



## Transportation User Fee, City of Austin, Texas

The City of Austin is the state capital of Texas and home to the flagship campus of the University of Texas. Called the “Live Music Capital of the World,” the City is known for its eclectic music and nightlife, innovative food scene, dog-friendliness, festivals, and unique vibe. It has over a million residents and is rapidly expanding with sustained job growth.

### Financing Challenges and Indicative Solution

Austin contains thousands of miles of streets. The City uses various strategies to improve the roadway surface and lifespan of these streets. Full-street reconstruction can be costly and time-consuming, and the City wanted to make sure preventive maintenance was in place to reduce these costs and save taxpayer money. To finance this maintenance, a Transportation User Fee (TUF) was established.

### Transportation User Fee

In 1992, the City implemented its TUF. Assessed to residents and businesses based on the traffic they generate, it is a dedicated, sustainable funding source for street maintenance and repair, including annual street overlay and striping, signs, signals, markings, sidewalks, and urban trails. It also includes annual street resurfacing and other activities to keep the City connected and its infrastructure in good condition.

The TUF is charged monthly on utility bills and the revenue can only be used for the transportation system. However, revenue from sources other than the TUF can be deposited in the transportation fund.

Almost everyone who uses the transportation system is required to pay a TUF, and the amount is calculated by fairly distributing the system’s cost. The transportation system includes the structures, traffic controls, streets, rights of way, bridges, alleys, and anything else dedicated to the use of vehicular traffic. It also encompasses accessory pedestrian facilities, such as sidewalks, along with their acquisition, construction, operation, administration, repair, maintenance, improvement, and extension.

The TUF is based on the estimated number of trips a property generates, depending on size and use, and it is adjusted by the City Council during the annual budget process. New rates go into effect each November and, for residential customers, the TUF is variable. For instance, on November 1, 2019, per dwelling unit, it became \$12.79 for a house/garage apartment, \$11.51 for a duplex, \$9.60 for triplex/fourplex or townhouse/condo, \$8.46 for a motor home, and \$10.03 for a building with five or more units. For businesses, it became \$63.98 per developed acre multiplied by the usage category (based on the business type).

The TUF for residential properties is the monthly fee per acre multiplied by the trip factor (the estimated number of daily trips per acre for a developed property, divided by 40) multiplied by



.2 for each single-family residence; .143 for each mobile home; .1 for each duplex, two-family residential, townhouse residential, or condominium unit; .0833 for each unit in a multifamily development with three or four units; .04 for each unit in a multifamily development with five or more units; or the developed acreage. The TUF for non-residential properties is the monthly fee per acre multiplied by the trip factor multiplied by the developed acreage.

The City assumes that, per acre, there are five single-family residences; seven mobile homes; 10 duplex, two-family residential, townhouse residential, or community units; 10 duplex, two-family residential, townhouse residential, or condominium units per acre; 12 multifamily units in developments of three or four units; and 25 multifamily units in developments of five or more units.

Per acre, per day, residential use generates approximately 40 trips; mobile home use generates approximately 35 motor trips; duplex and two-family, and multifamily residential use with fewer than five units generate approximately 70 motor vehicle trips; and multifamily residential use with five or more units generates approximately 150 motor vehicle trips. Per acre and per day, group residential use, retirement housing use, and bed and breakfast residential use generate approximately 200 motor vehicle trips.

Non-residential use generates 200 or more motor vehicle trips per acre, per day, with exceptions. Per day, 180 motor vehicle trips per acre are generated by administrative and business offices, financial services, medical offices, professional offices, software development services, administrative services, counseling services, guidance services, and communication services. Per day, 80 motor vehicle trips per acre are generated by aviation facilities, railroad facilities, and transportation terminals. Per day, 56 motor vehicle trips per acre are generated by research warehousing services uses. Per day, 40 motor vehicle trips per acre are generated by private primary educational facilities, private secondary educational facilities, business or trade schools, colleges and university facilities, convenience storage, and limited warehousing and distribution. Approximately 20 motor vehicle trips per acre, per day, are generated by religious assemblies and marinas. Approximately 16 motor vehicle trips per acre, per day, are generated by electronic prototype assembly services, research assembly services, research services, basic industries, light manufacturing, and resource extraction services.

No more than 200 trips per acre, per day, are assumed for any property and its use does not depend on zoning. If a property fits more than one category of use, it is assigned the trip factor that most accurately reflects the trips it generates.

The developed acres of a non-residential property are determined by starting with the total number of acres and subtracting the acres in their natural state and 90 percent of the acres not in their natural state that are part of an area .2 acres or greater and not under impervious cover. If property appraisals are unavailable, the size is determined by the best available information. If a non-residential property includes a building of eight stories or more, the developed acreage is the square footage of the building, expressed in acres, minus any space devoted to a parking garage.



Exemptions include properties that are vacant or used only for off-street parking, the State, counties, independent school districts, and public institutions of higher education. Residential customers may be eligible for exemption if the person responsible for paying the utility bill is 65 or older, or does not own or regularly use a private vehicle. Users entitled to an exemption must notify the City, and any TUFs paid before notification may not be refunded.

Disputes about the determination of TUF amounts can be made by applying for a hearing and, if the outcome is disputed, it can be appealed. Failure to pay the TUF can result in utility services being discontinued.

The City's TUF not only ensures sustainable funding for managing and maintaining public right-of-way infrastructure, but also saves taxpayer money. By making regular upkeep possible, it prevents the need for costly and time-consuming full reconstruction.

Source:

[Austin, TX – Demographics](#)

[Austin, TX – Transportation User Fee](#)

[Insider Guide Austin](#)

[Austin code of Ordinances](#)