

Fuel Excise Tax Proposal

How will debt and a potential fuel excise tax affect property taxes?

New revenue will reduce property tax increases by distributing the financial responsibility to more than just property taxpayers.

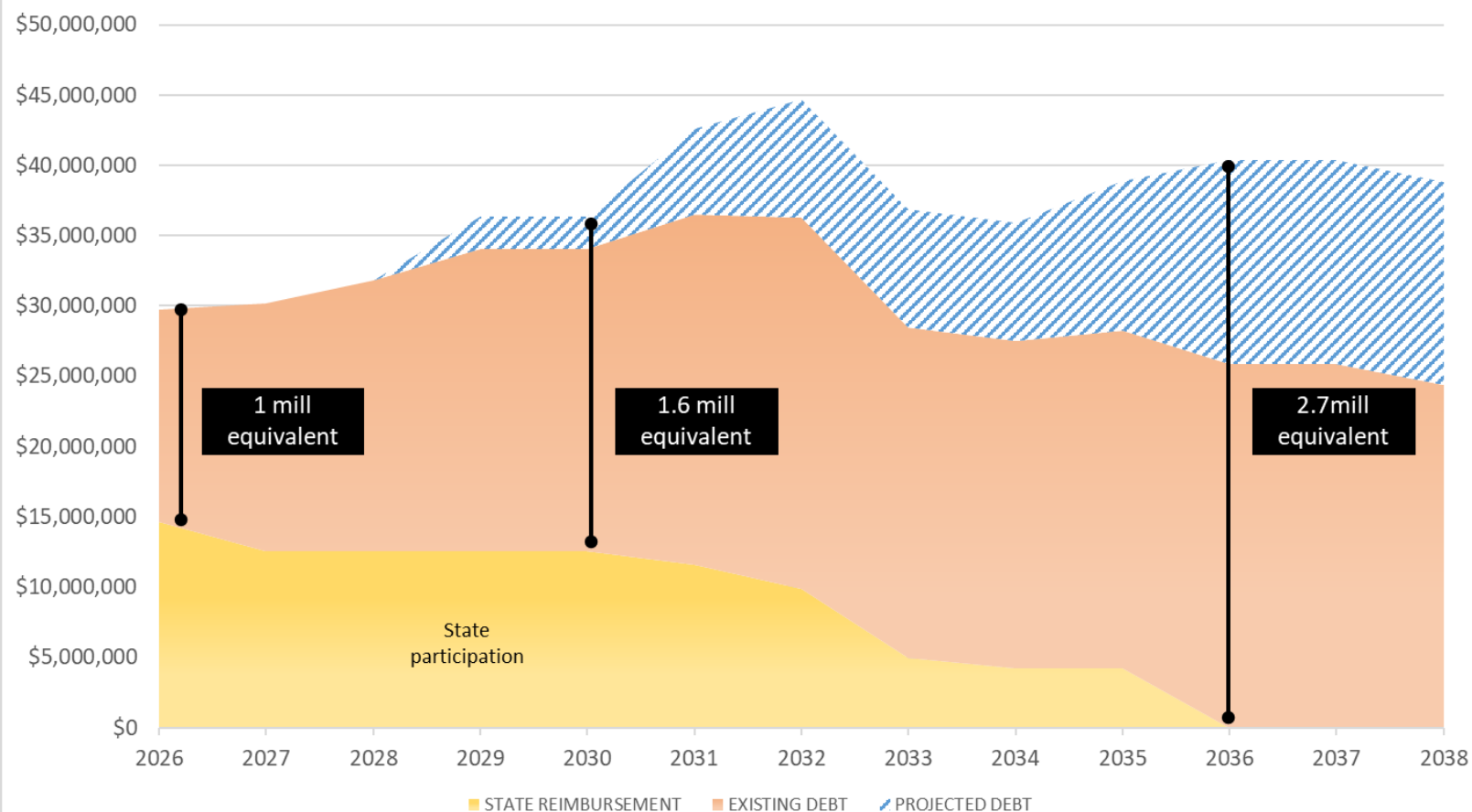
Borough annual bond debt will become more of our annual spend based on projections:

2025: 1 mill (12% of overall mill rate)
2030: 1.6 mills (19% of overall mill rate)
2036: 2.7 mills (32% of overall mill rate)

The current total areawide mill rate is 8.485 mills

- The fuel tax proposal is about pay-as-you-go as opposed to selling bonds (debt) in the future for road improvements
- New revenue for capital, not to fund government
- This tax does not apply to aviation, marine, or home heating fuels
- Tax will generate ~\$5 million annually
- Road Service Areas (RSAs) still provide maintenance and minor improvements
- Unlike property taxes, which burden only residents and landowners, a fuel excise tax captures revenue from all road users, including tourists and visitors
- State participation (e.g., school bond debt reimbursement) is tapering off over the next decade
- If approved, it would go into effect January 1, 2026

10-Year Debt Projection



Key Assumptions

- Three \$30M road packages (years 3, 6, & 9) and two \$50M school packages (years 5 & 10)
- No State support moving forward
- Utilizing today's mill equivalent for evaluation
- 20-year bonds at a 5% interest rate