Quick Take

What:
The region’s substantial growth, increased construction costs and continued improvements in the fuel efficiency of vehicles have contributed to a transportation funding shortfall in the Dallas-Fort Worth area.

Significance:
The region is expected to continue its rapid expansion through 2045. Limited transportation funds are available through a variety of sources at all levels of government. As the population of the region continues to grow, the congestion level will continue to intensify, even with the $136.4 billion dollars of spending on planned projects.

By the Numbers:

$390 billion
The region needs approximately $390 billion (actual dollars) to eliminate the worst levels of congestion between now and 2045. The region is expected to have a total of $136.4 billion between now and 2045 to build and maintain the transportation system.

Funding and Growth: North Texas’ Plan to Address Congestion

Traditional funding sources are not meeting the region’s transportation needs. In the past, there have been numerous proposals at the federal and State levels to increase funding for transportation. As the region’s transportation needs increase, there will likely be more attention paid to innovation, something the Regional Transportation Council has embraced in an effort to complete major projects. Additionally, allowing for the ability to utilize tolled managed lanes and public-private partnerships, will help expedite projects when traditional funding sources are scarce.

Identifying additional transportation revenue is key to reducing congestion across North Texas. At the local level, potential funding solutions include allowing counties in the region the ability to adopt a $10 optional vehicle registration fee or implement a temporary local transportation revenue source to be voter approved. Regional or corridor transportation reinvestment zones are another option. These reinvestment zones allow for local governments to raise funds that pay for facility improvements by using growth from property and sales taxes from designated areas.

At the State level, studying the effect of alternative fuel vehicles on the motor fuels tax and implementing a user fee for these vehicles is another solution to the transportation funding problem. One way to implement this policy may be an annual fee paid by owners of electric vehicles to offset the lost fuel taxes. Implementing a vehicle miles traveled fee pilot program is another option to explore as a way to create additional revenue for transportation.

Indexing the motor fuels tax to fuel efficiency, as some states have done, could be implemented at both the State and federal levels. Currently, the State motor fuels tax rate is 20 cents per gallon on gasoline and diesel fuels. At the federal level, gasoline is taxed at 18.4 cents per gallon and diesel is taxed at 24.4 cents per gallon. Much has changed since these taxes were last increased nearly three decades ago. Both gasoline and diesel vehicles are more fuel efficient, and electric vehicles have proliferated. If left unchanged, motor fuel taxes simply fail to produce the revenue needed to meet the needs of the region.
The Dallas-Fort Worth area is made up of 12 counties and is the fourth-largest metropolitan area in the nation. North Texas' population grew by 1.2 million people between 2010 and 2020. This amounts to a total population greater than 7.5 million. North Texas is projected to grow to a total population of 11.2 million by 2045.

The region’s population and business growth have made it a crucial part of the statewide economy. Currently, North Texas accounts for over 30 percent of the Texas economy. However, with all this growth, traditional transportation revenue sources are not keeping up with the needs of the region.

The funding available to North Texas is significant, but more is needed to allow the region’s system to operate efficiently as people continue to move here to take advantage of its quality of life and opportunities. Despite the shortfall, the region continues to focus on solutions. The Regional Transportation Council works collaboratively to direct the money to projects that will improve efficiency and will continue to embrace innovation needed to meet transportation needs.