



TRANSPORTATION GOVERNANCE AND FINANCE

**A 50-State Review of
State Legislatures and
Departments of Transportation**

Third Edition

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CONTENTS

- List of Tables..... xiii**
- Disclaimers xv**
- Notes on Usage xvi**
- 1. Introduction 1**
 - What Is State Transportation Governance and Finance?..... 1
 - About This Report 2
 - Background 2
 - Methodology 2
 - Participating State Agencies..... 2
 - How to Use This Report 5
 - Frequently Updated Online Resources 6
 - Major Changes to Transportation governance and Finance Since 2016..... 6
 - Changes to State Transportation Governance Since 2016 6
 - Changes to State Transportation Funding and Finance Since 2016.....7
 - Other Notable Changes Since 2016..... 8
- 2. Participants in State Transportation Governance and Finance 10**
 - A Complex Interaction of Many Stakeholders.....10
 - State Legislatures 11
 - Roles, Responsibilities, and Key Characteristics 11
 - Full-Time and Part-Time Legislatures 13
 - Legislative Committees 14
 - State Departments of Transportation 19
 - Roles, Responsibilities, and Key Characteristics 19
 - Other Areas under State DOT Jurisdiction 22
 - Other Stakeholders.....23

Federal Entities.....	23
State Entities.....	24
Tribal, Regional, and Local Entities	37
Other Stakeholders	37
3. State Transportation Governance.....	39
How State Legislatures and DOTs Interact to Make Transportation Policy	39
The Legislative Process.....	39
Legislative Review of Administrative Rules	42
How State Legislatures and DOTs Interact to Govern Transportation Programs.....	43
Legislative Oversight of DOTs	43
Leadership Appointments and Removals.....	47
Communication and Collaboration between State Legislatures and DOTs	52
Lessons Learned about State Transportation Governance.....	52
Challenges to Effective Transportation Governance	53
Achieving Effective Communication and Collaboration.....	54
The Impacts of COVID-19 on State Transportation Governance	57
4. State Transportation Funding and Finance	58
How States Pay for Transportation Programs and Projects	58
Federal Revenue Sources.....	59
State Revenue Sources	60
State Finance Mechanisms	83
How States Make Transportation Investment Decisions.....	91
Budgeting and Appropriations	91
Project Planning and Selection	95
Other State Funding and Finance Issues.....	96
Retention and Expenditure of Excess Funds.....	97

Movement of Funds Between Projects.....	97
Legislative Actions to Control DOT Costs.....	98
Other State Actions to Optimize Available Funding	100
State Involvement in Local Transportation Funding	102
Allocation of State Transportation Revenues to Local Entities.....	102
Authorization of Local Revenue Sources in State Law	103
Other State Actions to Increase Local Flexibility	103
Lessons Learned about State Transportation Funding and Finance	104
Challenges to Effective Transportation Funding and Finance	104
Achieving Effective Transportation Funding and Finance	106
The Impacts of COVID-19 on State Transportation Funding and Finance.....	109
5. State Profiles	111
Alabama	111
Alaska	122
Arizona	134
Arkansas	146
California	159
Colorado	174
Connecticut	188
Delaware	201
Florida	212
Georgia	226
Hawaii.....	240
Idaho	251
Illinois	264
Indiana.....	278

Iowa.....	291
Kansas.....	304
Kentucky.....	319
Louisiana.....	332
Maine.....	345
Maryland.....	357
Massachusetts.....	371
Michigan.....	385
Minnesota.....	400
Mississippi.....	415
Missouri.....	428
Montana.....	441
Nebraska.....	453
Nevada.....	465
New Hampshire.....	479
New Jersey.....	492
New Mexico.....	507
New York.....	518
North Carolina.....	532
North Dakota.....	547
Ohio.....	558
Oklahoma.....	570
Oregon.....	583
Pennsylvania.....	599
Rhode Island.....	613
South Carolina.....	624

South Dakota.....	639
Tennessee.....	651
Texas	662
Utah.....	676
Vermont	691
Virginia	702
Washington	720
West Virginia	739
Wisconsin	751
Wyoming	765
District of Columbia	776

References	787
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LIST OF TABLES

- 1. Responding Organizations for the 2021–2022 Survey Research3
- 2. Major Stakeholders in Transportation Governance and Finance10
- 3. Names and Characteristics of State Legislatures 11
- 4. Categorization of States by Levels of Legislative Professionalization 14
- 5. State Legislative Standing Committees with Jurisdiction over Transportation-
Related Issues 15
- 6. Names and Characteristics of State DOTs 19
- 7. Sizes of State DOTs in Full-Time Equivalent (FTEs) 22
- 8. State Transportation Officials That Serve on the Governor’s Cabinet..... 24
- 9. State Transportation Boards, Councils, and Commissions 26
- 10. State Agencies That Perform DMV and Highway Patrol Functions 28
- 11. Other State or Quasi-State Entities with Jurisdiction Over Transportation Issues 31
- 12. Other State-Level Transportation Entities for Which a Secretary, Director, or
Commissioner of Transportation Serves as a Member or on the Board
Ex Officio 34
- 13. Legislative Review of Administrative Rules..... 42
- 14. State DOTs That Are Subject to Legislative Audits or Sunset Reviews 44
- 15. Appointment of DOT Leaders 47
- 16. Appointments to State Transportation Boards, Councils, and Commissions 49
- 17. Revenue Sources Used by States for Roads and Bridges as of Jan. 1, 2022 61
- 18. State Fuel Tax Models 69
- 19. State Passenger Vehicle Registration Fees: Fee Models and Special Fees on Electric,
Hybrid, and Alternative Fuel Vehicles 72
- 20. Dedications of State Fuel Taxes in State Law..... 79
- 21. Finance Mechanisms Used by States for Roads and Bridges as of Jan. 1, 2022 85
- 22. States That Do Not Currently Use Bonds for Transportation Purposes 89
- 23. State Budget Cycles..... 92
- 24. State Legislative Roles in Allocating Federal Transportation Revenues to State DOTs
..... 93

25. State Legislative Roles in Allocating State Transportation Revenues to State DOTs 94

26. Range of Legislative Roles in Transportation Planning and Capital Project Selection..... 96

1. INTRODUCTION

In the United States, state governments bear much of the responsibility for the transportation systems within their borders. States own and maintain transportation assets, plan and build new infrastructure, manage billions of federal and state dollars each year, and collaborate with and support local governments.

In recent years, states have faced greater challenges in meeting these obligations than ever before, as they are confronted with aging infrastructure, constrained resources, changing demographics, growing demand, and massive technological, environmental, and social disruptions to the transportation sector. In addition, the COVID-19 pandemic provided additional insights into structural problems with traditional transportation funding, while also accelerating key trends, such as online shopping and remote work, that are likely to have lasting impacts on transportation resources and needs. In this unprecedented context, states have developed—and continue to explore—a remarkable array of approaches to providing transportation options that get people and goods to their destinations safely and effectively.

By providing a nationwide comparative analysis accompanied by state-by-state details, this report illustrates the rich diversity of states' efforts to serve the public good in challenging times and within complex intergovernmental arrangements.

What Is State Transportation Governance and Finance?

This report is intended to serve as a comprehensive, up-to-date reference tool for state governments, as well as for other interested stakeholders, about how all 50 states and the District of Columbia govern and pay for their transportation systems. Under the broad heading of transportation governance, this report details the institutional context for state-level transportation decision making and examines how state legislatures and executive branch departments of transportation (DOTs)—the most active players in the transportation arena at the state level—function, work together, and balance one another when making transportation policy and overseeing transportation programs.

This report also provides extensive information about how states pay for transportation systems. Although the term “finance” is used in the title to refer more broadly to the necessary monetary resources for transportation investments, the report as a whole draws a clear distinction between *funding* (revenue streams such as taxes or fees that ultimately pay for infrastructure over the long term) and *finance* (tools such as bonds that borrow against or otherwise leverage future revenues) and addresses both in depth. Topics in this area include what revenue sources and finance mechanisms are authorized and in current use at the state level, how state transportation budgets and plans are developed, and the roles states play in local transportation funding.

About This Report

Background

In 2011, the National Conference of State Legislatures and the American Association of State Highway and Transportation Officials (AASHTO) published the groundbreaking [first edition](#) of this report, which filled a gap in the existing knowledge base by providing state-by-state information about transportation governance and finance based on in-depth survey research. In 2016, the report was [updated](#) to reflect the enactment of new federal laws as well as numerous changes in the states with respect to how transportation systems were to be managed and paid for. The revised edition also expanded on the original effort by clarifying and enhancing the information provided, as well as adding a number of new research topics of interest in the states.

Since 2016, the legislative and political environment for transportation governance and finance has again evolved, both nationally and in the states. As a result, a new edition of this report is needed to provide stakeholders at all levels of government and in the broader community with current and complete information on these critical issues. In addition to thoroughly updating the information from the 2016 report, this third edition also includes new topics of interest—such as emerging jurisdictional issues for state DOTs, state entities with a less direct role in transportation issues, transportation-related revenues that are being used for non-transportation purposes, state actions to optimize available funding and increase local flexibility, and the impacts of the COVID-19 pandemic on state transportation governance and finance—and offers additional details such as the current rates of every state’s fuel taxes and vehicle registration fees.

Methodology

To produce this edition, material from the 2016 report was first comprehensively updated to reflect current law or practice and edited for clarity and comparability across states. The edited information was integrated into state-specific surveys, one on transportation governance and one on transportation funding and finance, and emailed to DOT personnel and legislative staff in all 50 states and the District of Columbia to be confirmed or corrected. Each survey also included questions on new topics of interest and a confidential section on recommendations and lessons learned. Responses were received for both surveys from all 51 jurisdictions, for a total of 142 completed surveys (see Table 1 for a full list of participating organizations). The survey information was then reviewed, compiled, analyzed, and re-edited into draft versions of the state profiles, which were sent back to survey respondents for their review. In reply, additional review comments were received from 64 respondents in 38 jurisdictions. This multi-stage process offered several opportunities for state experts to improve the accuracy and presentation of their states’ information in the final report.

Participating State Agencies

More than 200 state stakeholders participated in the survey research that forms the basis of this report. Responding organizations are listed below in Table 1.

Table 1. Responding Organizations for the 2021–2022 Survey Research

State	Responding Organizations
Alabama	Alabama Department of Transportation Legislative Services Agency, Alabama Legislature
Alaska	Alaska Department of Transportation and Public Facilities Legislative Affairs Agency, Alaska Legislature Legislative Finance Division, Alaska Legislature
Arizona	Arizona Department of Transportation House Research Staff, Arizona Legislature Joint Legislative Budget Committee, Arizona Legislature
Arkansas	Arkansas Department of Transportation Bureau of Legislative Research, Arkansas General Assembly
California	California Department of Transportation Legislative Analyst's Office, California Legislature
Colorado	Colorado Department of Transportation Colorado Legislative Council Staff, Colorado General Assembly
Connecticut	Connecticut Department of Transportation Office of Fiscal Analysis, Connecticut General Assembly Office of Legislative Research, Connecticut General Assembly
Delaware	Delaware Department of Transportation Office of the Controller General, Delaware General Assembly
Florida	Florida Department of Transportation Office of Program Policy Analysis and Government Accountability, Florida Legislature
Georgia	Georgia Department of Transportation House Budget and Research Office, Georgia General Assembly
Hawaii	Hawaii Department of Transportation House Committee on Finance, Hawaii State Legislature Legislative Reference Bureau, Hawaii State Legislature
Idaho	Idaho Transportation Department
Illinois	Commission on Government Forecasting and Accountability, Illinois General Assembly Illinois Department of Transportation
Indiana	Indiana Department of Transportation Legislative Services Agency, Indiana General Assembly
Iowa	Iowa Department of Transportation Legislative Services Agency, Iowa General Assembly
Kansas	Kansas Department of Transportation Kansas Legislative Research Department, Kansas Legislature
Kentucky	Kentucky Transportation Cabinet Legislative Research Commission, Kentucky General Assembly
Louisiana	Legislative Fiscal Office, Louisiana Legislature Louisiana Department of Transportation and Development
Maine	Maine Department of Transportation Office of Fiscal and Program Review, Maine Legislature Office of Policy and Legal Analysis, Maine Legislature
Maryland	Department of Legislative Services, Maryland General Assembly Maryland Department of Transportation
Massachusetts	Massachusetts Department of Transportation
Michigan	House Fiscal Agency, Michigan Legislature Michigan Department of Transportation

State	Responding Organizations
Minnesota	Minnesota Department of Transportation Senate Committee on Transportation Finance and Policy, Minnesota Legislature
Mississippi	House Legislative Services Office, Mississippi Legislature Legislative Budget Office, Mississippi Legislature Mississippi Department of Transportation
Missouri	Missouri Department of Transportation
Montana	Legislative Fiscal Division, Montana Legislature Legislative Services Division, Montana Legislature Montana Department of Transportation Motor Vehicle Division, Montana Department of Justice
Nebraska	Nebraska Department of Transportation Legislative Research Office, Nebraska Legislature Transportation and Telecommunications Committee, Nebraska Legislature
Nevada	Legislative Counsel Bureau, Nevada Legislature Nevada Department of Transportation
New Hampshire	New Hampshire Department of Transportation
New Jersey	New Jersey Department of Transportation Office of Legislative Services, New Jersey Legislature
New Mexico	Legislative Finance Committee, New Mexico Legislature New Mexico Department of Transportation
New York	New York State Department of Transportation
North Carolina	North Carolina Department of Transportation
North Dakota	Legislative Council, North Dakota Legislative Assembly North Dakota Department of Transportation
Ohio	Ohio Department of Transportation
Oklahoma	House Fiscal Division, Oklahoma Legislature House Research Division, Oklahoma Legislature Oklahoma Department of Transportation
Oregon	Legislative Policy and Research Office, Oregon Legislative Assembly Legislative Revenue Office, Oregon Legislative Assembly Oregon Department of Transportation
Pennsylvania	House Transportation Committee, Pennsylvania General Assembly Pennsylvania Department of Transportation
Rhode Island	House Fiscal Advisory Staff, Rhode Island General Assembly Rhode Island Department of Transportation
South Carolina	Senate Finance Committee, South Carolina General Assembly South Carolina Department of Transportation
South Dakota	Legislative Research Council, South Dakota Legislature South Dakota Department of Transportation
Tennessee	Tennessee Department of Transportation
Texas	Texas Department of Transportation
Utah	Office of Legislative Research and General Counsel, Utah Legislature Utah Department of Transportation
Vermont	Joint Fiscal Office, Vermont General Assembly Office of Legislative Counsel, Vermont General Assembly Vermont Agency of Transportation
Virginia	Virginia Department of Transportation
Washington	House Transportation Committee, Washington Legislature Senate Transportation Committee, Washington Legislature

State	Responding Organizations
West Virginia	Legislative Services Division, West Virginia Legislature West Virginia Department of Transportation
Wisconsin	Wisconsin Department of Transportation Wisconsin Legislative Council, Wisconsin Legislature Wisconsin Legislative Fiscal Bureau, Wisconsin Legislature
Wyoming	Wyoming Department of Transportation
District of Columbia	District Department of Transportation

How to Use This Report

This report is made up of two major sections. Together, Chapters 2 through 4 form a nationwide synthesis that summarizes the research findings. These chapters contain brief overviews of each key topic as well as cross-jurisdictional comparisons that draw out broader trends and notable exceptions. Included in this section are numerous tables that illustrate the diversity of approaches across the states.¹ Readers commonly use this section to learn what all of the states are doing in a given topic area, to support their own nationwide research on issues that are under consideration in their state, or to quickly identify interesting approaches to investigate more deeply.

The second section contains state-by-state profiles that provide in-depth information for each of the 50 states and the District of Columbia. These profiles dig deeper into each topic for each jurisdiction by including extensive details as well as explanatory notes with important context and caveats. The profiles also contain extra topics that are not addressed in the synthesis because, although they offer helpful state-specific insights, they do not lend themselves well to 50-state comparisons. These “extras” include unique state transportation facts, mode-by-mode transportation statistics, lists of relevant state laws, and each state’s most recently enacted transportation budget. This section is often used to support more detailed or nuanced research. To facilitate this use, legal citations are provided throughout so that readers may easily locate the full statutory language or authorizing legislation for the approaches that are described.

Once state approaches have been identified that may be of further interest, readers may choose to reach out in a targeted way to their counterparts in those states to learn more about real-life implementation and lessons learned. In this way, this report can act as a springboard for further collaboration, analysis, and creative problem-solving.

This report is also a valuable resource for training and education. Users of previous editions have used the first section to orient new state officials, DOT personnel, and legislative staff to transportation governance and finance across the states, while individual profiles have helped to familiarize them with the details in their own state.

¹ Tables have been used rather than maps to facilitate text searches by state name, keyword, etc.

Frequently Updated Online Resources

Thus far, editions of this report have been published in 2011, 2016, and 2022. However, state policies and programs change far more often than every five or six years. Readers are encouraged to use frequently updated online resources to supplement this report, so as to identify changes that have occurred since its most recent update. Suggested resources include [AASHTO](#), the [National Conference of State Legislatures](#), and the [Transportation Investment Advocacy Center](#) at the American Road and Transportation Builders Association. For specific topics, many of the sources in this report's reference list are updated on a regular basis. Readers may also wish to take advantage of the "Useful Web Resources" listed in the state profiles, which include the official websites for each state's legislature, DOT, and statutes.

Major Changes to Transportation governance and Finance Since 2016

As part of the current research effort, a comparison of the newly updated information with material from the 2016 report revealed marked changes to state transportation governance and finance in the last six years. In addition, survey respondents were asked to identify significant changes in their states during that timeframe.

Since 2016, several states have made changes to their transportation governance models. Also, at least 35 states and the District of Columbia have taken steps to raise their transportation revenues, and a number of states have been actively considering how to restructure, and even replace, gasoline taxes to ensure sustainable funding into the future. In addition, states are reckoning with changes in technology, particularly the impacts of shared, electric, autonomous, and connected vehicles on transportation system operations. Most recently, the COVID-19 pandemic greatly affected state transportation revenue streams as well as how states do business. At the federal level, enactment of the Infrastructure Investment and Jobs Act (IIJA) in 2021 provided historic funding for transportation infrastructure while creating new policies and programs that will shape the roles and responsibilities of state partners for years to come.

Changes to State Transportation Governance Since 2016

For state transportation governance, major changes since 2016 have included:

- Institutional reorganizations in Arkansas, Iowa, Nebraska, South Carolina, and the District of Columbia. In Nebraska, the state's former Department of Roads merged with the Department of Aeronautics in 2017 to form the new Nebraska Department of Transportation. The District of Columbia's DOT was one of a cluster of executive agencies that was moved under the newly created Office of the Deputy Mayor for Operations and Infrastructure in 2019.
- The creation of new entities within the DOTs in Colorado, Connecticut, Delaware, Pennsylvania, and Utah to handle emerging issues of concern such as vehicle

electrification, innovative finance, climate change, transformational technologies, and planning and investment.

- Transfers of duties between agencies in Alaska, Kentucky, Michigan, Mississippi, New York, and Washington.
- The establishment of new legislative committees with jurisdiction over transportation-related matters in Montana and Oregon.
- Changes to DOT leadership, including how the DOT director is appointed in North Carolina, Oklahoma, Oregon, and Utah, as well as the addition of a second deputy director in Utah.
- Updates to a transportation-related board or commission in Massachusetts, North Carolina, Oklahoma, Oregon, and South Carolina.²

Oregon and Utah, in particular, enacted bills that made a series of significant modifications to transportation governance processes and structures. Utah's legislature adopted its changes upon the recommendation of a 2017 Transportation Governance and Funding Task Force.

Also noteworthy since 2016 is the expansion of DOT jurisdiction across the states in response to emerging technologies. Some state DOTs now have responsibilities related to transportation network companies, automated and connected vehicles, vehicle electrification, broadband expansion, smart mobility, unmanned aerial systems (drones), micromobility options, or personal delivery devices. (See Chapter 2 and "Other Areas of DOT Jurisdiction" in the state profiles.) Even when a state DOT does not have current jurisdiction over such technologies, it is often an active partner in exploring them and their potential impacts on the transportation system.

Changes to State Transportation Funding and Finance Since 2016

States have seen a multitude of changes to transportation funding and finance since 2016. As traditional revenue sources such as cents-per-gallon gas taxes continue to be eroded due to inflation, fuel-efficient and electric vehicles, and changing travel patterns, states have been working to bridge the gap.

In the past six years, at least 35 states and the District of Columbia have enacted legislation to increase their transportation revenues.³ These actions have included raising the rates of existing transportation taxes or fees; indexing revenues so they automatically track with inflation or rising construction costs; and establishing a wide variety of new revenue sources, from casino revenues to sales and income taxes to fees on heavy trucks, retail deliveries, and transportation network companies. More than half the states now assess special fees on

² Connecticut also enacted legislation to create an advisory council, but it has not yet been implemented (see state profile).

³ Of these, at least 15 states and the District of Columbia have enacted legislation to raise fuel taxes specifically. For more information, see the state profiles as well as [AASHTO](#), the National Conference of State Legislatures (both their [bill tracking database](#) and their periodically updated list of [fuel tax increases](#)), and the [Transportation Investment Advocacy Center](#) at the American Road and Transportation Builders Association.

electric vehicles to mitigate their impacts on transportation investments. Utah and Virginia have joined Oregon by enacting per-mile fees to ensure all drivers pay their fair share, while many other states continue to study these fees as an option to supplement or replace gas taxes. (See Chapter 4 and the state profiles for details.)

Other actions related to state transportation funding and finance have included:

- Additional authorizations of finance mechanisms or alternative procurement methods in at least Alabama, Arkansas, California, Colorado, Connecticut, Delaware, Idaho, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Mississippi, Missouri, Montana, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Rhode Island, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin. Also, Connecticut is establishing an Office of Innovative Finance and Project Delivery within the state DOT to further explore non-conventional forms of project financing.
- Stronger protections on transportation revenues and funds, including constitutional amendments in Connecticut, Delaware, Illinois, Louisiana, and New Jersey as well as, in Georgia, the creation of new trust funds that will go into effect in July 2022.

In addition, since 2016, at least [Kansas](#), [Maine](#), [Missouri](#), [Nevada](#), [North Carolina](#), [Pennsylvania](#), and [Utah](#) have convened blue-ribbon commissions, task forces, or working groups to study and recommend sustainable transportation funding solutions for their states.⁴

Other Notable Changes Since 2016

Since March 2020, the COVID-19 pandemic has affected every area of life, including transportation decision making and funding. The pandemic has so far influenced transportation governance mainly by encouraging shifts to remote work, virtual public engagement, and an increased use of technology overall. Although the long-term impacts are difficult to assess at this point, some survey respondents anticipated a continued use of hybrid (virtual/in-person) meetings and telework options. In relation to funding, stay-at-home orders, telework, and other factors had an early impact on state transportation revenues, but respondents reported wide variations in the magnitude and duration of those impacts. Many states used federal relief funds to help cover the shortfalls. Some respondents expressed concerns about persistent reductions in transit ridership as well as ongoing cost increases, supply chain disruptions, labor shortages, and possible lasting effects on personal and commuter travel and subsequent revenue collections. (See Chapters 3 and 4 and the state profiles for details.)

At the federal level, enactment of the \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) ([P.L. 117-58](#), also known as the “Bipartisan Infrastructure Law”) in November 2021 represented an historic investment in the nation’s infrastructure that will provide much-needed support for

⁴ Some of these groups (those in Maine and Nevada) were noted in the survey data and appear in the state profiles. Others were found through supplemental research. Utah’s [Transportation Governance and Funding Task Force](#) was required to evaluate other transportation-related topics besides funding options, including governance, coordination, oversight, and operational structures; best practices in project prioritization; and the interrelationship of growth, land use, capital development, and transportation.

state transportation investments through FY 2026. At the same time, implementation of the act will rely heavily on state partners as infrastructure owners, operators, funders, and administrators. Survey respondents expressed appreciation for the increased funding levels—which are poised to help states improve transportation safety, efficiency, and sustainability—but also noted new roles and responsibilities for state DOTs, such as the deployment of electric vehicle charging infrastructure, as a result of the bill’s policies and programs. The act is thus expected to continue to shape state transportation governance and finance over the coming years.