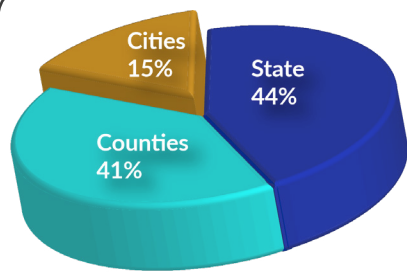




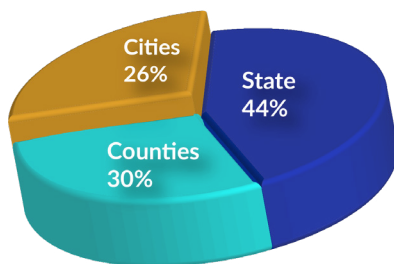
MODERNIZING OUR ROAD AID FORMULA

The legislature created the municipal road aid program in 1972 to provide cities a share of funds from the motor fuels tax — funds to ensure the upkeep and safety of roads and bridges. While the population of Kentucky cities has grown exponentially since that time, the amount of money provided to cities has not changed. In fact, Kentucky cities have spent 62% more on city streets since 2009, but state and federal funding declined more than 4%. The average life cycle of city roads is 40 years, well below the industry standard of 15 years.

Road Funding Formula Modernization



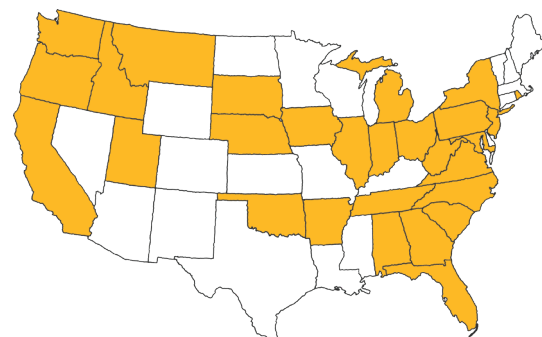
Road Aid up to \$825M



Road Aid over \$825M

An agreement to modernize the formula equally splits new revenue above \$825 million between the municipal road aid program and the county road aid program. This ensures counties are held harmless. Cities and counties would each get 13% of motor fuels taxes collected above that \$825 million mark.

States with Updated Motor Fuels Tax



Modernization also includes updating the state's motor fuels tax, which has not changed since 2015. Twenty-eight other states and the District of Columbia have increased their motor fuels tax since that time, including all of Kentucky's surrounding states except for Missouri.

THE HISTORY BEHIND OUR CURRENT ROAD AID FORMULA

Vehicle Miles vs. Funds Distributed: In 1948, one-third of Kentucky's population was considered urban. Today, two-thirds of the state is urban. While 61% of annual vehicle miles traveled are on local rural roads, these roads receive 85% of road aid funds allocated to local governments (*see chart at right*). Local urban roads account for 39% of vehicle miles traveled, but cities only receive 15% of funds distributed.

	Location of Roads	% Vehicle Miles Traveled	% Funds Received
URBAN ROADS	Inside Cities	38.7%	15.4%
RURAL ROADS	Outside Cities	61.3%	84.6%

FORMULA OF FIFTHS

1/5 divided **equally** to all counties
 1/5 divided by rural **population**
 1/5 divided by rural **road miles**
 2/5 divided by rural **land area**

48.2% of Kentucky's motor fuel tax is distributed through three revenue-sharing formulas: Rural Secondary Aid (22.2%), County Road Aid (18.3%), and Municipal Road Aid (7.7%). Rural secondary and county programs allocate funds using the Formula of Fifths, an outdated formula from 1948.



ORGANIZATIONS IN SUPPORT OF MODERNIZATION

