

Fuel Excise Tax Proposal

Why Consider a New Tax?

Pay-As-You-Go vs. Credit

💰 Avoid debt.

Paying as you go (like saving for a new roof) avoids interest.

Benefit: Saves money in the long run.

Sharing the Cost

🚗 Everyone uses the roads. A fuel tax lets all drivers chip in, not just property tax payers.

Benefit: Shares tax burden with visitors.

Preventing a Squeeze

📈 Avoid future budget strain. Debt now is 12% of the budget—could hit 32% in 10 years.

Benefit: Reduces risk of property tax increases later.

Fuel Excise Tax Proposal Highlights



**7 CENTS
PER GALLON**

**TAX SHOULD GENERATE
\$5 MILLION ANNUALLY**

**TAX DOES NOT APPLY TO
AVIATION, MARINE, OR
HOME HEATING FUELS**

- On the November 2025 ballot for the public to advise the Assembly
- Split revenue 50% for future road projects (as opposed to financing) and 50% for property tax relief
- Road Service Areas (RSAs) still provide road maintenance and minor improvements
- Could help to address ~300 miles of Borough unmaintained roads

Why now?

- State support for school bond debt reimbursement goes from ~\$15 million in 2026 to zero by 2036 leaving all school capital to local funding
- No State support for road bond package since 2011

10-Year Debt Projection

Vertical lines below show the amount of annual debt being paid by local funds (property taxes)

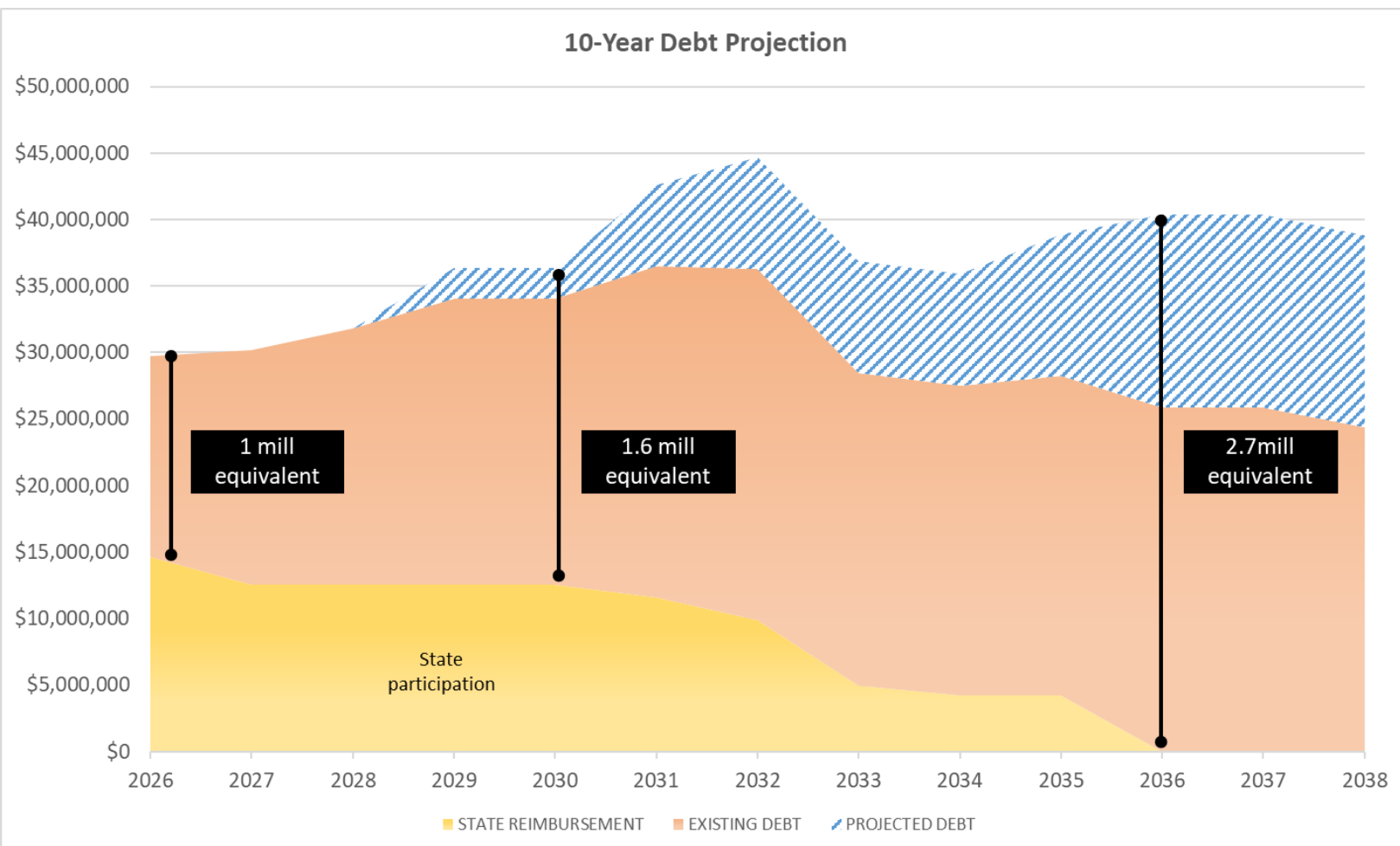
Debt will become more of our annual spend based on projections:

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

The current areawide mill rate is 8.485 mills

- The yellow area labeled 'State participation' depicts funding provided by the State for school capital improvements
- The orange shaded area shows existing debt obligations
- The hashed blue area shows the impact of potential future ballot propositions

Note: all debt must be approved by voters



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