

Other States' Experiences with Raising Revenue for their State Police

Presentation to the

*Task Force to Identify Alternative Funding
Sources for the Idaho State Police and the Idaho
Department of Parks & Recreation*

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Presentation Outline

- States that were reviewed:
 - Ohio
 - Oregon
 - Pennsylvania
- Transportation/state police funding trends in recent years

Ohio State Highway Patrol

- The Ohio General Assembly passed legislation in 2003 that began a phase-out of the Ohio State Highway Patrol from the state's gas tax
 - Phase out occurred over four years
 - Created a \$185 million gap
- The General Assembly took measures to close the gap through increased fees on:
 - Vehicle registrations
 - Drivers licenses
 - Temporary tags

Ohio State Highway Patrol Funding Task Force

- Over time, the State Patrol's funding gap continued to widen
- On March 31, 2007, Governor Strickland signed a bill that created the *Ohio State Highway Patrol Funding Task Force*
- The Task Force was charged with recommending to the General Assembly a dedicated and long-term funding source for the State Highway Patrol

Ohio State Highway Patrol Funding Task Force

- H67, Ohio General Assembly, 2007 Session

There is hereby created the State Highway Patrol Funding Task Force. The Task Force shall study the method of funding the State Highway Patrol and shall issue a report of its findings . . . The Task Force shall include in the report a recommendation for dedicated and stable long-term funding source for the State Highway Patrol. . .

Idaho Task Force to Identify Alternative Dedicated Funding Sources

- HCR 32, Idaho Legislature, 2009 Session

NOW, THEREFORE, BE IT RESOLVED . . . *that a task force shall be established to undertake and complete a study to identify alternative dedicated funding sources for the Idaho State Police and for the Idaho Department of Parks and Recreation on an ongoing basis to offset those funds shifted away from the Idaho State Police and the Idaho Department of Parks and Recreation to fund Transportation*

Ohio State Highway Patrol Funding Task Force

- Ohio's Task Force met four times in May/June of 2008 and issued a final report (Tab 4 of your binder)
- Task Force recommendations (p. 16) included:
 - International Registration Plan, 2.5% fee increase, \$1.74 million
 - Vision Screening, \$1.00 increase, \$1.84 million
 - Temporary Tags, \$5.00 increase, \$9.46 million
 - Late License and Registration Renewal, \$10.00 fee, \$21.03 million
 - Vehicle Registrations, \$5.75 increase, \$61.80 million
 - Vehicle Registrations (commercial trucks), \$19.00 increase, \$10.50 million
- Recommendations totaled \$106.37 million

Ohio State Highway Patrol Funding Task Force

- Action Taken by the 2009 General Assembly (H.B. 2):
 - International Registration Plan, 2.5% fee increase
 - Vision Screening, \$1.75 fee increase
 - Temporary Tags, \$8.00 fee increase
 - Late vehicle registrations (with seven-day grace period), \$20.00 fee
 - Commercial Vehicle Registrations, \$19.00 fee increase
 - Replacement License Plates, \$5.50 fee increase
 - Initial and Reserve License Plates, \$15.00 fee increase
 - Duplicate Drivers License, \$5.00 fee increase
- Anticipated total revenue to be generated is \$93 million

Oregon State Police

- Oregon voters removed funding for their State Police from the gas tax in 1980 by a ballot initiative
- In subsequent years, several unsuccessful attempts were made to find a dedicated funding source for the Oregon State Police including:
 - Increasing beer and wine taxes
 - Surcharge on auto insurance premiums
- As a result, the Oregon State Police is funded by General Fund dollars
- During this time, the number of troopers on the highway system steadily declined from:
 - a high of 665 in 1981
 - to a low of 304 in 2003
- In recent years, more General Fund dollars have been budgeted and raised the number troopers on Oregon's roads to over 430

Pennsylvania State Police

- Pennsylvania General Assembly is currently debating H1500
 - An Act imposing a fee on municipalities for patrol services provided by the Pennsylvania State Police

H1500 would phase in a per capita fee for municipalities that rely solely on the State Police for services

- Year One, \$52 per capita
 - Year Two, \$104 per capita
 - Year Three, \$156 per capita
- The House State Government Committee narrowly approved H1500 on a 13-12 vote and it has now been referred to the Rules Committee for further consideration

Transportation / State Police Revenue Increases in Recent Years

- In general, states have been taking a patchwork approach to raising revenues for transportation and/or state police services rather than single increases in the gas tax or registration fees
- Some examples include:
 - Increases in motor vehicle fines and creation of new violations
 - Insurance premium taxes
 - Recordation fees on property purchases and mortgage refinances
 - Use of reserve balances
 - Reassignment of local property taxes to the state level
 - Reassignment of rental car fees to the state level
 - Tolling
 - Monetizing assets

Summary

- Three states' experiences with finding dedicated funding sources for their state patrol have resulted in very different outcomes
 - Ohio formed a task force, recommended various fee increases, and the General Assembly and Governor approved several totaling \$93 million
 - Oregon attempted over nearly three decades to establish a dedicated funding source for its state police. These efforts have not been successful, therefore, the state police continues to be funded by General Fund dollars
 - Some Pennsylvania General Assembly members are proposing to increase local costs for state patrol services
- In recent years, most states have been reluctant to increase gas taxes for transportation and/or state police, but have taken other measures to raise revenue