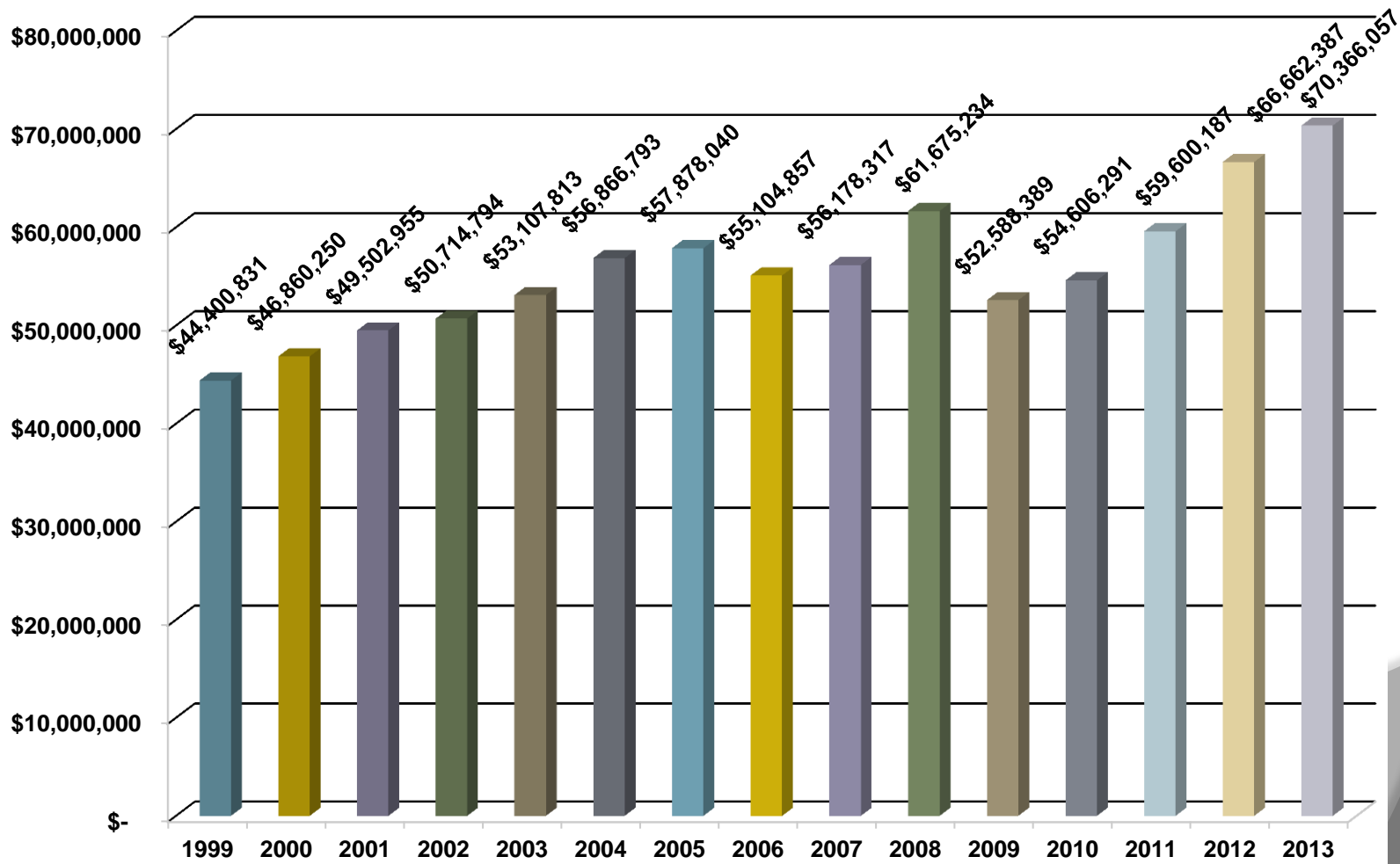
Gross Collected	\$148,611,752
<input type="checkbox"/> Motor Vehicle Fund	(2,834,185)
<input type="checkbox"/> Natural Resource Conservation Fund	(500,000)
<input type="checkbox"/> Motor Fuel Allowances	(3,134,645)
<input type="checkbox"/> Tribal Motor Fuel Tax Collection Agreements	(3,767,844)
<input 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



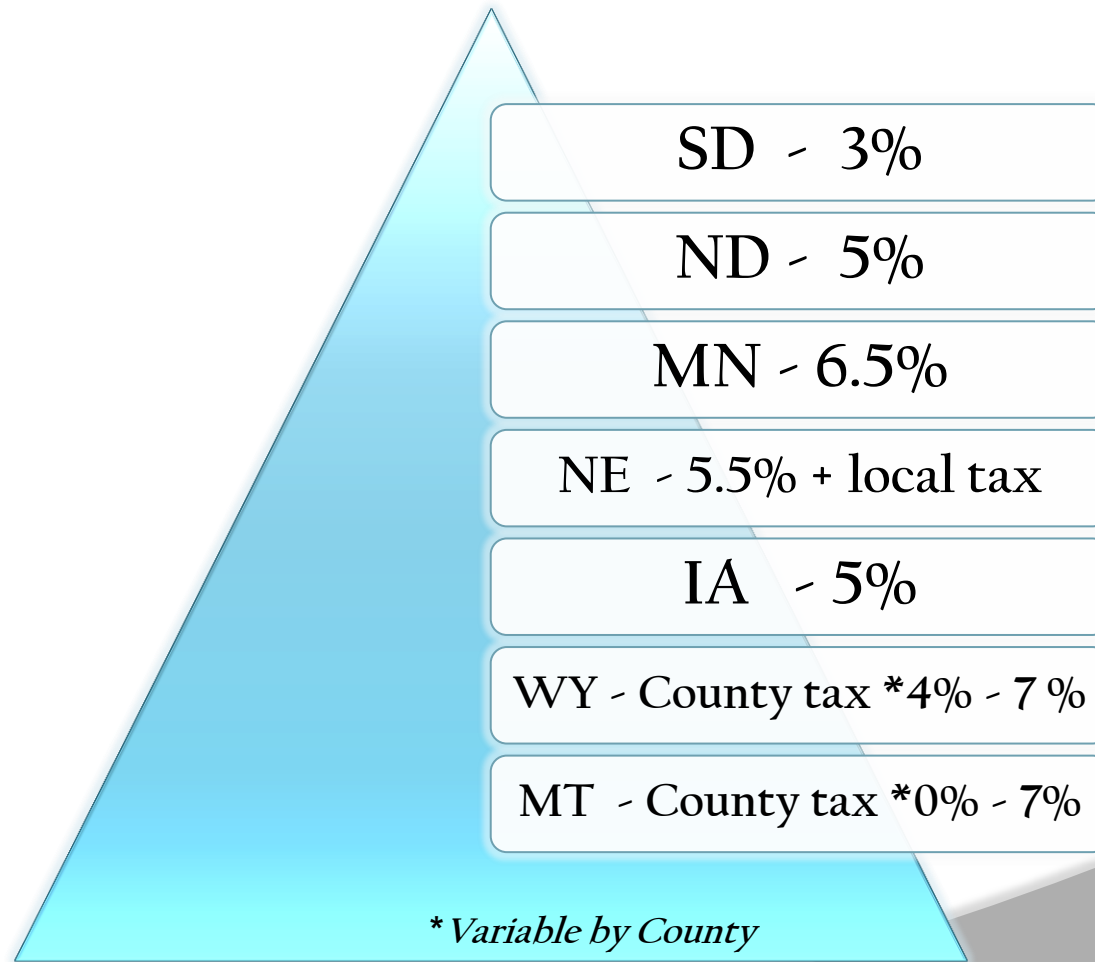
# 3% Motor Vehicle Excise Tax

## FY 1999 to 2013





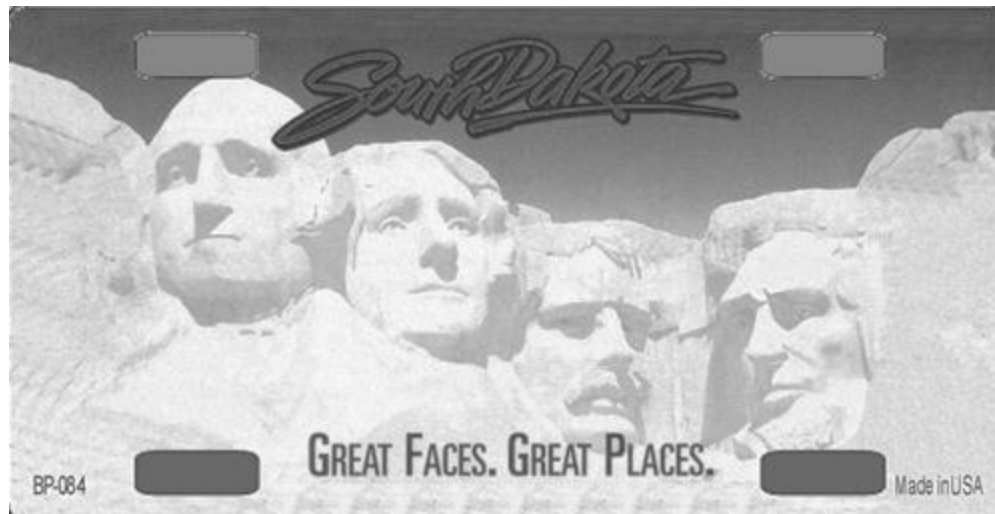
# Motor Vehicle Tax Comparison by State



# 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

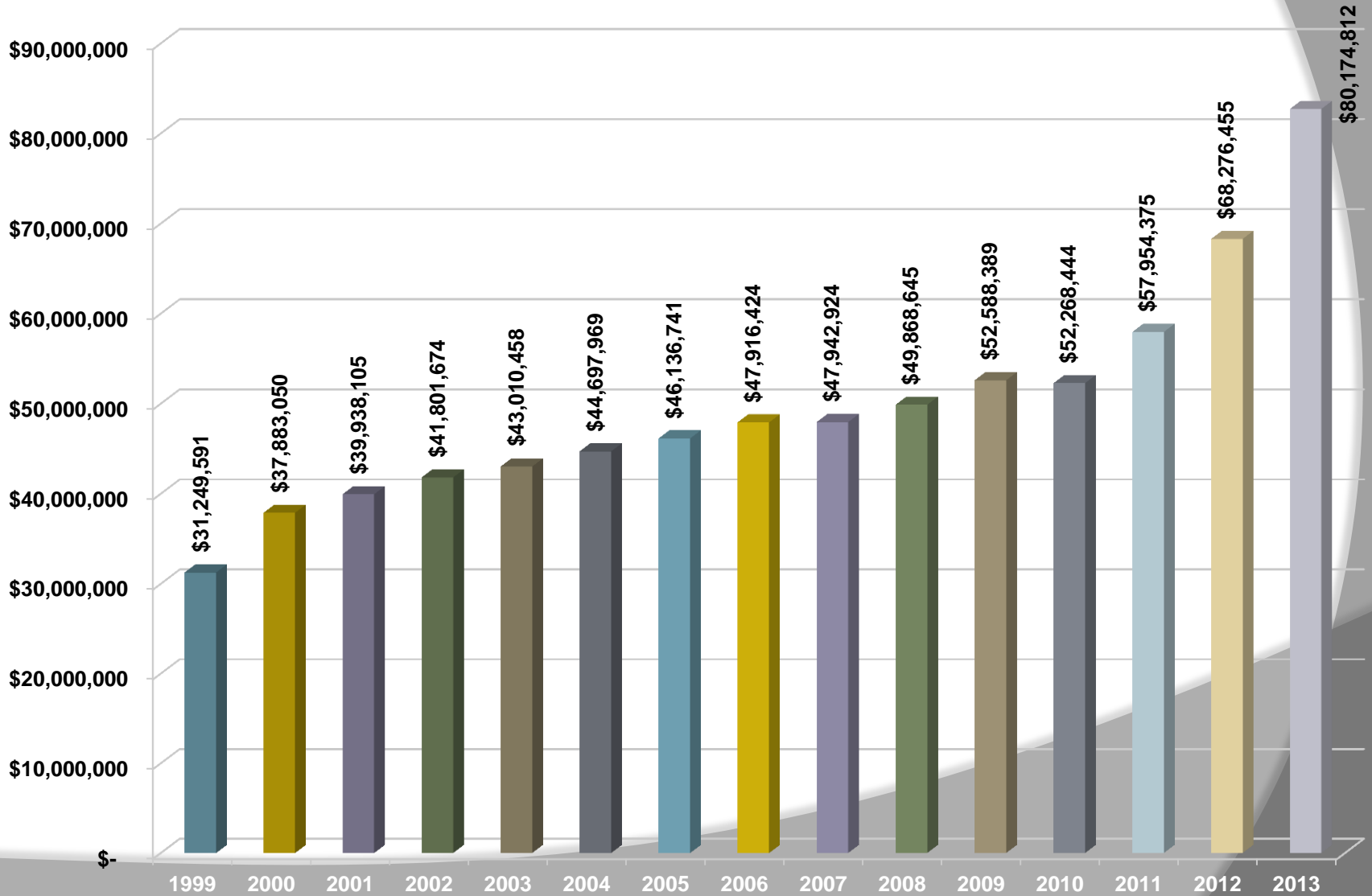
- Cars, Pickups and Vans increased an average of \$9.00
- Non-Commercial Gross Weight Vehicles were increased to 45% of the commercial fee schedule

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

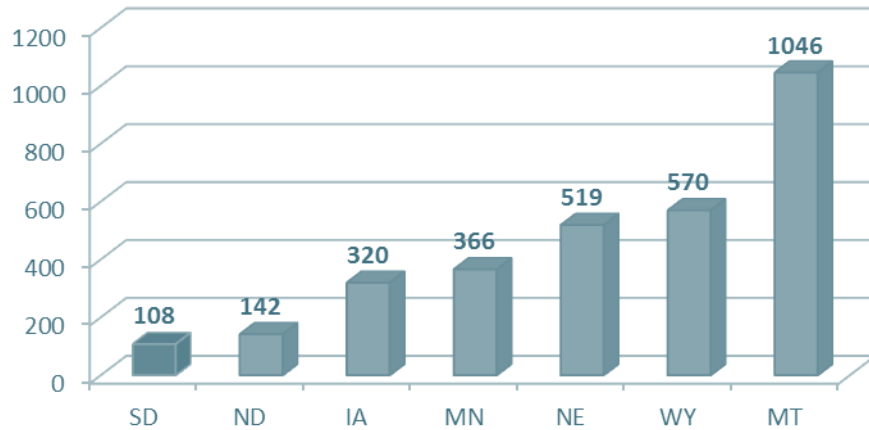
# License Fee Collections

## FY 1999 to 2013

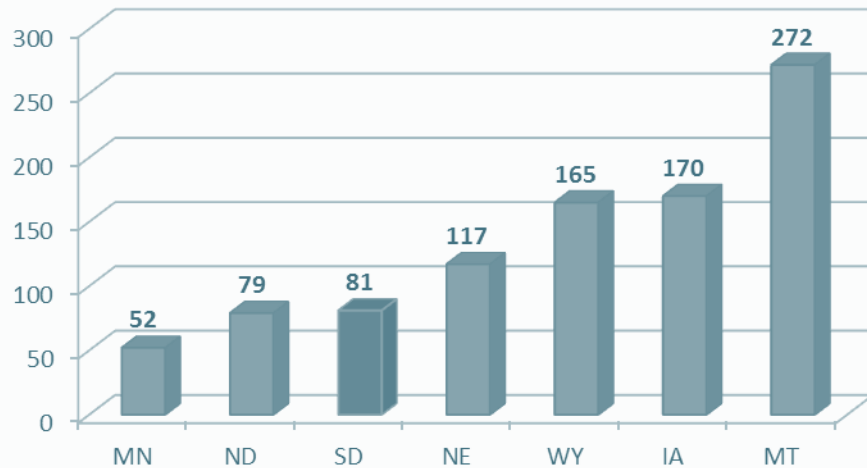


# Regional Comparison License Fees

**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

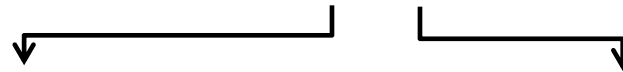
# Distribution of County License Fee Collections

**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**

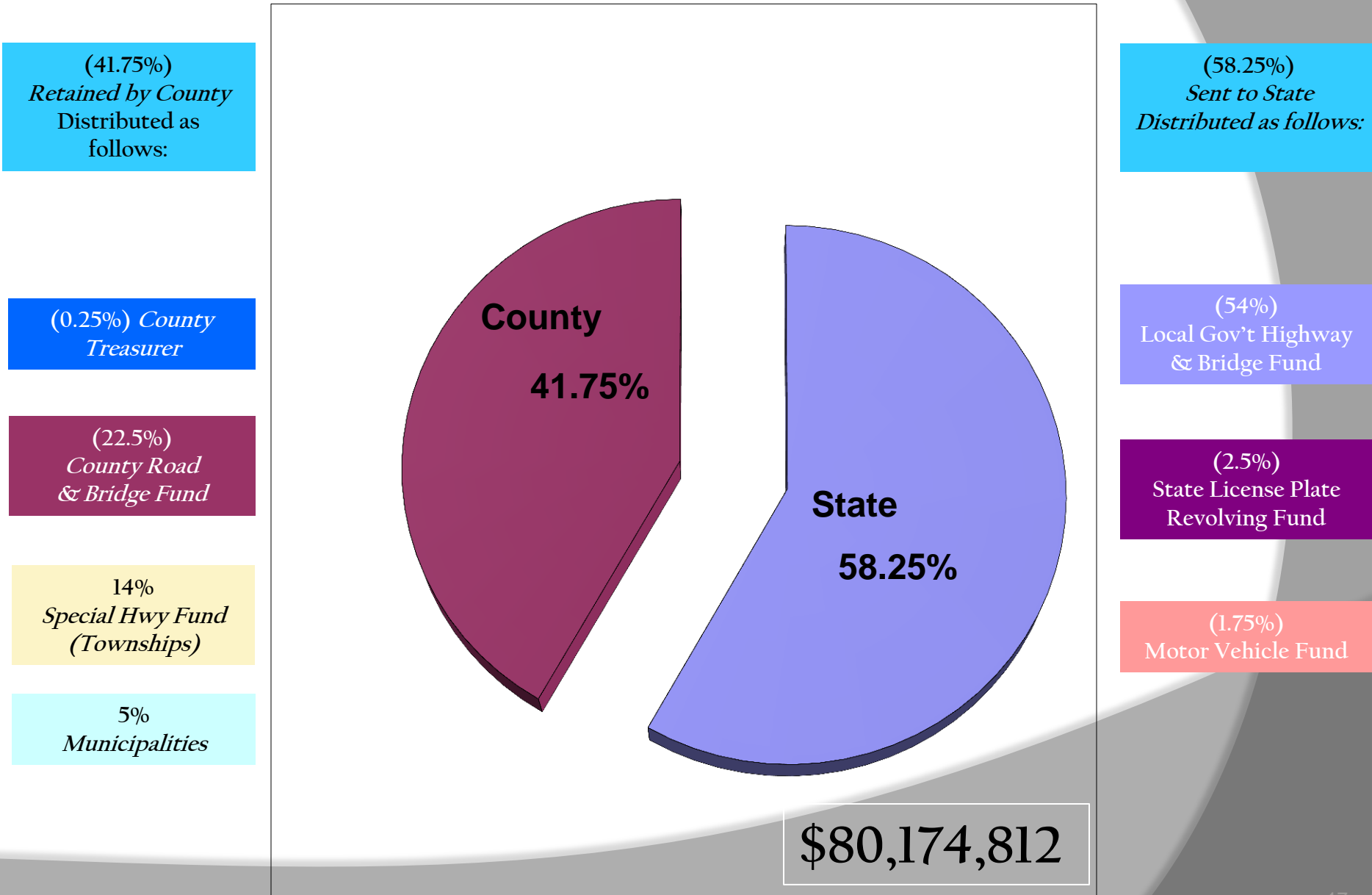


Collected by County (License Fees)  
**\$80,174,812**

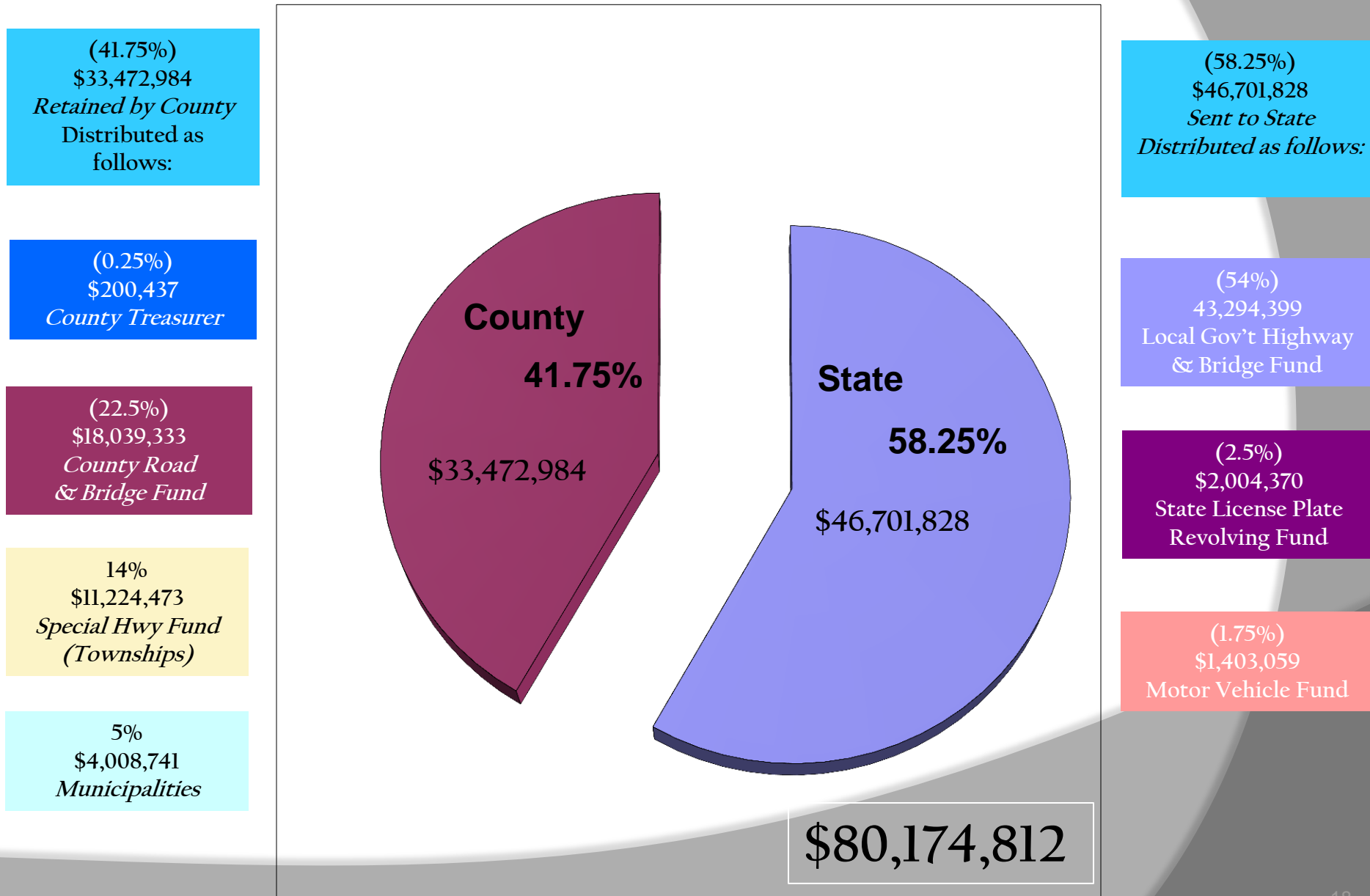
Collected by State (Prorate License Fees)  
**\$16,278,505**



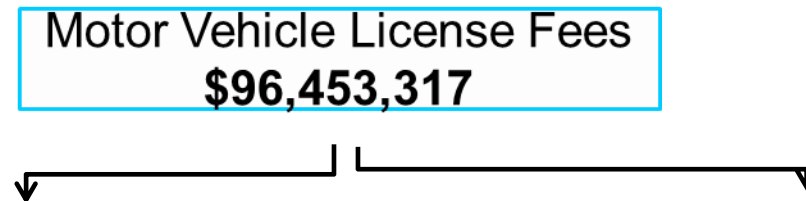
# 32-11-4.1 Distribution Formula for Annual License Fees Collected by COUNTY



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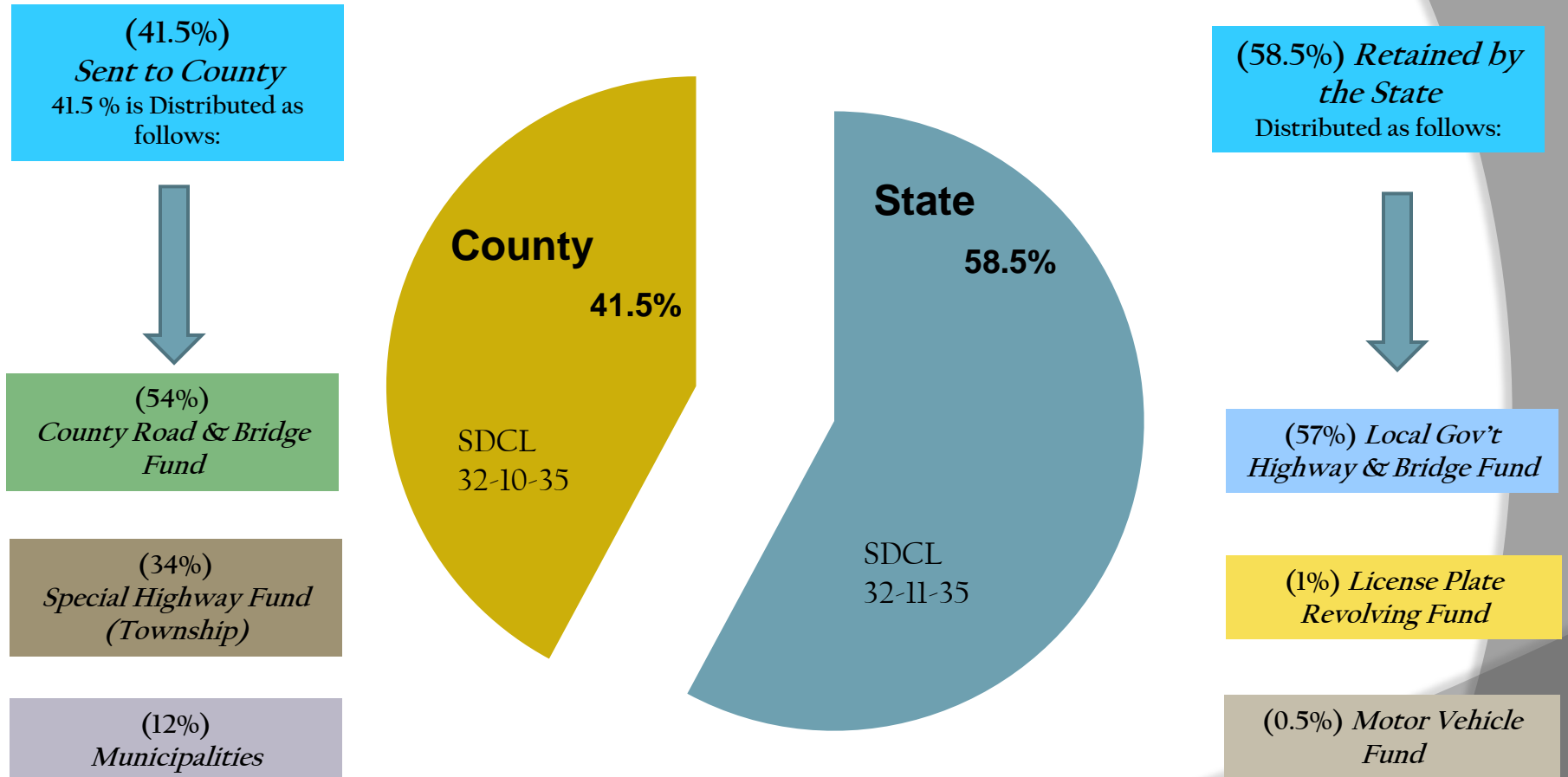
# Vehicle License Fee Collection and Distribution FY 2013



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

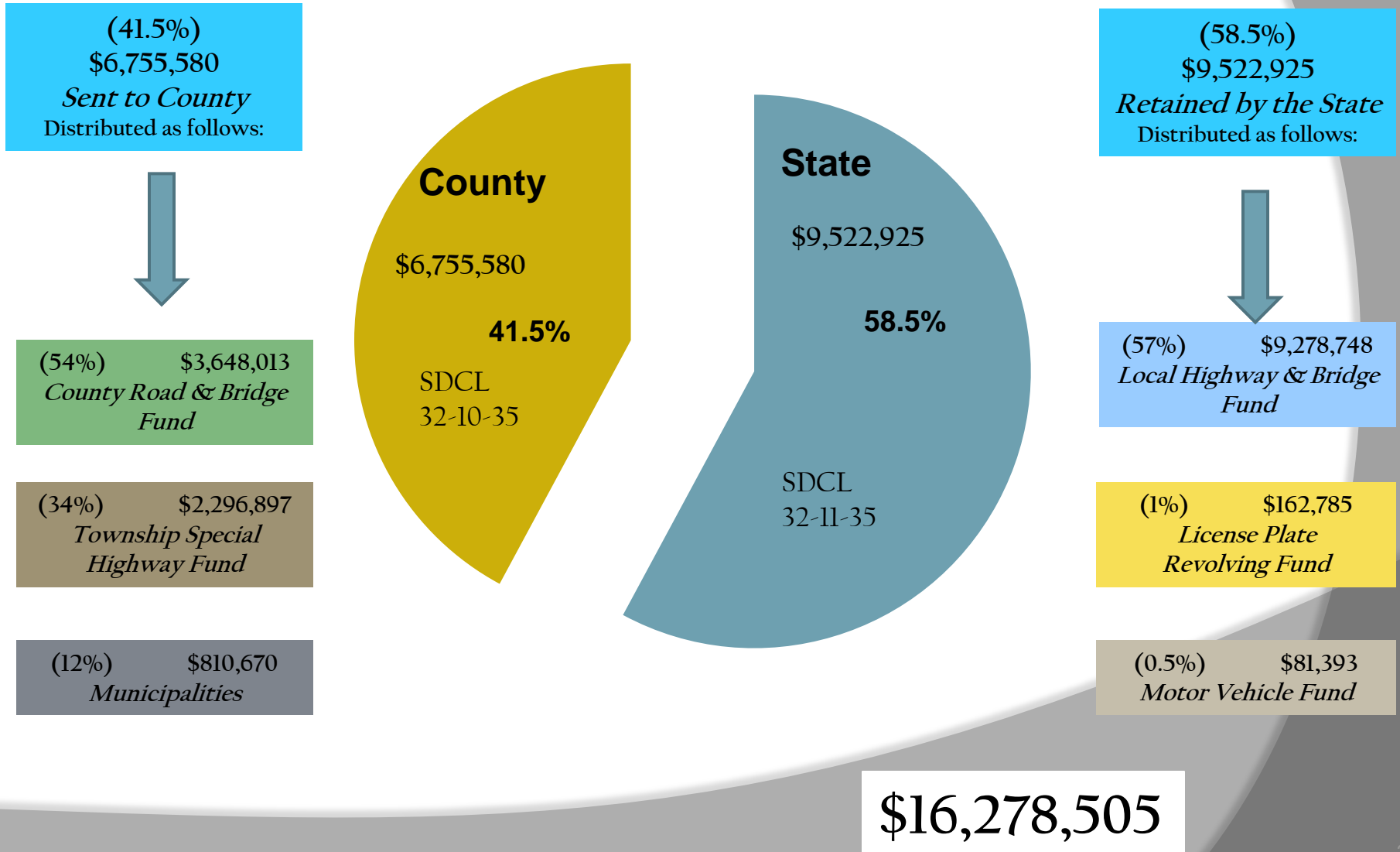
Collected by State (Prorate License Fees)  
**\$16,278,505**

# Distribution Formula for Prorate License Fees Collected by STATE



**\$16,278,505**

# Distribution Formula for Prorate License Fees Collected by STATE



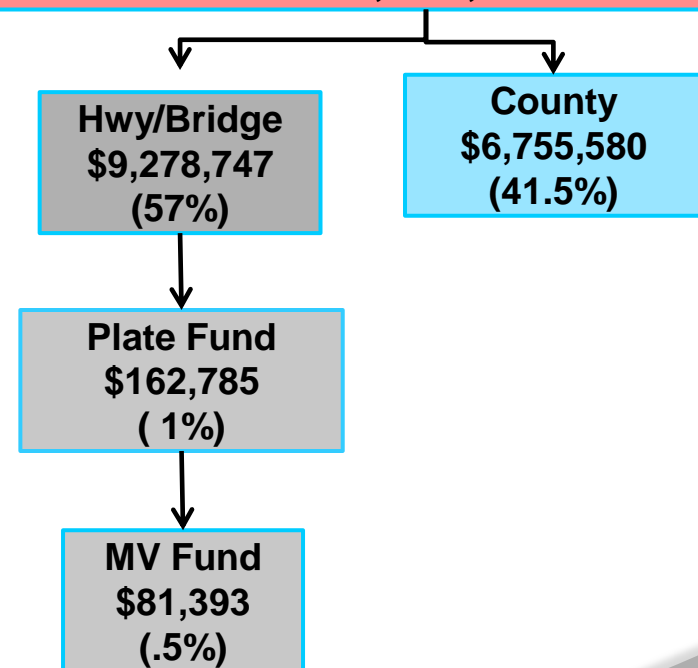
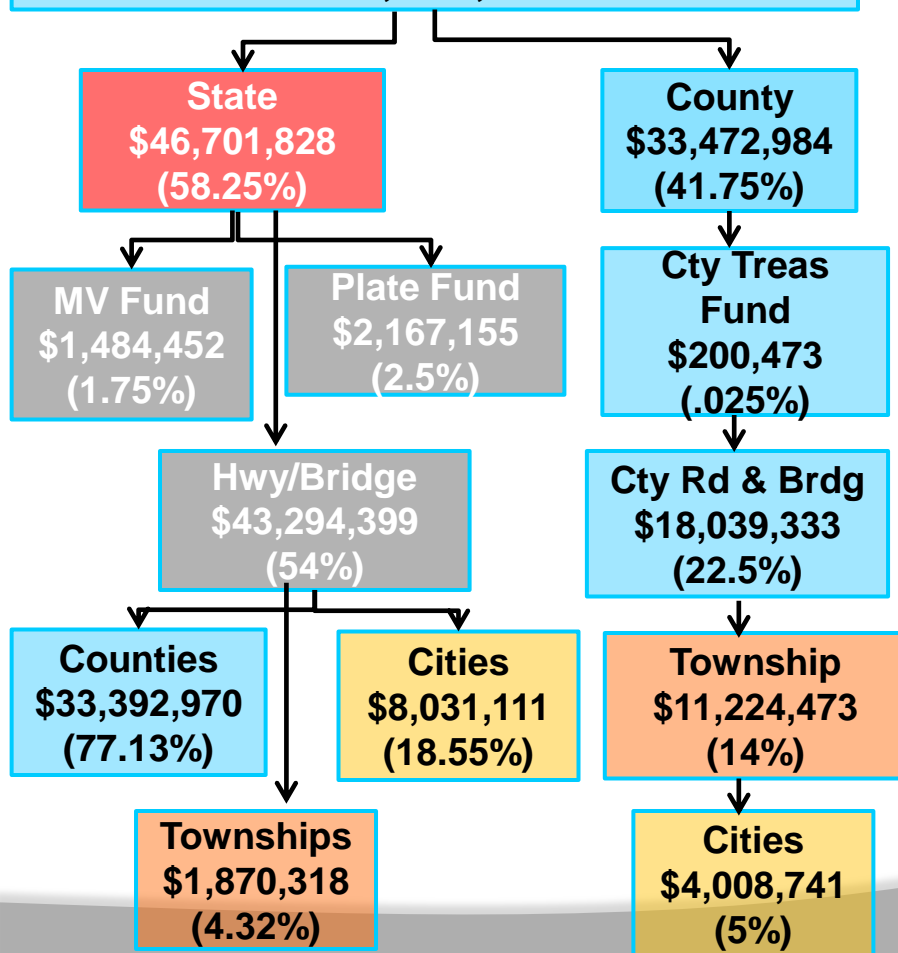
# Vehicle License Fee Collection and Distribution

## 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**



# 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

<b>TOTAL</b>	<b>\$2,741,123</b>
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# 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	