Due to a formatting issue, July NACE News is being reissued. We're sorry for the inconvenience.

NACE News
The Voice of County Road Officials · Monthly Publication · Washington, DC

NACE Executive Committee Update

By: Matt Machado, PE, LS, NACE Secretary / Treasurer, Deputy CEO, Director of Community Development & Infrastructure, Santa Cruz County, CA

The History of Fuel Taxes—and What It Means for Counties

For counties across the country, maintaining local roads and bridges isn't optional—it's essential to public safety, economic vitality, and day-to-day mobility. Counties maintain more than 40% of the nation's roads and bridges, often while managing substantial deferred maintenance.

That's why understanding the history of federal and state fuel taxes is so important for county engineers and transportation leaders. The fuel-tax model helped build America's highway system—but its design also created predictable funding challenges over time, especially as inflation and vehicle efficiency changed what "per-gallon" revenue can cover.

Federal fuel taxes: A system that hasn't kept pace with inflation.

The first federal gasoline tax was created on June 6, 1932 through the Revenue Act of 1932, starting at 1 cent per gallon during the Great Depression.

Key federal milestones include:

- 1932 – 1 cent (President Herbert Hoover): emergency budget balancing
- 1956 – 3.1 cent increase (President Dwight Eisenhower): helped finance the Interstate era

- 1983 – 5 cent increase (President Ronald Reagan): aimed at repairing national transportation assets
- 1990 – 5 cent increase (President George H.W. Bush): included deficit reduction/infrastructure funding
- 1993 – 4.3 cent increase (President Bill Clinton): dedicated infrastructure funding response

The core issue is that the federal gas tax is not indexed to inflation. Since 1993, it has lost roughly 60% of its purchasing power—meaning the revenue counties rely on for system preservation buys far less today than it did decades ago.

To match the purchasing power of 1993, the fuel tax would need to be over $0.50 per gallon rather than the current rate of $0.184 per gallon.

State fuel taxes: growth, then “funding drift” with time.

Fuel taxes spread quickly at the state level in the early 20th century. By the 1930s, states were already collecting meaningful per-gallon revenue to support highways.

However, as with the federal tax, many state fuel tax structures struggled to keep pace with:

- rising construction and maintenance costs
- changing vehicle fuel economy

shifting vehicle technology (including electrification)

California as a case study: how counties feel the impacts

California’s fuel-tax evolution illustrates what happens when revenue mechanisms lag behind real costs—and how targeted policy changes can help, but not solve everything.

Key California milestones

- 1923: first state gas tax at 2 cents per gallon
- 1940s–1980s: incremental increases as the highway system expanded (reaching 9 cents by 1983)
- 1990s: hikes pushed the rate to 18 cents by 1994 for more than a decade

- 2010 “Fuel Tax Swap”: reduced the sales tax portion on gasoline while shifting toward a variable excise structure
- 2017 SB 1 (Road Repair and Accountability Act): added a 12-cent increase and introduced annual inflation adjustments

Today’s result (and its significance)

California’s state excise tax is now 63.4 cents per gallon — the highest in the nation.

This matters for county engineers because when state revenue is stable, counties can better plan capital projects and lifecycle maintenance. When it isn’t, deferred maintenance grows—and that creates cascading costs for local jurisdictions.

Fuel taxes aren’t the only charges counties consider—but they’re foundational.

California’s roadway maintenance funding is transitioning from traditional, gas-tax-based revenues to user-based models and targeted state investments. The future relies on inflation-adjusted fuel taxes, localized sales tax measures, expanded Zero-Emission Vehicle (ZEV) fees, and pilot programs aimed at replacing gas taxes with a permanent Road Charge. Because electric vehicles do not pay gas taxes, California enforces annual registration surcharges (up to $165 depending on the vehicle) to ensure drivers contribute to infrastructure wear and tear. California has moved past pilot phases toward evaluating a permanent statewide Road Charge system. This would tax drivers based on vehicle miles traveled (VMT) rather than fuel consumed, protecting the revenue stream as gas-powered cars are phased out, or as fuel efficient cars continue to improve.

And for counties—especially those not capturing the same revenue streams as the state or federal government—predictable transportation funding is directly tied to asset condition, staffing, and delivery capacity.

A reliable funding system must match today’s realities. Whether the question is pavement preservation cycles, bridge deck rehabilitation, storm-related drainage improvements, or ADA and safety upgrades, counties face the same challenge:

The per-gallon fuel tax model has lagged (historically) behind:

- inflation and construction cost escalation
- changes in fuel consumption (efficiency, market shifts)

- evolving vehicle technology and future revenue risk

Counties need to band together to support solutions that help local governments:

- maintain transportation assets in a state of good repair
- plan multi-year capital programs confidently
- protect public safety without forcing constant emergency repairs

Updating the system is a county infrastructure issue. The history of federal and state fuel taxes shows why today's funding can fall short — especially when revenue mechanisms don't automatically respond to inflation and evolving travel patterns. To meet county infrastructure needs, the funding system must better align with the lifecycle realities of roads and bridges.

NACE Updates



NACE President Pam Dingman presents the NACE Update at the National Association of Counties Annual Conference in New Orleans.

NACE Communties



How to Build Your NACE Communities Directory Profile

Did you know a full member directory can be found in NACE Communities and every member can create their own personal profile? Profiles are very similar to LinkedIn profiles. You can provide as little or as much information as you like. In the very least, we suggest members update their profiles with email and telephone numbers. To learn how to set-up your profile, please click **HERE**.

Meet the Member



Name: Lance Malburg
Title: Engineer
County: Dickinson County, Michigan

How long have you been involved in NACE? 21 years

What has been your favorite volunteer role with NACE?
Chairman of the pavement Preservation committee. Got to know a lot of really smart people doing a lot of really interesting things.

When did you know you wanted to pursue a career in Engineering?
High school, I knew I wasn't creative enough to discover something like a scientist, but engineers apply knowledge discovered by others and i knew i could do that.

What's the best advice you've ever received, either personally, professionally or both? Was told by a past Engineer/ boss Joe Dickrell when working for West Chicago about 30 years ago. "You make mistakes because you have a lack of experience. But you won't get experience until you make mistakes." He also said, "The best experiences to learn from are someone else's mistakes." "Don't be afraid of making mistakes. If you don't make mistakes, you are not doing anything new and are going to fail."

NACE Learning

August 4, 2026 - 2pm EST

CMC Presents;
How Counties Get It Done: A Step-by-Step Project Management Guide to Culvert & Bridge Replacements



Many counties already self-perform culvert replacements – but when it comes to bridges, most still rely on traditional delivery methods. The difference isn't capability –

it's **project management approach**. In fact, with the right system, a modular bridge can be **as straightforward – or even easier – to install than a culvert**.

In this practical, experience-based webinar, Steven Noble shares a **step-by-step guide** to managing bridge replacement projects using a hybrid delivery model – helping counties take greater control of schedule, cost, and construction.

Drawing on real projects from counties across the nation, **this session breaks down how county engineers successfully coordinated consulting engineers and contractors**, managed construction and installation sequencing, and effectively utilized county forces alongside specialized subcontractors. By aligning these efforts through strong project management, counties were able to deliver projects faster while minimizing road closures and reducing overall costs.

Attendees will gain actionable insights into **how counties are bridging the gap from culverts to bridges**, what decisions have the biggest impact on outcomes, and how to confidently manage projects that were traditionally outsourced.

Whether you're currently replacing culverts in-house, exploring your first bridge replacement, or have an experienced crew, this webinar provides a **clear, practical playbook** to deliver faster, more predictable, and more resilient infrastructure.

Learn how counties like yours are expanding their capabilities – and getting it done.

Attendees earn (1) Professional Development Hour

REGISTER HERE

Click Here for the full NACE Connect Schedule

NACE 2027 Annual Conference

Call for Presentations is Now Live!



NACE invites county engineers, association partners, and Corporate Members to submit presentation proposals to the NACE Technical Program Committees for consideration for the 2027 Annual Conference in Cleveland, OH (April 5-8).

NACE technical sessions provide Professional Development Hours (PDH) for attendees so all proposals should provide educational content instead of a direct sales pitch. All submissions will be sent to the appropriate committee chair after the deadline which is noon EDT on AUGUST 12.
Preference is given to NACE members. Speakers will receive a $100 discount on conference registration. Speakers are responsible for their own travel and accommodations.

Alternatively, companies can be guaranteed a 1-hour slot by sponsoring one of the technical tracks or participating in the Innovation Breakfast on the last morning. Please contact Staci@countyengineers.org for more information.

The NACE 2027 Exhibitor and Sponsorship Prospectus will be available on September 9th.
Questions? For questions about specific tracks, please reach out to the NACE Committee Chairs.

Unpaved Roads- Brad Ketels- Brad.Ketels@linncountyiowa.gov

Structures & Environment- Alex Davis- adavis@co.buchanan.ia.us

Safety & Technology-Johannes Hoevertsz- Johannes.Hoevertsz@sonomacounty.gov

Emergency Preparedness- Josh Harvill- josh.harvill@chamberscountyal.gov

Executive Management/Leadership- Andrew McGuire- amcguire@keokukcounty.iowa.gov

Pavement Preservation- TBD

Presentation Submission Form



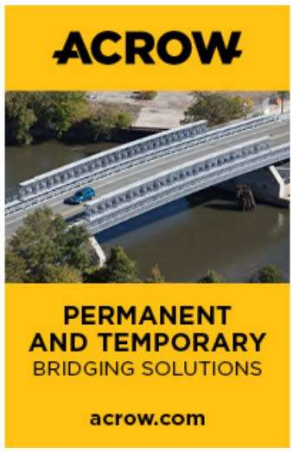
[Funding extension passes House, heads for Senate rewrite]
[Competing bills aim for elusive changes to drug discount program]
[New Jersey accidentally registered 6,600 noncitizens to vote years ago, governor says]
[House Highway Bill Costs At Least $100-$235 Billion Over a Decade]
[France becomes first European Union country to ban social media for kids under 15]
[NACo Legislative Analysis: BUILD America 250 Act]
[DOT Navigator]
[Competitive Grant Funding Matrix]

Career Board

Staff Engineer or Senior Staff Engineer
Contact Email: Ben.Gerdes@eaglecounty.us
Contact Phone: 970-328-8790
Organization: Eagle County Government
Location: Eagle County, CO
Salary Range: $82,000-132,000
Description: Eagle County Government is looking for a talented Civil Engineer to join our team at two levels: Staff Engineer or Senior Staff Engineer. Please apply online at eaglecounty.us/jobs
Deadline: Applicants are encouraged to apply by Monday, August 17th, however the job will be posted until filled.
[Full Job Description]
[Job Posting]

Additional NACE Career Opportunity Postings

Brought to you by
our NACE Corporate Members





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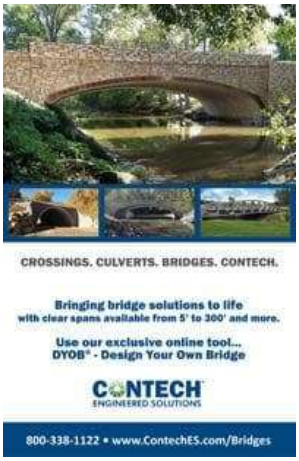
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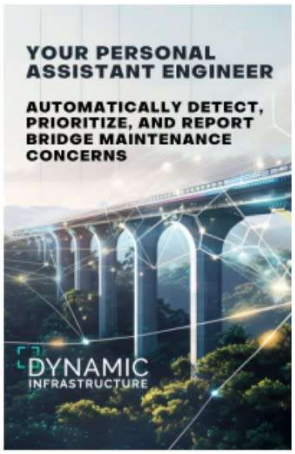
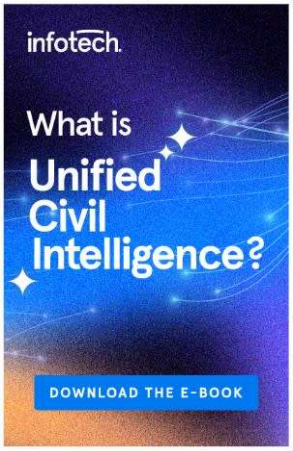

YOUR PERSONAL ASSISTANT ENGINEER
AUTOMATICALLY DETECT, PRIORITIZE, AND REPORT BRIDGE MAINTENANCE CONCERNS
DYNAMIC
INFRASTRUCTURE



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