



TRAC COMMITTEE 2022

TRANSPORTATION RESOURCE ADVISORY COMMITTEE & COMMUNITY COLLABORATION

AGENDA ITEM #1

INITIAL CITIZENS PARTICIPATION



AGENDA ITEM #2

APPROVE THE MINUTES

MEETING OF APRIL 28, 2022
(FOR POSSIBLE ACTION)



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AGENDA ITEM #3

DISCUSS FUNDING

SOLUTIONS FOR THE RTC'S
BASELINE TRANSIT SYSTEM
(FOR POSSIBLE ACTION)



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MAIN OBJECTIVES



SOLVE FOR
BASELINE TRANSIT
SYSTEM FUNDING




LOOK AT
FUTURE MOBILITY
PROJECTS



TRAC COMMITTEE 2022

MAIN OBJECTIVES



SOLVE FOR
BASELINE TRANSIT
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FUTURE MOBILITY
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BASELINE FUNDING

Cost associated with maintaining consistent service levels and complying with federal requirements on a going forward basis.

This does not include enhancements to the existing transit system. This only preserves what we are currently providing or required to provide.



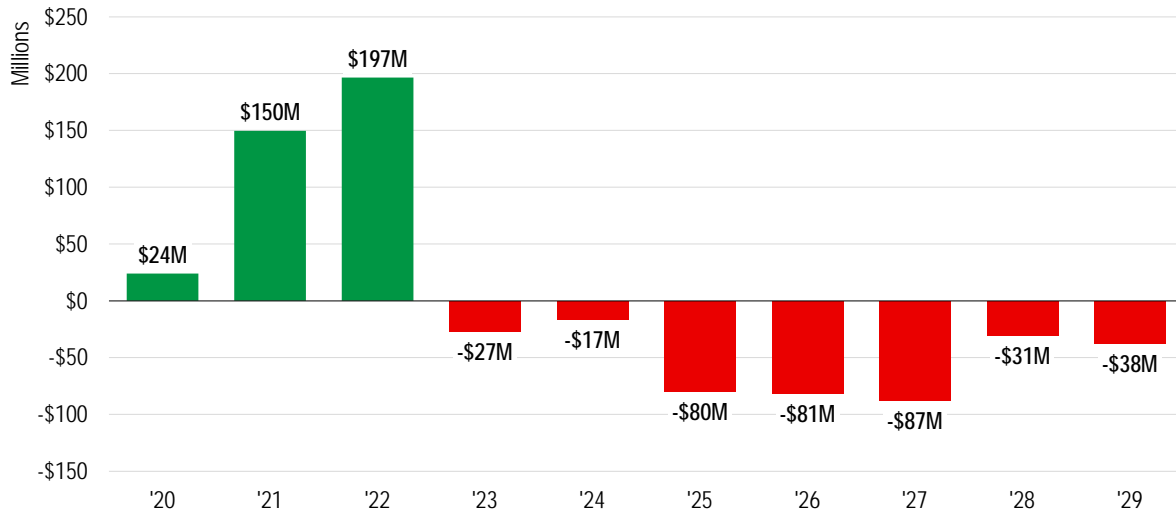
TRAC COMMITTEE 2022

DEFINING THE FISCAL CLIFF



TRAC COMMITTEE 2022

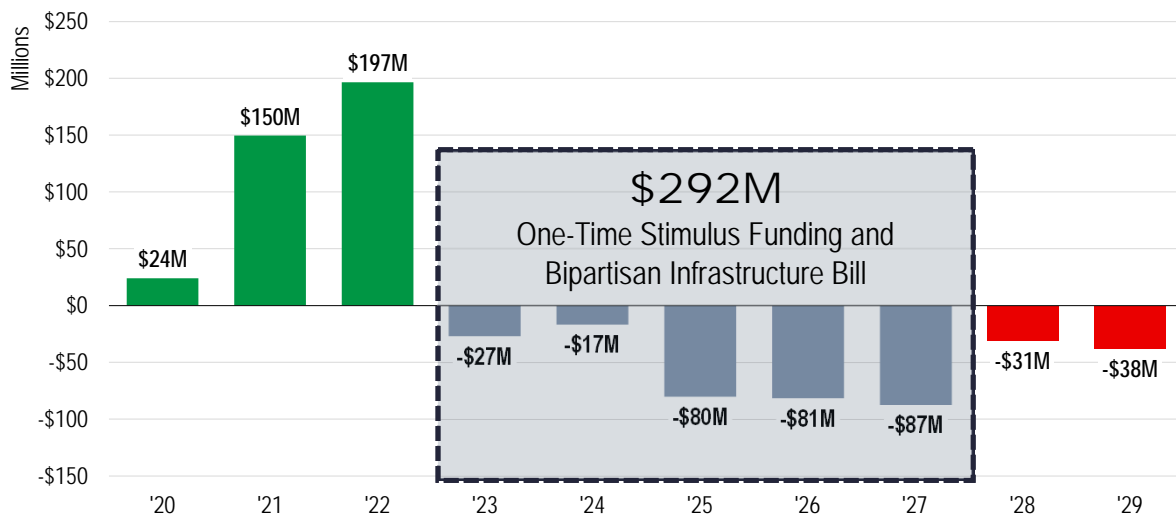
Transit Projected Budget Surplus/Deficit



Source: RTC of Southern Nevada. Note: Based on current projections effective January 2022 and subject to change due to sales tax, federal grants and capital expenditures



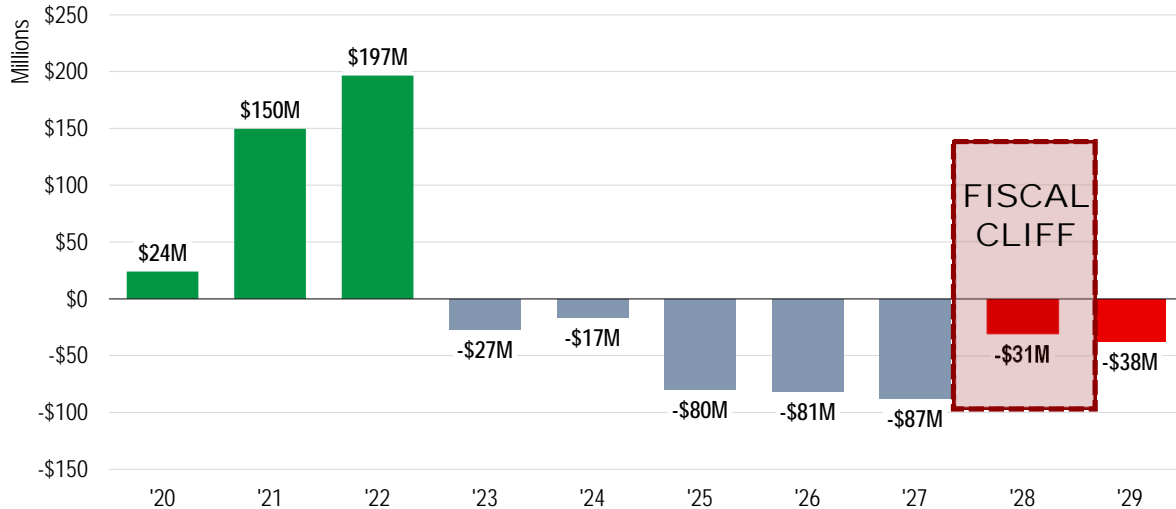
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Transit Projected Budget Surplus/Deficit



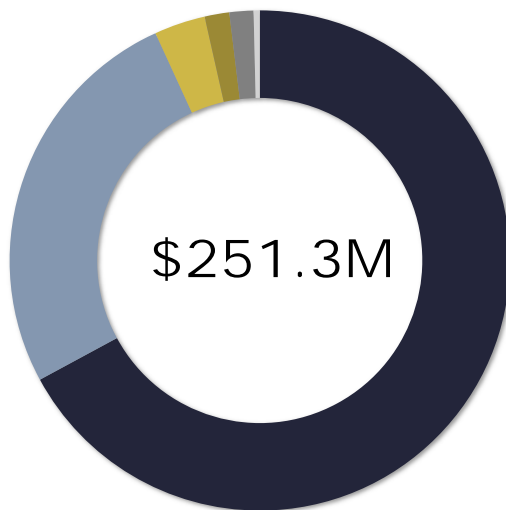
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COMMITTEE 2022

Budgeted Transit Operating Revenue

Pre-COVID | Fiscal Year 2020



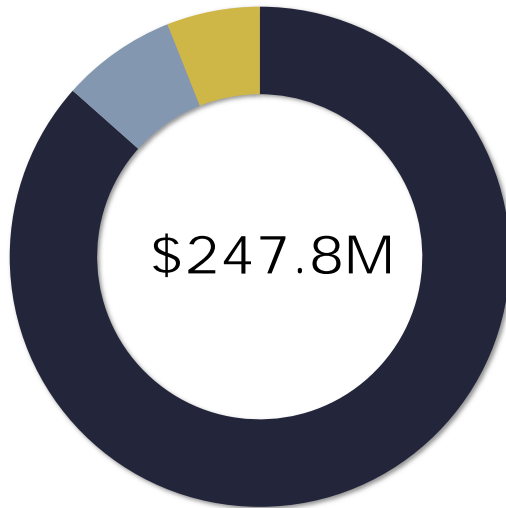
Type	Revenue	Share
Sales Tax	\$168.6M	67.1%
Passenger Fares	\$65.5M	26.1%
Medicaid	\$8.3M	3.3%
Advertising	\$4.0M	1.6%
Microtransit	\$3.9M	1.6%
Other	\$1.0M	0.4%
TOTAL	\$251.3M	100%



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Budgeted Transit Operating Expenditures

Pre-COVID | Fiscal Year 2020



Type	Expenditures	Share
Contracted Services	\$214.5M	86.6%
Salaries & Benefits	\$18.4M	7.4%
Transfers Out	\$14.9M	6.0%
TOTAL	\$247.8M	100%



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Budgeted Transit Operating Expenditures

Pre-COVID | Fiscal Year 2020



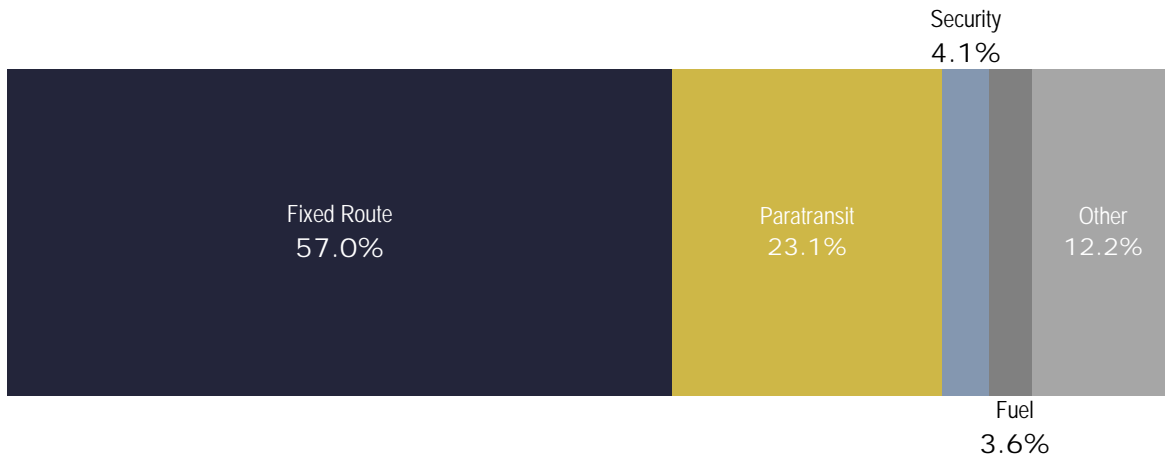
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Contracted Services

Pre-COVID | Fiscal Year 2020



Highlights of Transit Capital Budget

Pre-COVID | Fiscal Year 2020

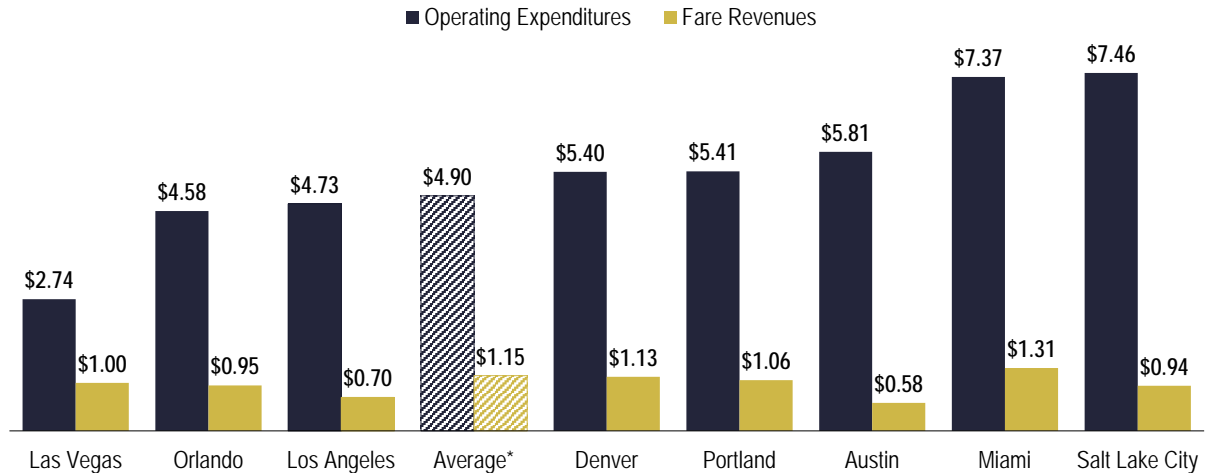
\$76.4 Million
Total Budget

\$58.3 Million
Grant Funding



Bus Cost-Revenue Per Trip

By Peer Agency | 2019



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Budget Reductions

REDUCTIONS WOULD
START AS EARLY AS
2024

- Cutting Management/Staff Pay
- Cutting Contracted Services up to 15%
- Implementing a Hiring Freeze
- Laying Off or Furloughing up to 15% of Workforce
- Significantly Cutting or Reducing Mobility Service, such as:
 - Transit Routes
 - Senior and Veterans' Services
 - Paratransit Service Area
 - On-Demand Service
 - Game Day Services
- Deferring Capital Projects

Source: RTC of Southern Nevada. Note: Capital projects include bus and land purchases.



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PRINCIPLES OF EFFECTIVE TAX SYSTEMS



PRINCIPLE			
1	Revenue Stability (Is it volatile?)	10	Simplicity (Is it easy to understand?)
2	Vertical Equity (Does everyone pay equally?)	11	Horizontal Equity (Do higher earners pay more?)
3	Ease of Compliance (Is it easy to comply with the tax?)	12	Ease of Administration (Are the rules known and simple?)
4	Transparency (Do taxpayers know it exists?)	13	Revenue Sufficiency (Will it address revenue needs?)
5	Nexus (Does it intersect with transit?)	14	Uniformity (Is the tax application uniform?)
6	Competitiveness (Are competitive imbalances created?)	15	Neutrality (Is it preferential to a specific group?)
7	Exportability (Will it apply to visitors?)	16	Integration (Is there overlap with existing taxes?)
8	Flexibility/Scalability (Will it adapt to future changes?)	17	Legality (Is it constitutionally allowed?)
9	Predictability (Is it easy to determine likely revenue collections and timing?)		

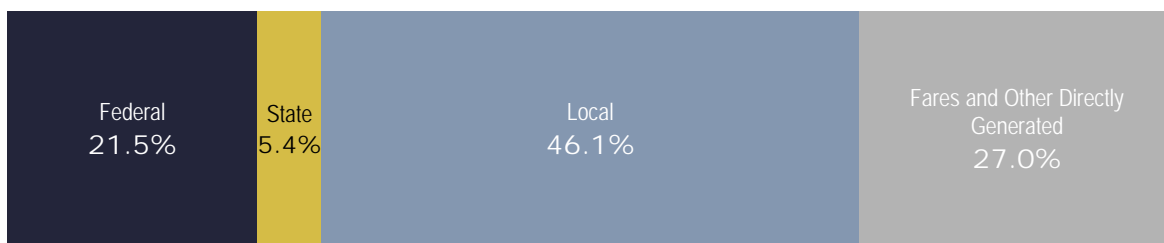
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National Share of Transit Funding by Type

All Organizational Types

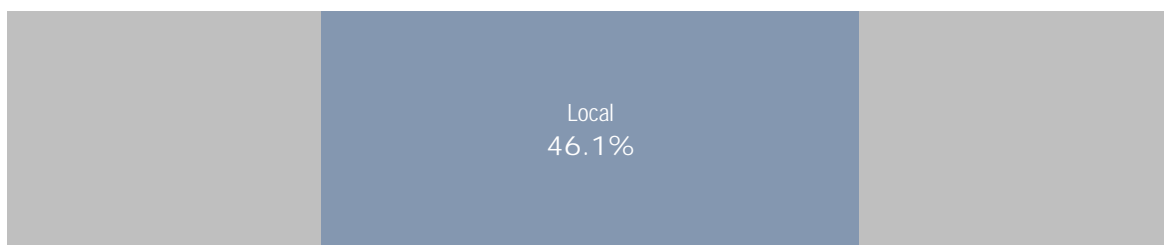


Source: Federal Transit Administration. Note: Local includes taxes and fees levied directly by transit agencies.



National Share of Transit Funding by Type

All Organizational Types



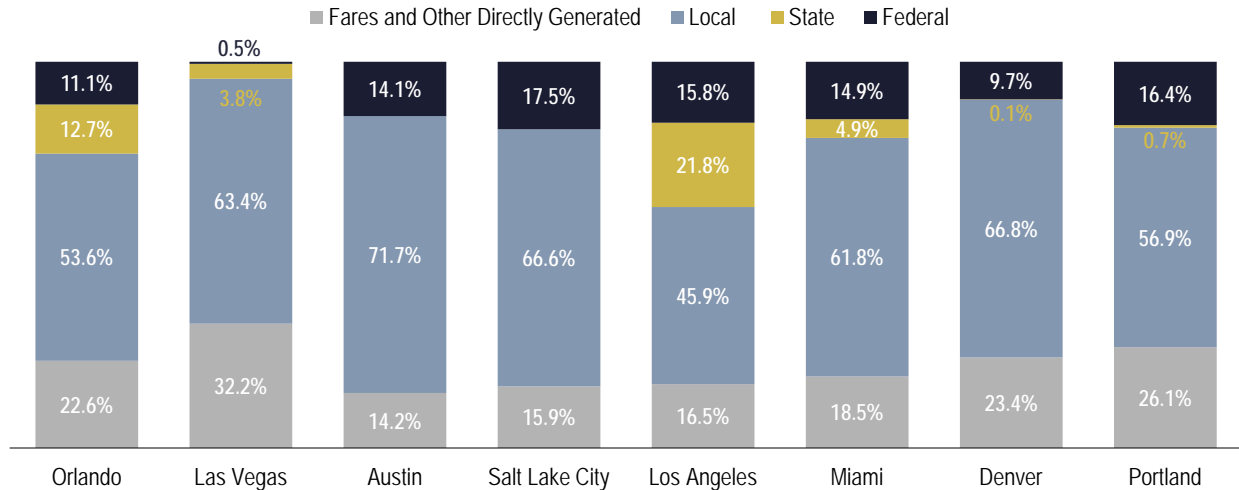
- General Fund
- Sales Tax
- Property Tax
- Income Tax
- Fuel Tax
- Other Tax (Payroll, Utility, etc.)
- Tolls
- Other Funds (Registration Fees, Vehicle Licensing, etc.)

Source: Federal Transit Administration. Note: Local includes taxes and fees levied directly by transit agencies.



Operating Funds

By Source | 2019



Source: Federal Transit Administration, Applied Analysis. Note: Locations included large western metros most similarly positioned to RTC Southern Nevada. Florida locations were included because of the similarity of the tourism economy to Nevada.



Discussion | Alternative Revenue Suggestions



Taxes Considered, but Not Pursued



Industry Specific Tax Example



Note: For discussion purposes only.



Live Entertainment Tax (LET)



Gross Gaming Tax













Room Tax



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Options to Increase Baseline Funding

Potential Fees or Taxes for Consideration			
	Alternative Conveyance Fee (Uber, Lyft, Private Conveyance)		Broadened Sales Tax Base (Services Tax)
	Delivery Fee (Grocery, Food and Parcel Delivery)		Vehicle Surcharge Fee (Registration Fees, Vehicle Type)
	Increased Transit Fees (Residential)		Road Usage Fee
	Increased Transit Fees (Resort Corridor)		Congestion Charge (Ride Share, Taxi, All Drivers)
	Sales Tax Increase		Other Options?













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Options to Increase Baseline Funding

Option Requires Legislative Action

Potential Fees or Taxes for Consideration

	Alternative Conveyance Fee (Uber, Lyft, Private Conveyance) ✓		Broadened Sales Tax Base (Services Tax) ✓
	Delivery Fee (Grocery, Food and Parcel Delivery) ✓		Vehicle Surcharge Fee (Registration Fees, Vehicle Type) ✓
	Increased Transit Fees (Residential)		Road Usage Fee ✓
	Increased Transit Fees (Resort Corridor)		Congestion Charge (Ride Share, Taxi, All Drivers) ✓
	Sales Tax Increase ✓		Other Options?



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2/3 Majority Required

for a measure "which creates,
generates, or increases any public
revenue in any form"

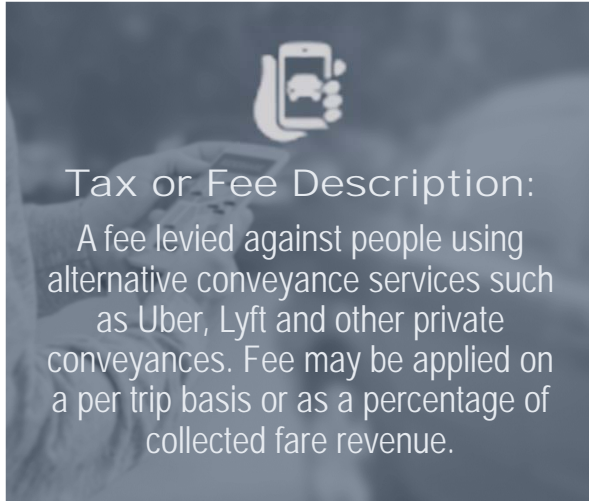


Photo Credit: Kippy S. Spiker, Geminal Graphics & Photography



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Alternative Conveyance Fees



39.4M

2019 BASE (TOTAL RIDES)

\$0.50/Ride

POTENTIAL IMPOSED FEE

\$19.7M

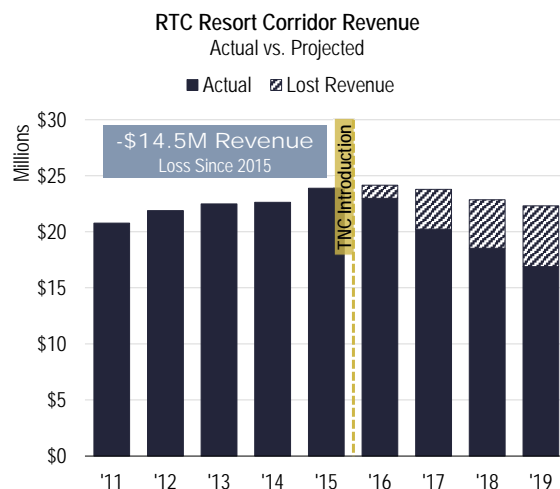
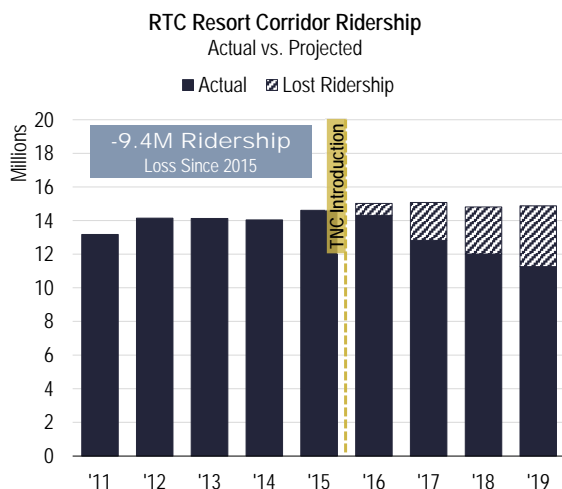
REVENUE POTENTIAL (CLARK COUNTY)

Source: Applied Analysis. Note: Based on projected number of rides provided by Uber and Lyft (excluding airport rides) in Clark County. For discussion purposes only.



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TNC Impact on RTC – Resort Corridor Routes



Source: Applied Analysis. Note: TNCs began unregulated operations in Nevada in October 2014 but shut down a month later after a court injunction on behalf of the state. The legislature passed laws in the 2015 session allowing TNC operations in the state, and TNCs began regular operations in the second half of 2015. Projected values based on the historic ratio of Strip route ridership to Las Vegas visitor volume if TNCs had not been introduced.



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TNC Fees Across the United States



TYPES OF TNC FEES	
Type	Value Range
Per Trip (\$)	\$0.10 - \$6.25
Revenue (%)	0.33% - 3.25%
Sales Tax (%)	State Specific

There is
WIDE VARIATION
in the types of TNC
fees imposed

Note: Data compiled from various sources.



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Delivery Fees

Tax or Fee Description:
A fee imposed on deliveries, including parcel delivery (UPS), grocery delivery (Instacart) and food delivery (Grubhub). Fee may be applied on a per delivery basis or as a share of total revenue.

70.3M

2019 BASE (TOTAL DELIVERIES)

\$0.30/Delivery

POTENTIAL IMPOSED FEE

\$21.1M

REVENUE POTENTIAL (CLARK COUNTY)*

Source: Applied Analysis. Note: Taxable base for Clark County. *Estimates are preliminary and based on national totals. Given the changing nature of the delivery environment, these estimates are subject to change as newer or more specific data become available. For discussion purposes only.



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Increased Transit Fees | Residential



Tax or Fee Description:

An increase on the current user fees charged to transit riders of RTC Southern Nevada services on residential routes.

10.5M

2019 BASE (TOTAL PASSES SOLD)

15%-25%

FEE INCREASE

\$3.8-\$6.0M

REVENUE POTENTIAL

Source: RTC of Southern Nevada. Note: Assumes a 3% to 5% elasticity. For discussion purposes only.



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Increased Transit Fees | Resort Corridor



Tax or Fee Description:

An increase on the current user fees charged to transit riders of RTC Southern Nevada services on resort corridor routes.

1.7M

2019 BASE (TOTAL PASSES SOLD)

12%-25%

FEE INCREASE

\$1.1-\$1.7M

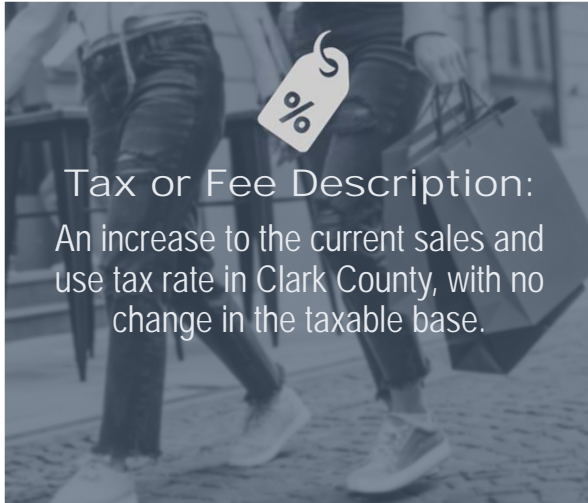
REVENUE POTENTIAL

Source: RTC of Southern Nevada. Note: Assumes a 3% to 5% elasticity. For discussion purposes only.



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Sales Tax Increase



Tax or Fee Description:

An increase to the current sales and use tax rate in Clark County, with no change in the taxable base.

\$45.9B

2019 BASE (RETAIL SALES)

8.375%

CURRENT TAX RATE

\$57.4M

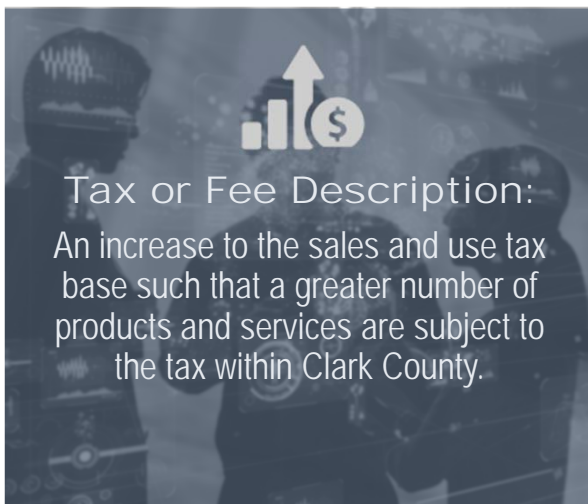
REVENUE POTENTIAL
(CLARK COUNTY 0.125% INCREASE)

Source: Nevada Department of Taxation; Applied Analysis. Note: Taxable base for Clark County. For discussion purposes only.



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Broadened Sales Tax Base



Tax or Fee Description:

An increase to the sales and use tax base such that a greater number of products and services are subject to the tax within Clark County.

\$45.9B

2019 TAXABLE BASE (RETAIL SALES)

\$5.0B

TAXABLE BASE INCREASE (0.25% TAX)

\$12.5M

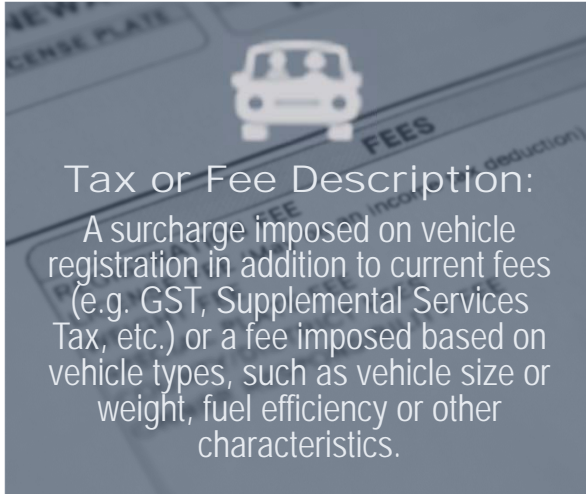
REVENUE POTENTIAL (CLARK COUNTY)*

Source: Nevada Department of Taxation; Applied Analysis. Note: Taxable base for Clark County. Assumes that the taxable base increase will be taxed at a different rate from the current sales tax rate. *Total revenue potential, does not account for distribution to various entities. For discussion purposes only.



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Vehicle Surcharge



Source: U.S. Department of Transportation Federal Highway Administration. Note: Nevada total motor vehicle registrations for 2019 includes private and commercial motor vehicles (including taxicabs) and publicly owned vehicles. For discussion purposes only.



2.5M

2019 BASE (VEHICLE REGISTRATIONS)

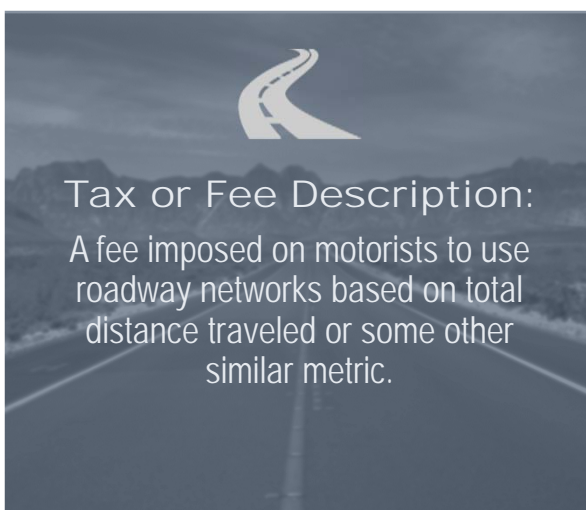
\$2.00/Vehicle

POTENTIAL IMPOSED FEE

\$5.1M

REVENUE POTENTIAL (NEVADA)

Road Usage Fee



Source: U.S. Department of Transportation Federal Highway Administration. Note: Nevada 2019 annual vehicle miles traveled in both rural and urban areas. For discussion purposes only.



28.8B

2019 BASE (VEHICLE MILES TRAVELED)

\$0.01/Mile

POTENTIAL IMPOSED FEE

\$287.9M

REVENUE POTENTIAL (NEVADA)

Congestion Charge



Tax or Fee Description:

A fee imposed in congested areas or during peak times (e.g. the Strip on weekends). Fee may be imposed upon taxis and ride shares or upon all drivers.

19.5M

2019 BASE (RIDESHARE STRIP TRIPS)

\$0.50/Ride

POTENTIAL IMPOSED FEE

\$9.8M

REVENUE POTENTIAL (CLARK COUNTY)

Source: Applied Analysis. Note: Based on projected number of strip rides provided by Uber and Lyft in Clark County. For discussion purposes only.



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Discussion | Potential Revenue Options

Potential Fees or Taxes for Consideration











	Alternative Conveyance Fee (Uber, Lyft, Private Conveyance)		Broadened Sales Tax Base (Services Tax)
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FUTURE DIRECTION

"The Transportation Resource Advisory Committee recommends that staff further develop **ALTERNATIVE CONVEYANCE FEES, DELIVERY FEES AND INCREASED TRANSIT FEES (RESIDENTIAL & RESORT CORRIDOR)** as potential revenue options to solve for baseline transit system funding."



AGENDA ITEM #4

TOPICS OF INTEREST

AND CLOSING REMARKS



TRAC COMMITTEE 2022

FUTURE MEETING DATE CHANGES

- IF NEEDED: Thursday, July 7 from 3-5 p.m.
- REMOVE: Thursday, August 25 from 3-5 p.m.
- NEW DATE: Thursday, September 29 from 3-5 p.m.
- IF NEEDED: Thursday, October 27 from 3-5 p.m.



TRAC COMMITTEE 2022

AGENDA ITEM #5

FINAL CITIZENS

PARTICIPATION



TRAC COMMITTEE 2022



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TRANSPORTATION RESOURCE ADVISORY COMMITTEE & COMMUNITY COLLABORATION