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Toledo Area Regional Transit Authority

# A Better Way of Funding TARTA

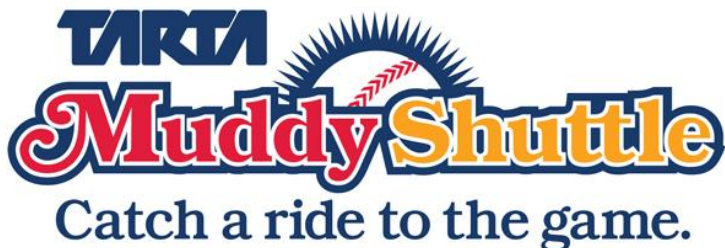


# Organization

- Political subdivision
- 1971 TARTA is created
- 1<sup>st</sup> transit authority under ORC
- Expansion: Perrysburg (1974), Maumee (1979), Waterville (1981)
- 9 member communities



# Types of service





# Rossford



# Rossford Ridership

| Service Type    | 2009 Ridership |
|-----------------|----------------|
| Fixed Route     | 21,780         |
| Call-A-Ride     | 27,980         |
| Sporting Events | 1,200          |
| Total           | 50,960         |



# TARPS Ridership

| Type                        | 2009 Ridership |
|-----------------------------|----------------|
| Rossford registered clients | 24             |
| Rides by residents          | 560            |
| Pickups in community        | 361            |



# TARTA's Challenges

- Changes in regional population
- Changes in demographics
- Changes in jobs
- Changes in places people want to go



# COA Overview

- Needed research to help us face the challenges
- Significant public participation
- Paid for by federal funds. No property tax money used



# COA Recommendations

- Technology
- Improved Call-A-Ride services
- Routes
- Downtown hub
- Replace property tax with sales tax



# Transit sales tax vs. property tax

|                                | Transit Sales Tax  | Property Tax  |
|--------------------------------|--|---|
| Why enact a transit sales tax? | Most equitable way of funding transit. Is more effective and efficient than a property tax | Is regressive and discriminatory since it applies only to property owners |
| How do others fund transit?    | All other major Ohio transit authorities are funded by a transit sales tax or payroll tax  | TARTA is the only transit authority in Ohio still funded by property tax  |
| Who pays?                      | Paid by everyone who makes a purchase within TARTA's service area                          | Paid by property owners only  |
| How often do I pay?            | Pay as you go  | Pay twice a year  |



## What is the cost?

- Average Rossford residence = \$109,500
- Property tax @ 2.5 mills = \$92.30 / year  
(Source: Auditor's Office)
- Transit sales tax – spend \$18,460 / year to equal current property tax
  - Excludes prescriptions and most food



## What is the cost?

- Median Rossford household income = \$53,862
- National average of 31% of income spent on sales taxable purchases  
(Source: Department of Labor)
- Transit sales tax would generate \$83.49 per household
- Savings of \$8.81 or 10% compared to current property tax



# Transit sales tax vs. property tax

|   | Transit Sales Tax  | Property Tax   |
|---|--|--|
| <b>What does passage mean for the future?</b> | Helps TARTA deliver transit service to all Lucas County, expand its level of service and frequency, buy more buses, improve facilities and build adequate financial reserves | Continuation of property tax could mean further reductions in service as well as limiting access to jobs, health care, and educational opportunities |
| <b>What happens to the property tax?</b>      | If transit sales tax passes, TARTA's property tax will be eliminated. This will lower property taxes in TARTA's service area   | If transit sales tax is defeated, the property tax will continue in TARTA's service area   |



# Process

- Get enabling resolutions / ordinances from every member community including Lucas County
- Current structure requires unanimous consent
- Complete action by June 30
- Submit a resolution at the TARTA board's August 5 meeting to put transit sales tax on the November ballot



# Process

- Member community resolutions must consider the following points
  - Agree to change to sales tax
  - Admit Lucas County as a provisional member



# Remember

- All TARTA members and Lucas County must pass ordinances / resolutions to place on November ballot



# Remember

If passes in November

- Property tax replaced by transit sales tax
- Under Ohio Revised Code, TARTA cannot levy both a transit sales tax and a property tax
- Size of TARTA's district expands to include all of Lucas County



# Remember

If fails in November.... maintain status quo

- Property tax continues
- Size of TARTA district remains the same



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Any questions or  
comments?