

CALIFORNIA DEPARTMENT OF TRANSPORTATION TOLL CREDIT USE POLICY

Background:

Section 1111(c) of the Transportation Equity Act for the 21st Century (TEA21), 23 U.S.C., Section 1044 of ISTEA under Section 120(j), and 23 U.S.C., Section 1508 of MAP-21 under Section 120(i) allows states to use certain toll revenue expenditures as a credit toward the non-federal matching share of programs authorized by Title 23 (except for the emergency relief programs) and for transit programs authorized by Chapter 53 of Title 49.

During Fiscal Year (FY) 1992 through FY 2006, California has collected approximately \$18.2 billion in toll receipts, of which over \$7.1 billion was invested to build and/or improve public highway facilities. Based on federal statutes, the State applied for approximately \$5.7 billion in toll credits from investments during this time period. Now approved, these toll credits do not lapse until used by the state.

Effective Date and Duration:

These guidelines apply permanently to the \$5.7 billion, which was conditionally approved by the FHWA for the State of California¹ along with any future toll credits which are received based on Caltrans maintenance of effort in conjunction with local toll collection and will remain in effect until rescinded or modified.

Guiding Principles for use of Toll Credits:

- Compliance with state and federal statutes,
- Maximize the use of federal funds,
- Toll credits should not result in the redirection of non-federal funds away from transportation.

Constraints/requirements:

- Use of toll credits does not generate additional federal funding and is limited to the non-federal match required for Apportionments and Obligation Authority (OA) available in any given year.
- All projects proposed to use toll-credits should be fully funded at the maximum allowable federal reimbursement rate.
- Use of toll credits will require amendments to current programming documents.
- FTIPs still need to be financially constrained.
- Toll credits may not be applied to projects funded with FHWA Emergency Relief funds or Appalachian Development Highway System (ADHS).
- The State must establish a special account to track toll credits.
- Processes for the tracking of toll credit usage must be established.

¹ On June 1, 2005, the Department received approval from FHWA for \$104.026 million in toll credits from private entity expenditures on State Route 91. This \$104.026 million will be kept separate for use within Orange County.

Distribution Process:

1. Toll credits will be made available statewide to the RTPAs and to the Department of Transportation for federal match to any eligible federal program. Local agencies may match the Highway Bridge Program for on federal-aid system projects, and local safety projects with any other type of federal funding, including the use of STIP shares, for which the project is eligible.
 - a. RTPAs will provide the Department with an estimate of the total need for toll credits for the FTIP period by programming year.
 - b. In order for the State to implement the usage of toll credits statewide, the RTPA must submit to the Department on or before October 1 of each federal fiscal year, a list of programmed FTIP projects that are planned to use the credits for the upcoming federal fiscal year (starting October 1).
2. Periodically, the policy will be re-evaluated and if necessary changes will be made to the methodology and process for the disbursement of toll credits to take effect in the federal fiscal year subsequent to adoption.
3. Further direction regarding toll credit policy for Planning and Federal Transit Administration can be found at:
http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index_files/Final_2011_RPH.pdf
<http://www.dot.ca.gov/hq/MassTrans/Docs-Pdfs/5311/transittollcreditsrev012611.pdf>

Monitoring and Reporting of Toll Credit Usage and Balance

In accordance to the FHWA February 8, 2007, Memorandum on Tolling and Pricing Program, Caltrans will establish and maintain a special account to track the use and balance of toll credits for FHWA funded projects.

As a pre-condition for utilizing toll credits on FTA funded projects, RTPAs and local agencies shall develop and maintain a special account to track the use and balance of toll credits acceptable to FTA and FHWA. The obligations of funds through FTA constitute final use of toll credits as FTA funds are not de-obligated but are amended through the FTA.

APPROVED:



STEVEN KECK

Acting Chief Financial Officer



Date