New Hampshire Becomes Latest State to Raise Gas Taxes

New Hampshire’s first gas tax increase in more than 20 years won final approval in the state legislature this week. Meanwhile, the defeat of a ballot measure to increase sales taxes and enact a car tab fee to fund transit service in Seattle’s King County means residents will see cuts in bus service hours just as ridership is on the rise. Plus, just as the Highway Trust Fund gets ready to run dry, there are renewed concerns about the condition of bridges in the United States. I also have the usual updates and links to items on MAP-21 reauthorization and the future of the Highway Trust Fund, state activity on transportation revenues, public-private partnerships and tolling, and state multi-modal strategies. And I have news about a worthwhile conference you’ll want to add to your summer travels.

New Hampshire Becomes Latest State to Raise Gas Taxes

New Hampshire’s tax on gasoline and diesel will increase by 4.2 cents per gallon in July as a result of legislation that won final approval this week.

Gov. Maggie Hassan said the 193-141 vote in the Democratic-controlled House “represents an important step toward addressing our transportation needs.”

“I look forward to signing this bipartisan legislation into law so we can keep New Hampshire’s economy moving forward by advancing critical road and bridge projects and finishing the long-overdue expansion of I-93,” Hassan said in a statement.

New Hampshire joins six other states and the District of Columbia that have acted since the beginning of last year to increase funding for transportation. The burst of revenue increases followed three years of inactivity on that front.

The New Hampshire bill commits 42 percent of the new revenue to bonding for the widening of I-93 from Salem to Manchester, according to The Concord Monitor. Thirty-three percent of the revenues will go to municipalities for local road and bridge repairs and another 25 percent will go to repairs of secondary state roads in fiscal years 2015 and 2016. The bill includes a sunset provision that would repeal the tax increase in 20 years or when bonding for the I-93 project is paid off.

Although some Republicans opposed the measure saying it will put a major strain on the wallets of New Hampshire families that can least afford it, the bill’s chief sponsor Sen. Jim Rausch, who is a Republican, noted that if the entire 4-cent increase is reflected at the pump, it would cost someone who drives 10,000 miles annually at 25 miles per gallon roughly $16 a year.

Voters Reject Transit Funding Plan in King County, Washington

Voters in Seattle’s King County rejected a ballot measure this week that would have increased the sales tax 0.1 percent and enacted a $60 car-tab fee, The Seattle Times reported. The $130 million in anticipated revenues were to be divided among King County Metro Transit and local road departments.
The defeat of the measure means that for starters 30 bus routes will end in September and 12 will be scaled back, the paper said. But three additional rounds of deeper cuts are expected by September 2015 under a proposed plan the King County Council is expected to vote on in June. The goal is to reduce service hours by a total of 16 percent.

An initiative offered by transit supporters to raise property taxes in Seattle to prop up bus service could be considered on the November ballot, but that would be too late to avoid the first round of cuts.

ARTBA Sounds the Alarm about Nation’s Bridges

According to an American Road and Transportation Builders Association analysis of federal bridge data, there are over 250 million daily crossings on 63,207 structurally deficient bridges in the United States.

But that problem could get even worse if states see a slowdown in reimbursements for already approved federal-aid highway projects as a result of the pending insolvency of the federal Highway Trust Fund. ARTBA chief economist Dr. Alison Premo Black said this week that without Congressional action, there would be no Highway Trust Fund support for any new road, bridge or public transportation projects in any state for FY 2015.

“Letting the Highway Trust Fund investment dry up would have a devastating impact on bridge repairs,” she said in an ARTBA press release. “It would set back bridge improvements in every state for the next decade. ... The bridge problem sits squarely on the backs of our elected officials. The state transportation departments can’t just wave a magic wand and make the problem go away. It takes committed investment by our legislators. Members of Congress need to come to grips with that.”

MAP-21 Reauthorization & the Future of the Highway Trust Fund

- President Obama plans to submit a legislative proposal to Congress for renewing federal transportation spending, The Hill reported this week. U.S. Secretary of Transportation Anthony Foxx wrote in a blog post that the administration will issue a draft of a proposed MAP-21 reauthorization bill “soon.”
- Yonah Freemark at The Transport Politic blog has the full text of his recent interview with Foxx. Among the topics he addresses: the role of the federal government in the transportation system, potential new federal revenue sources and the possibility of future tolling on interstate highways.
- Delaware: The News Journal noted recently that as Gov. Jack Markell makes the case for a state gas tax increase, Delaware’s senior U.S. Senator Tom Carper is pitching a federal gas tax increase to shore up the Highway Trust Fund.
- Georgia: The Atlanta Regional Commission’s board of directors voted this week to approve a resolution asking the Georgia congressional delegation to resolve the future of the Highway Trust Fund and keep transportation money flowing to the state, David Pendered of the Saporta Report writes. Jane Hayse, who directs the ARC’s Center for Livable Communities, explained that in normal times, Georgia provides all the funding for a transportation project and then is reimbursed by the federal government. The U.S. DOT has informed state officials that it will slow down reimbursement payments in order to protect the balance available in the trust fund, which is expected to be insolvent in August. The current funding match for many transportation projects in Georgia is 80 percent federal and 20 percent state or local.
- Tennessee: TDOT Commissioner John Schroer was warning again this week about the potential impact of trust fund insolvency on his state’s transportation budget, The Knoxville News-Sentinel reported. “We are at a critical point in federal transportation funding, and without action there
will be major impacts to Tennessee Department of Transportation programs,” he said. “We would be forced to develop an alternate program that reflects the loss of federal dollars and focuses exclusively on the maintenance of our existing pavement and bridges rather than new projects.”

- Transportation for America has a new brief just out entitled “Building on MAP-21: Renewing a Federal Commitment to Transportation.” [15] It outlines policy proposals the group believes can help rejuvenate the federal transportation program. Among them: strengthening the nation’s transportation fund with a multi-year commitment of funds and a focus on reinvesting in the repair and preservation of aging infrastructure; spurring local initiative and innovation through competition and incentives; reducing freight bottlenecks; leveraging innovative financing and public-private partnerships for taxpayer benefit; connecting workers with employers; nurturing and propagating the next generation of transportation innovations; and improving return on investment and recognizing good performance.

- Beth Osborne, who recently joined Transportation for America after five years at U.S. DOT, looks at “The Key to Saving the U.S. Transportation Program” [16] in a piece for The Atlantic Cities blog.

- Baruch Feigenbaum of the Reason Foundation looks at “Finding a Sustainable Highway Funding Source” in a series of recent posts (see here [17] and here [18]). He argues mileage-based user fees are the best option.

### State Activity on Transportation Revenues

- **Florida:** The House of Representatives this week passed a bill that outlines a vision for the state’s transportation future, The Tampa Bay Times [19] reported [19]. It calls for more toll roads and would encourage more cellphone towers on state property to raise money to build roads. It makes little mention of transit and no mention of raising the gas tax, the newspaper said.

- **Maine:** An economist at the Maine Center for Economic Policy argues in a recent Morning Sentinel [20] op-ed [20] the state needs to reconsider a 2011 tweak to the gas tax that has reduced the balance of the state’s highway fund. Joel Johnson writes that “While many states, even some led by Republican governors, have raised gasoline and diesel taxes in recent years to pay for critical maintenance and improvement to their transportation networks, Gov. (Paul) LePage and the 125th Legislature took Maine in the opposite direction, cutting gasoline and diesel taxes in 2011 by breaking their automatic link to overall price inflation. With that change now in effect, Maine’s highway fund is en route to oblivion. ... Allowing inflation to eat away at the primary source of funding for critical infrastructure is irresponsible stewardship of Maine’s publicly-owned and funded transportation assets. Maine lawmakers should return the highway fund to long-term financial health and help Maine drivers get out of the repair shop and back on safe, well-maintained roads.”

- **Michigan:** House Speaker Jase Bolger urged action this week on a proposal to dedicate an estimated $450 million to Michigan roads and bridges next year and up to $500 million annually by 2018. “It’s time we stop talking and start doing,” Bolger told members of the House Transportation Committee, Michigan Live reported [21]. “If you drove in this morning, you experienced what our constituents experience. And that is potholes. That is roads that are crumbling. While we had a particularly harsh winter, that is not the cause of what we’re facing. It simply highlighted what we’re facing. And that is long-term underinvestment in our infrastructure. Long-term underinvestment in our roads.” [By the way, there was an interesting discussion on the National Journal’s [22] Transportation Insiders blog [22] this week looking at the issue of whether potholes are an appropriate rhetorical device to talk about the lack of infrastructure funding around the country]. Bolger’s plan would change the way vehicle fuel is taxed and devote a portion of sales and use tax revenue to Michigan roads. It would repeal existing fuel excise taxes, institute a 6-percent wholesale tax, and increase permit fees for overweight or oversized vehicles. Other measures under consideration would authorize the Michigan Department of Transportation to move forward with public-private partnerships, eliminate registration exemptions for some specialized vehicles, devote late payment fees to roads and require motorists to pay any registration fee differences when
transferring a plate to a new vehicle rather than waiting until they renew. Even supporters concede the plan’s revenue enhancements would not address the entirety of Michigan’s transportation funding needs though, which some estimates put at $2 billion a year. Still, they hope it’s a politically feasible step that could lay the groundwork for a more comprehensive solution down the road.

**Public-Private Partnerships & Tolling**

- **Colorado:** The state Senate is considering legislation that would more sharply define the state’s ability to use P3s to pay for I-70 and other transportation expansions, *Mountain Town News*[23] reported recently [23]. The measure would restrict P3 contracts to a maximum of 35 years unless expressly authorized by the state legislature. That’s 15 years less than the contract approved for U.S. 36 this winter. Another component of the bill would specify standards for public transparency, requiring public and legislative check-ins including town hall meetings at critical points in the process.

- **District of Columbia:** District officials are considering the possibility of future tolls on the 14th Street Bridge, Southeast/Southwest Freeway and D.C. 295 from the 11th St. Bridge to the Maryland line, *The Washington Post*[24] and *WTOP*[25] reported recently.

- **Florida:** FDOT announced their selection to design, build, finance, operate and maintain the I-4 Ultimate project, which is expected to be a 40-year, availability payment contract at a design and construction cost of $2.3 billion. The I-4 Mobility Partners team includes some familiar faces in the P3 world, including Skanska, according to Nossaman’s Infra Insight Blog.[26]

- **Kentucky:** Aaron Renn at The Urbanophile blog wrote recently [27] about what may be behind a reported increase[28] in the cost of a tunnel being constructed by the state of Indiana in Kentucky as part of the Ohio River Bridges Project.

- **New York:** Capital New York reported recently [29] that congestion pricing in New York City may be getting another look. A plan under consideration could add tolls to East River crossings but lower tolls on outer-borough bridges.

- **Virginia:** Virginia Secretary of Transportation Aubrey Layne told state lawmakers this week that if the stalled $1.4 billion U.S. 460 55-mile toll road project between Petersburg and Suffolk never gets built, Virginia taxpayers could be out $400 to $500 million, *The Richmond Times-Dispatch*[30] reported [30]. The contract signed by VDOT for the roadway gives the third-party nonprofit bond holder (the Route 460 Funding Corporation) the right to seek money from the state to recover all of its costs if the contract is terminated. Gov. Terry McAuliffe shut down the project last month when he learned it had already consumed $300 million of its budget even before ground was broken or environmental permits secured.
Want more discussion on public-private partnerships? For the fourth year in a row, CSG will serve as a supporting organization for the InfraAmericas U.S. P3 Forum. The event takes place June 17-18 at the Grand Hyatt in New York City. It brings together infrastructure developers, investors, financiers, state and federal public officials and regional transportation authorities for a variety of panel discussions on the state of the P3 industry. You can find out more about the event including how you can register to attend here. The conference is well worth adding to your summer meeting itinerary. Among the panels at this year’s event is one featuring DOT officials from states that have recently passed P3 legislation including Arizona, Massachusetts and Pennsylvania. States that pioneered P3s will also be highlighted and officials from those states will discuss what’s next. Successful P3 procurement processes will be examined and P3s in transit, ports, airports and social infrastructure will also get the spotlight. I’ll have more to tell you about the forum in the weeks ahead. In the meantime, check out my coverage of last year’s event for an idea of what it’s like to attend. And reserve your spot to join us in the Big Apple.

State Multi-Modal Strategies

Active Transport

- Connecticut: The state Senate this week approved legislation to help protect pedestrians and other vulnerable users of public roads, The New Haven Register reported. The bill, which now goes to the House for consideration, creates a fine of up to $1,000 for motorists convicted of causing serious injury or death to a pedestrian. “This is a much needed step towards increased driver

- **Florida:** A coast-to-coast, 250-mile bike trail across Central Florida appears poised to receive $15.5 million in next year’s state budget, CBS Miami reported [34]. The money, which won the approval of House budget conferees this week and which is a pet project of the next Senate president, would be used to start filling in gaps between existing bicycle and pedestrian trails. Gov. Rick Scott vetoed a previous incarnation of the trail last year, when it was included as a $50 million budget item.

- **Oregon:** Portland City Commissioner Steve Novick and Portland Bureau of Transportation Director Leah Treat recently unveiled the projected fees businesses might pay if the city creates a new street maintenance fee to improve the safety of intersections, build new sidewalks and make other improvements. *Willamette Week*. [35] has more [35].

**Transit**

- **Georgia:** A proposed bus rapid transit system in Cobb County could be funded in part with money from the special-purpose local-option sales tax, *The Marietta Daily Journal*. [36] reported [36], [36].

- **Nebraska:** Streetsblog USA reported this week [37] on Omaha’s new transit plan and its potential to make the city more walkable.

- **Tennessee:** According to Streetsblog USA “State Interference in Nashville (bus rapid transit) Could Have National Implications.” [38]

- **Virginia:** It looks like the first leg of the Metro Silver Line extension is back on track to open this summer after an agreement was reached for the Metropolitan Washington Airports Authority to have additional time to complete work on the $5.6 billion rail line even after the project is officially turned over to the Washington Metropolitan Area Transit Authority, *The Washington Post* [39] reported [39]. The agreement follows seven months of delays and tens of millions of dollars in cost overruns. Meanwhile, MWAA officials said recently they don’t expect tolls on the Dulles Toll Road (which are being used in part to fund the Silver Line) to increase for the next four or more years, according to WTOP [40].

- The former head of the Chicago and Washington, DC transportation departments takes a look at various ways to fix urban transportation systems using “carrots and sticks” in a recent piece for *The Atlantic Cities blog* [41]. Gabe Klein writes: “The truth is there’s no silver bullet. But cities can still do a better job providing mobility than they do now, and they can start by focusing on the ‘sticks’ and ‘carrots’ of transportation. That means improving transportation options on one hand, and creating disincentives to driving alone on the other.” Klein says he is often asked whether streetcars or bus rapid transit systems are “better” since he championed both in different cities, but he finds the debate “futile.” “Cities are complex ecosystems with varying transportation needs that are context-sensitive,” he writes. “Neighborhood type, time of day peaks, age and physical ability of citizen population, mix of retail options available by distance, historical land-use patterns—all these and many other factors influence the urban travel network.”

- Millennials want access to better transit options and say they would consider moving to another city if it had better options for getting around, according to a new survey released this week [42] by The Rockefeller Foundation and Transportation for America.

- Danielle Kurtzleben of Vox Media has “Everything you need to know about the streetcar craze.” [43]

**Cargo/Freight/Ports**

- **North Carolina:** Paul Cozza, the new executive director of the North Carolina Ports Authority is hoping to grow trade and commerce at the state’s ports in the years ahead, WWAY Newschannel 50 reported [44]. The authority’s board of directors has created a committee to take a look at its relationship with the state and examine how other states’ ports relate to their state government. The administration of Gov. Pat McCrory plans to release a 25-year infrastructure plan this summer that will include a special objective for the ports.
A meta-analysis on the North American Free Trade Agreement released by the Texas A&M Transportation Institute this week provides an overview of barriers to further economic success under the 20-year-old agreement, according to a press release. Among the conclusions: "Infrastructure development and process modernization have not kept pace with growth, creating bottlenecks and congestion, particularly at land ports of entry. The modernization of land border-crossing practices, the use of technology and the addition of key infrastructure could address the issue."

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