With many legislatures wrapping up sessions this month or already adjourned sine die, it seems like a good time to check in on efforts to seek additional transportation revenues. This year appears to be holding true to form as an even-number election year when votes for gas tax increases and other measures are a bit harder to come by. Still, some states have experienced limited success in moving measures while others remain hopeful for action this year on the transportation funding front.

State Transportation Funding Updates 2018

- **Arizona**: Senate Transportation & Technology Committee Chairman Bob Worsley couldn't find the votes to raise the gas tax at the state level this year but he did win support for a measure to permit the state’s 13 rural counties to ask their voters to impose a one-cent sales tax on themselves for road construction and repair, *Tucson.com reported* [2]. It’s the first time the state’s rural counties have been allowed to impose such levies, which could last up to 20 years. The legislation, *SB 1147* [3], also would allow the state’s two urban counties, Pima and Maricopa, to have votes to extend their own road sales taxes before they expire. The House and Senate voted to override the veto of Gov. Doug Ducey to allow the measure to become law.

- **Colorado**: The state Senate late last month struck a bipartisan deal that would set aside $250 million annually for transportation over 20 years. Voters would be asked to approve a referendum in 2019 (*a number of other transportation ballot initiatives* [4] could be considered this year) to issue bonds against the $250 million. If they agree, the amount would cover the $5 billion needed to repay proposed borrowing costs. If not, the money would go into the state highway fund for road maintenance. *The bill* [5] would repeal and replace $1.9 billion in borrowing approved last year. A coalition of Colorado business groups has thrown their support behind the measure, *The Pueblo Chieftain* [6] *reported* [6]. Some top Democrats have expressed reservations with the plan. Colorado faces an estimated $9 billion in infrastructure needs over the next decade.

- **Connecticut**: House members are expected to vote soon on a bill (*HB 5391* [7]) that could bring tolls to state highways eventually, *The CT Post* [8] *reported* [8]. The legislation would direct the state department of transportation to develop a tolling program. It would then have to come back before the legislature for another vote. But some in the Senate’s Republican caucus are said to oppose the measure because it tries to get a foot in the door for tolls despite public opposition. A vote is expected before the legislature adjourns May 9th.

- **Illinois**: A recent report from the Illinois Economic Policy Institute said the state’s roads are in such bad shape and the backlog of projects so large that policymakers should consider more than doubling the state’s motor fuel tax from 34 cents to 85 cents, *the Illinois News Network reported* [9]. Gov. Bruce Rauner is said to oppose [10] increasing the gas tax but has offered few details on other ways to fund infrastructure upgrades.

- **Kentucky**: Lawmakers approved [11] a two-year state road plan that authorizes $2.4 billion for bridges, repaving and other highway needs. But a measure that was a product of a bipartisan working group [12] which recommended a 10-cent a gallon gas tax increase and fees for hybrid and electric cars failed to receive a House vote in the waning days of the legislative session this month.

- **Louisiana**: A failed measure to reshape the Louisiana Department of Transportation and
Development produced a discussion among lawmakers on what’s gone wrong with the funding of highway projects in the state, LA Watchdog reported [13]. An effort last year to boost the state gas tax by 17 cents per gallon that was supported by Gov. John Bel Edwards failed to win support. This year, the governor has proposed using $40.5 million of the state’s $122.6 million 2017 surplus [14] on 23 road and bridge projects. Louisiana has a backlog of nearly $14 billion in road and bridge needs, The Advocate, noted [15]. A measure that would have given voters the opportunity to decide whether or not local governments could raise their own gasoline tax was voted down last month, WWNO radio reported [16].

- **Minnesota:** Legislation (SF 3837 [17]) that would propose a constitutional amendment to dedicate additional sales tax revenues exclusively to transportation projects recently won approval in a Senate committee, MN Watchdog reported [18]. But the measure still faces opposition from some who say it would strip away funds from other programs. Minnesota Department of Transportation Commissioner Charles Zelle said recently [19] that despite a large construction program this year, the state faces a bleak long-term transportation funding picture.

- **Mississippi:** The legislature wrapped up its session last month without adopting a comprehensive plan for addressing the state’s crumbling infrastructure, The Clarion Ledger noted [20]. But Gov. Phil Bryant is said to be working [21] with House and Senate leaders to find common ground on transportation funding, which if successful could result in a special session this year. House Speaker Phillip Gunn has proposed [22] taking about $270 million from education, law enforcement, health care and other programs for transportation needs. His plan would cut the state income tax by $160 million and increase the motor fuel tax by an equal amount—2 cents per gallon for four years. A recent report [23] from an oversight agency of the legislature found that the primary focus of the Mississippi Department of Transportation has become “system preservation, rather than new construction.”

- **Missouri:** Lawmakers were considering several measures that would ask voters to approve increases to the state’s 17-cents-per-gallon fuel tax, the nation’s fourth lowest. One of those measures, part of a broader tax package, cleared a first-round vote in the Senate last month, The St. Louis Post-Dispatch reported [24]. But Gov. Eric Greitens has said [25] his plan to cut taxes will not be paired with a fuel tax increase. The House this week passed a tax cut package that also would increase DMV fees to fund road and bridge work rather than raising the gas tax, The Missourian [26] reported [26]. It now goes to the Senate.

- **New Hampshire:** Gov. Chris Sununu said last week he would veto a bill (HB 1763 [27]) that would impose an annual fee on vehicles that get good gas mileage, according to The Union Leader newspaper [28]. The measure passed the House last month and received a hearing in the Senate Transportation Committee.

- **Oklahoma:** Lawmakers passed a measure last month [29] that will increase per-gallon taxes on gasoline and diesel fuel by 3 and 6 cents respectively. But the revenues won’t be used to increase transportation funding. It’s targeted to take the place of income tax revenue that had been going to the Oklahoma Department of Transportation, which will instead be returned to the state’s general fund to fund other areas of government including education, health care and public safety. ODOT Secretary Mike Patterson said the effect of the measure is to protect the department’s funding stream against future budgetary diversions.

- **Utah:** Two of the state’s most populous counties that rejected a sales tax hike more than two years ago may get another shot at it as a result of the sweeping transportation bill passed by the legislature this year that renames the Utah Transit Authority and makes other changes, The Deseret News reported [30]. Leaders in Utah and Salt Lake counties have the power to revive Proposition 1 either by implementing the tax increase through a vote from their legislative bodies or by placing it on another ballot. The proposition would raise taxes by roughly one cent for every $4 spent. County officials have until the law takes effect next month to decide what they’ll do.

**Pennsylvania’s Rapid Bridge Replacement Project**
The Pennsylvania Department of Transportation announced this week that work on 390 bridges has been completed as part of an innovative public-private partnership called the Rapid Bridge Replacement Project, which is allowing the commonwealth to replace 558 of its bridges that were in poor condition. Pennsylvania partnered with Plenary Walsh Keystone Partners, which is charged with financing, designing, constructing and maintaining the bridges.

The Rapid Bridge Replacement Project as well as other in-the-works Pennsylvania P3s, including a Compressed Natural Gas project, a broadband project and a wetlands mitigation bank, are likely to be detailed when PennDOT P3 Director Michael Bonini speaks in June at the US P3 Infrastructure Forum 2018 hosted by Inframation. [I spoke with Bonini last year for the infrastructure issue of CSG’s Capitol Ideas.] CSG is pleased to be a supporting organization and media partner for this P3-focused conference, which takes place June 13-14 at The Hilton Midtown in New York City. The Infrastructure Forum brings together state and federal public officials and regional transportation authorities, along with infrastructure developers, investors and financiers to talk about what’s happening with public-private partnerships around the country and the issues that are shaping the industry’s future. You can find out more about how to register for the conference and communicate your interest to receive the full agenda once its released on the event website. I’ll also have more details about the event here on the CSG Knowledge Center in the weeks ahead. For an idea of what to expect, you can read my coverage of the 2016 forum here.

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