



# *My Two Cents*

A proposal to provide a dedicated revenue source for funding bicycle and pedestrian infrastructure



# The Current Situation

FUNDING FOR MOST BICYCLE AND PEDESTRIAN IMPROVEMENTS COME FROM SOURCES  
THAT HAVE LITTLE OR NOTHING TO DO WITH WALKING OR BIKING

Local Capital dollars – revenue is from property, sales, meals, and other taxes

Grants (state/federal) – revenue is generally from gas tax  
*as electric/hybrid use goes up, gas consumption goes down*

Developer contributions – requirement from site plans  
(sometimes called proffers or impact fees)





# The Basic Proposal

**CREATE A REVENUE SOURCE FOR FUNDING THAT IS DIRECTLY TIED TO WALKING AND BIKING**

(Nearly) everyone who walks or bikes is wearing shoes and socks. All bicycles have tires.

Most walking and biking in public spaces happens in urban and suburban areas

Most sales of shoes, socks, and bike tires occurs in urban and suburban areas



2 Cents



# How it works



Collect tax at **point of sale** and submit quarterly payments to locality/state along with regular sales tax

Tax stays in locality collected in and must be **earmarked** to trail/park CIP for that use (not general fund)

If state takes a percentage, that revenue goes for inter-regional state level projects and/or state parks

Tax is authorized at the state level for localities to levy if they choose to. It is not mandatory.

*Small rural counties may not collect this, college towns might, cities probably would.*



# Projected revenue

THE AVERAGE AMERICAN BUYS 7.5 PAIRS OF SHOES ANNUALLY (AND ASSUME THE SAME FOR SOCKS)



At 2 cents per pair, per person, that amounts to 30 cents per person on average per year



VA population = 8.4 million people so **\$2.5 million in annual revenue** per year in Virginia

Impact to the average family of 4 is \$1.20 in taxes collected per year



Assume this number may be higher in urban areas due to need for more varieties of shoes and higher income levels, generally speaking.



# The Revenue Stream



If high - funds can be used for construction of new facilities

If medium – maybe used for match to grants so dollars are multiplied

If low – perhaps for maintenance, or for “frosting” projects such as benches, kiosks, plantings, etc.





# Unanswered questions



THINGS TO CONSIDER AS A POLICY IS FURTHER EXPLORED AND DEVELOPED

How is the tax collected – what is the impact on retail sales outlets and staff and accounting?

What impact does on-line sales have in terms of where the tax is collected

Should there be an exclusion for work boots or other specialized or indoor footwear?  
(construction site employees, nurses)



# Another funding source – “Tips for Trails”

Customers of local restaurants, breweries or local utility companies pay into fund

Customer voluntarily agrees to “round up” their bill to the next whole dollar

If a bill is \$23.43, the additional 57 cents is “rounded-up” and put into the trail fund

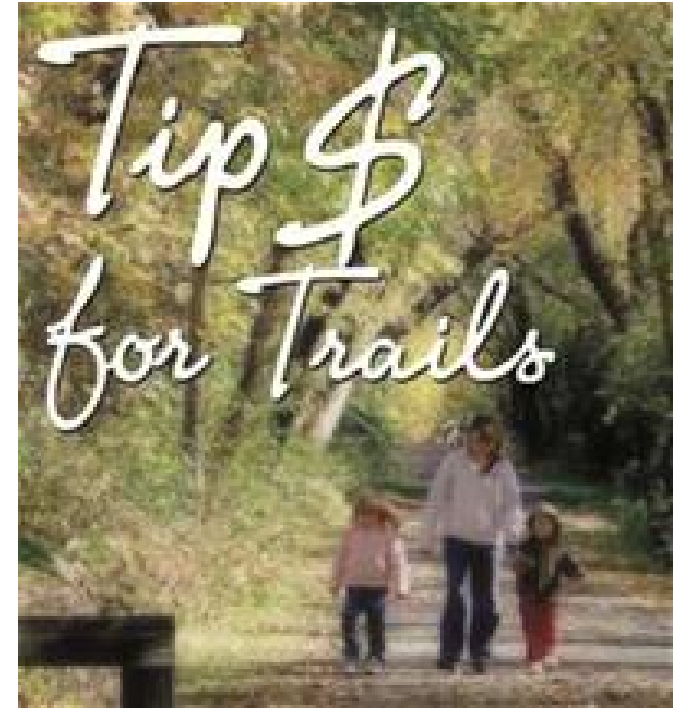


Fort Smith, Colorado

*Allows businesses to donate to trail projects without affecting bottom line*

*Allows customers to fund projects with ease.*

*Works best when trail project is near establishment (wineries, breweries, etc.)*



Indianola, Iowa