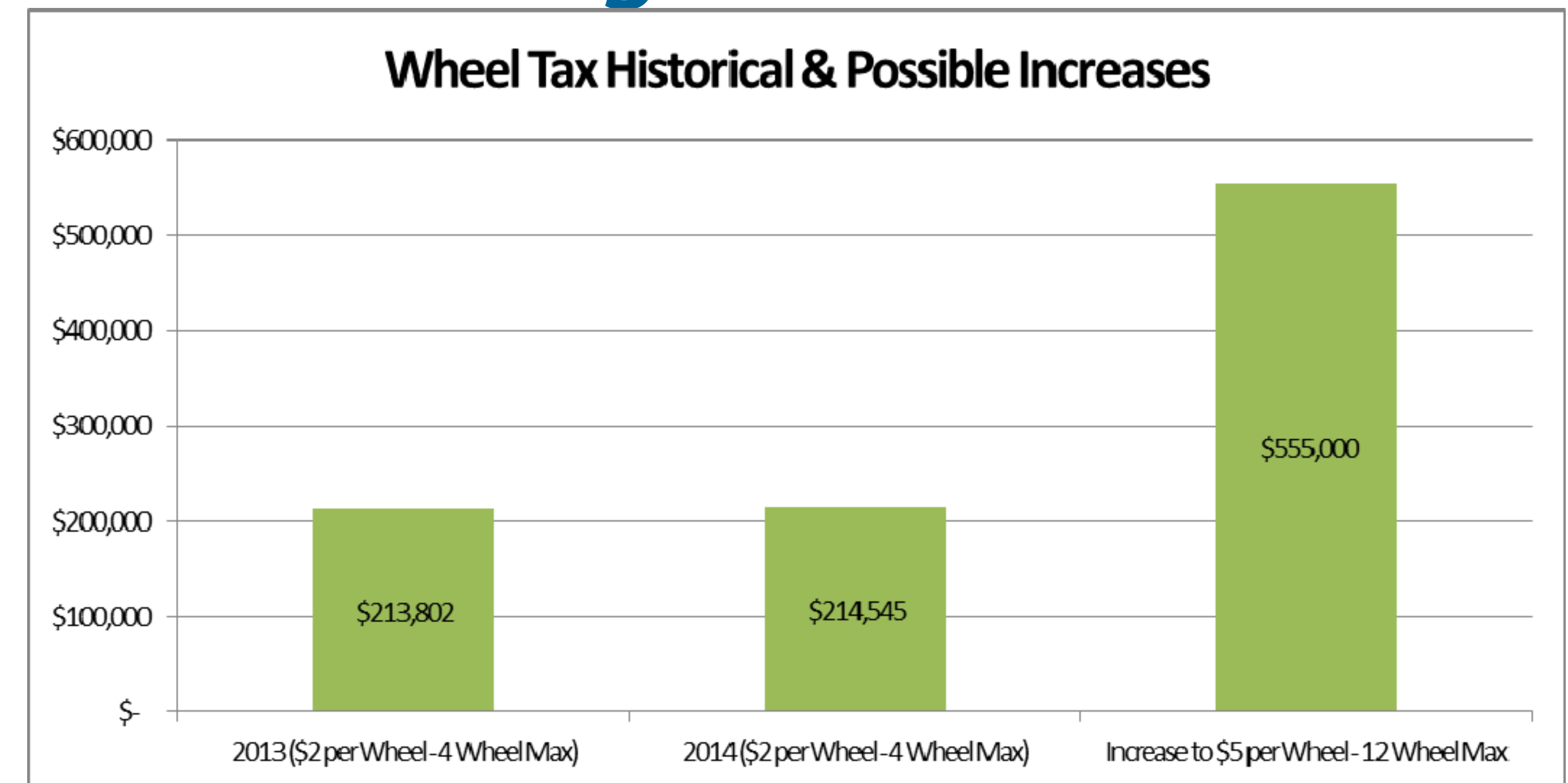


Transportation Funding

Davison County is experiencing and will continue to experience roadway funding constraints as federal and state funding sources continue to diminish. Davison County currently utilizes several funding sources to support transportation maintenance and improvement projects within the County. Davison County's primary sources include: [County Wheel Tax](#), [Registration Fees](#), and [Fuel Taxes](#).

Senate Bill 1, which became law April 1, 2015 allows for the increase in Motor Fuel Excise Tax, Motor Vehicle Excise Tax, and Vehicle Registration Fees.* The bill also creates a [Local Bridge Improvement Grant](#) to assist counties in addressing bridge maintenance needs.

Historic Funding & Possible Increases



Historically the wheel tax has generated approximately \$215,000 for Davison County. Currently, the wheel tax rate is set at \$2.00 per wheel with a maximum of 4 wheels. If the wheel tax is increased, revenue generated and put toward transportation projects will increase as shown, above.

SENATE BILL 1 CHANGES

Information about increases to Motor Fuel Excise Tax, Motor Vehicle Excise Tax and Vehicle Registration Fees.

APRIL 1

- Motor Vehicle excise tax 3% to 4%
- Motor fuel tax increase:
 - Gasoline and special fuel (clear diesel) will go from 22 to 28 cents
 - Ethanol (ethyl and methyl alcohol) will go from 08 to .4 cents
- Certain non-commercial vehicle registration fees will increase by 20%. Those included are:
 - Passenger vehicles (cars, SUV, vans, pickups, etc.)
 - Gross weight vehicles under 20,000 lbs
 - Motor Homes
 - Trailers
 - Motorcycles
- Property tax levy option for Counties and Townships
- Speed Limit Increase from 75 mph to 80 mph

JULY 1

- License fees for non-commercial gross weight vehicles over 20,000 lbs will increase from 60% of the commercial vehicle rate to 70%

OCT. 1

- Quarterly disbursement to the bridge improvement grant fund

Highway Funding Bill

Senate Bill 1, was adopted by the South Dakota Legislature and signed into law. Senate Bill 1 becomes law on April 1, 2015. The following changes will be made as a result of this law

* Revenue generated by the increase in the motor fuel excise tax and motor vehicle excise tax will not directly increase the transportation revenue of the County as they are primarily State funding sources.

Historic & Possible Revenue

| | 2014 Revenue | Estimated Increase with Fee Increases |
|------------------------|--------------------|---------------------------------------|
| Wheel Tax | \$214,545 | + \$340,000 |
| Motor Fuel Tax | \$7,400 | <i>Not Estimated</i> |
| Motor Vehicle Licenses | \$1,501,555 | + \$300,000 |
| General Fund Transfer | \$600,000 | <i>Not Estimated</i> |
| Property Tax Levy | \$0 | <i>Not Estimated</i> |
| County Sales Tax * | \$0 | <i>Not Estimated</i> |
| Other | \$432,206 | <i>Not Estimated</i> |
| Total | \$2,755,706 | + \$640,000 |

Vehicle Registration

In 2014 motor vehicle licenses provided approximately \$1.5 million in revenue. With an increase of 20% revenue generated will be approximately \$1.8 million, an increase of nearly \$300,000.

**Davison County is exploring opportunities to establish a county sales tax.*

Transportation Funding

Bridge Funding Needs —

Paying for improvements to the 7 bridges identified for replacement and the 8 eligible for rehabilitation will cost the County approximately \$1.85 million and \$2.31 million, respectively.

The James River Bridge (on 250th Street) is one of the 7 watch list bridges totaling \$2.9 million in estimated costs.

| Planning Level Assessment | Number of Bridges | Reconstruction Cost (2015 \$) |
|---------------------------|-------------------|-------------------------------|
| Replacement | 7 | \$1,850,000 |
| Rehabilitation | 8 | \$2,310,000 |
| Watch List | 7 | \$2,900,000 |

Anticipated cost of 2 bridges completed per year is \$600,000.

Project Funding Needs —

The Davison County Master Transportation Plan identifies numerous projects on the county transportation network divided into 3 priority timeframes of 10 years. The estimated year of expenditure range of costs (based on a 4.75 % annual inflation rate) per timeframe are summarized in the table, below (excludes surface changes).

| Timeframe (Years to Expenditure) | Low | High |
|----------------------------------|---------------|---------------|
| Short-Term (5) | \$14,900,000 | \$15,500,000 |
| Medium-Term (15) | \$22,300,000 | \$22,800,000 |
| Long-Term (25) | \$200,000,000 | \$245,000,000 |

The average annual cost for short-term projects is \$1,490,000 to \$1,550,000.

| | Cost Summary | Existing System (Costs, 2015 \$) | Modified System with Proposed Changes (Costs, 2015 \$) |
|---------------------------------------------------|------------------------------|----------------------------------|--------------------------------------------------------|
| Asphaltic Concrete Overlays | Annualized Cost | \$1,290,000 | \$1,330,000 |
| Bituminous Surfacing Preservation and Maintenance | Annualized Cost | \$1,390,000 | \$1,150,000 |
| Gravel Resurfacing and Maintenance | Annualized Cost | \$1,840,000 | \$2,040,000 |
| PCC Maintenance | Annualized Cost | \$3,300 | \$3,300 |
| Signs and General Maintenance | Annualized Cost | \$1,030,000 | \$1,010,000 |
| Totals | Total 20-Yr Costs | \$111,000,000 | \$110,250,000 |
| | Total Annualized Cost | \$5,550,000 | \$5,510,000 |
| | Estimated Annual Cost (2035) | \$14,040,000 | \$13,940,000 |

Preservation & Maintenance Funding Needs —

The Davison County Master Transportation Plan outlines two scenarios for preservation and maintenance of the county transportation system. Both of the scenarios identified annual cost estimates of approximately \$5.5 million (shown in the table, left).

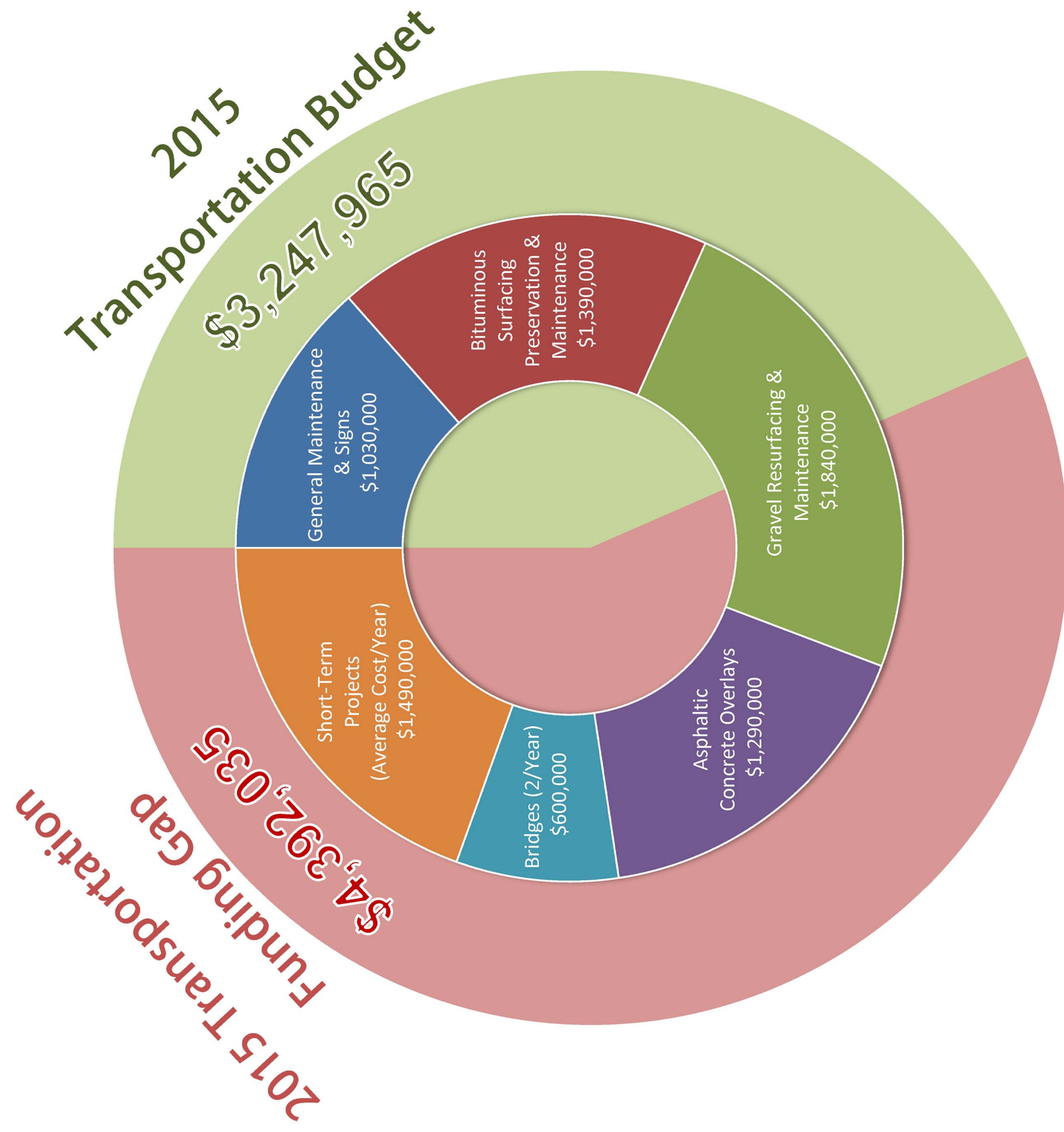
Additionally, an estimated annual cost for 2035 based on a 4.75% annual inflation rate is shown.

Annual Funding Need

| Need Category | Estimated Cost |
|---------------------------------------------------|--------------------|
| Asphaltic Concrete Overlays | \$1,290,000 |
| Bituminous Surfacing Preservation and Maintenance | \$1,390,000 |
| Gravel Resurfacing and Maintenance | \$1,840,000 |
| Signs and General Maintenance | \$1,030,000 |
| Two Bridge Projects | \$600,000 |
| Short-Term Projects (Average) | \$1,490,000 |
| Total | \$7,640,000 |

Annual funding need used to estimate Funding Gap is shown above.

Transportation Funding



Based on the needs identified in the Davison County Master Transportation Plan the current county transportation budget will only support approximately 40% of the annual needs throughout the County roadway network.

- Existing Budget is able to fund a portion of the annual maintenance costs estimated for Davison County.
- No recommended project or bridge reconstruction projects are fundable with the existing funding gap.
- Modifying the transportation network (as outlined) only reduces the funding gap by \$20,000.