



# State Funding Initiatives Report

JANUARY 2015

## ABOUT THE TRANSPORTATION INVESTMENT ADVOCACY CENTER (TIAC)

The Transportation Investment Advocacy Center™ (TIAC) is a first-of-its kind, dynamic education program and internet-based information resource designed to help private citizens, legislators, organizations and businesses successfully grow transportation investment at the state and local levels through the legislative and ballot initiative processes.

The TIAC website, [www.transportationinvestment.org](http://www.transportationinvestment.org), was created so transportation investment advocates do not have to “re-invent the wheel” to mount successful campaigns. It exists to put in one place—and promote the sharing of—strategies... sample political and communications tools... legislative and ballot initiative language... and information on where to obtain professional campaign advice, research and help. To subscribe to at no cost—and receive via email—the regularly updated TIAC blog, visit the website.

In addition to the website, the TIAC program includes an annual workshop in Washington, D.C., and ongoing webinars for transportation investment advocates featuring case studies, best practices, and the latest in political and media strategies. State and local chamber of commerce executives, state legislators, state and local transportation officials, “Better Roads & Transportation” group members, industry and labor executives, and leaders of state and local chapters of national organizations who have an interest in transportation development programs are welcomed to participate.

The TIAC is a project of the American Road and Transportation Builders Association’s “Transportation Makes America Work!”™ (TMAW) program ([www.tmaw.org](http://www.tmaw.org)) and funded through voluntary contributions and sponsorships. To become a sponsor or to make a contribution, visit the ARTBA store or contact TIAC Manager Carolyn Kramer at [ckramer@artba.org](mailto:ckramer@artba.org) or 202-289-4434. Also contact Ms. Kramer if you have questions or comments about the monthly State Fund Initiatives Report™.

# EXECUTIVE SUMMARY

## New Developments

### *Legislation*

- South Dakota Senate Bill 1 was introduced January 5 to raise the state's motor fuel tax and increase vehicle license and registration fees in order to generate funds for transportation construction and maintenance.
- The Minnesota legislature proposed eleven transportation funding measures related in January 2015.
- A Georgia lawmaker introduced a bill to increase the state's gas tax and decrease the state's income tax to offset the tax increase.
- Several proposals to increase the state gas tax were introduced in South Carolina.
- Two bills introduced in Kentucky would establish a floor on the state's variable rate gas tax.
- Two bills to provide road funding for oil-producing regions were introduced in North Dakota.
- Massachusetts Governor Charlie Baker (R) released \$100 million in local road funding, completing the total Chapter 90 funds promised in 2014 House Bill 4046.
- The Connecticut Bond Commission approved a \$5.75 million bond for new rail station construction and maintenance on two existing stations.

### *Ballot Initiatives*

- No ballot measures were introduced this month.

## Activity Status Year-to-Date

### *Legislation*

- Legislation has not yet been approved this year.

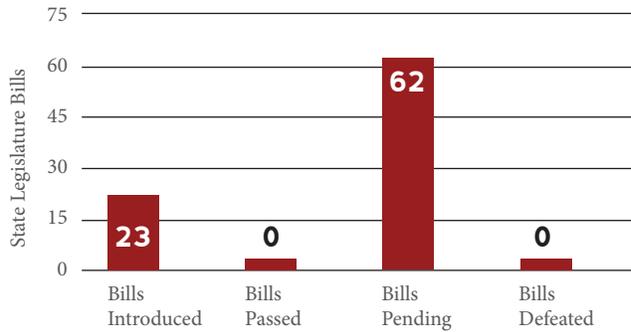
### *Ballot Initiatives*

- Michigan Sales Tax Increase for Transportation Amendment (May 2015): A Michigan proposal to increase the state's sales and use tax by one percent will be considered by voters in May 2015. The ballot measure is "tie-barred" with a number of road-funding bills which would take effect if the ballot measure is approved. The package of transportation bills would result in an annual increase of \$1.2 billion for highway and bridge investment and \$112 million for transit and rail improvements.

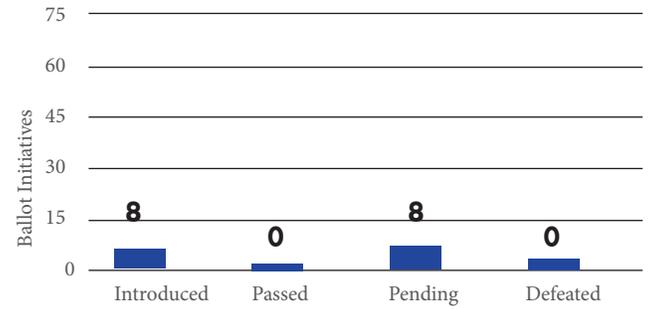
**Total Statewide Funding Approved Year-to-Date: \$0**

# EXECUTIVE SUMMARY

## STATE FUNDING LEGISLATIVE 2015

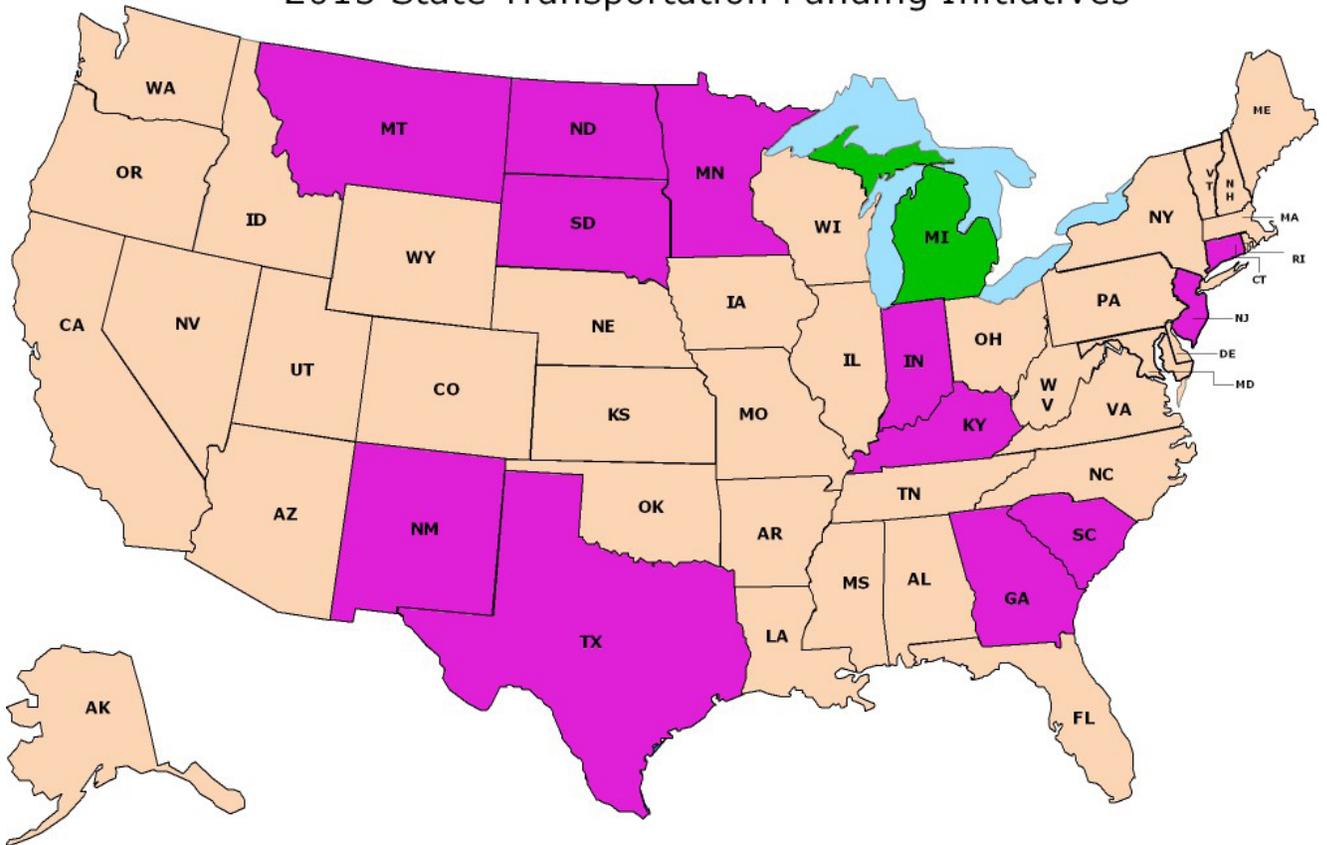


## BALLOT MEASURES 2015



## 2015 STATE TRANSPORTATION FUNDING INITIATIVES

2015 State Transportation Funding Initiatives



- Legislation to Increase Revenue Approved
- Non-Funding Legislation approved
- Initiative pending
- Initiative failed
- Ballot Measure Pending
- \* Several measures are in varying stages. View state breakdown for more info.

## STATE INITIATIVE DETAILS

### CONNECTICUT

#### Senate Joint Resolution 23

SJ 23—“A Resolution Proposing an Amendment to the State Constitution Limiting the Use of Moneys Contained in the Special Transportation Fund”—was introduced February 27, 2014 with the purpose of restricting diversions taken out of Connecticut’s Special Transportation Fund (STF). Established in 1984, the fund was intended to “provide a dedicated fund for the financing of investment in the State’s transportation system and to cover the cost of operating the Department of Transportation and all the services it provides.” Sources of the fund’s revenue come from the state’s gas tax, motor vehicle sales tax, license, permit, and registration fees, and Emission Inspection Program late fees.

Representative David Scribner (R-107) said of SJ 23, “The reinvestment of transportation funding into infrastructure improvements is crucial as our roads and bridges continue to deteriorate and pose a risk to safety. This Constitutional Amendment would help reduce the cost of commuting in Connecticut and boost transparency by preventing state government from using slight-of-hand fiscal maneuvers to raid transit funding.”

Representative Jan Giegler (R-138) stated, “It’s unfortunate we need to take actions like this to preserve funds that were already set aside for transportation infrastructure improvements and repairs.”

#### Bill Status

##### Pending

SJ 23 was sent to the Joint Committee on Finance, Revenue and Bonding April 15. No new action was taken before the legislature adjourned.

#### Bond Commission Approval

The State Bond Commission January 12, 2015 approved a CDOT request for a \$5.75 million bond to complete planning and environmental work for several new railford stations on the Hartford and New Haven Rail Lines, as well as upgrades for two existing stations and a study to determine the location of a new station.

### GEORGIA

#### House Bill 60

Proposes raising the state’s flat excise tax on gasoline by three cents-per-gallon each year for five years, resulting in a 15 cent-per-gallon increase when fully implemented and generating an additional \$900 million per year. After 2022, the gas tax would be indexed to inflation. HB 60 also includes dedicating the entire four percent sales tax on motor fuel purchases to GDOT in order to generate \$180 million per year (currently, only three percent goes to the GDOT and one percent is deposited in the state’s general fund budget). To offset the increase in taxes, HB 60 proposes decreasing the state’s income tax rate 0.1 percent per year for five years, resulting in a 0.5 percent decrease and bringing Georgia’s income tax from 6 percent to 5.5 percent.

#### Bill Status

##### Pending

Introduced by Rep. Ed Setzler (R-Acworth) on January 15, 2015.

## STATE INITIATIVE DETAILS

### INDIANA

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#### House Bill 1227

Proposal to increase the amount of sales tax collections in the General Fund which are allocated for roads and bridges from 1 percent to 2 percent, increasing transportation funding by approximately \$75 million annually. Additionally, the gasoline and special fuel tax rates would be indexed to inflation starting in 2018.

#### Bill Status

##### Pending

Introduced January 13, 2015 by Rep. Timothy Wesco (R- District 21) and referred to the Committee on Ways and Means.

### KENTUCKY

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#### House Bill 1: Local Investments for Transformation

Proposes granting local communities the ability to install a temporary local-option sales tax of one cent or less in order to generate funding for voter-approved infrastructure projects.

#### Bill Status

##### Pending

Introduced January 6, 2015 and referred to the Elections, Constitutional Amendments and Intergovernmental Affairs Committee January 8.

#### Senate Bill 29

SB 29 would set a floor for the state's variable rate gas tax. Kentucky currently calculates the gas tax by determining nine percent of the average wholesale price of gasoline each month. SB 29 proposes putting a floor in place so the gas tax can be evaluated at no lower than \$2.345 per gallon, regardless of whether the average wholesale price falls lower.

#### Bill Status

##### Pending

Introduced January 6, 2015 by Senators Ernier Harris (R) and Joe Bowen (R).

#### House Bill 167

Would amend the state's variable rate gas tax, which is evaluated every month by determining nine percent of the average wholesale price of gasoline, to mandate that any adjustment based off changes in the price of gasoline must first be approved by the General Assembly.

#### Bill Status

##### Pending

Introduced January 9, 2015 by Rep. Lynn Bechler (R).

## STATE INITIATIVE DETAILS

### MASSACHUSETTS

#### **Governor Directive**

Governor Charlie Baker (R) released \$100 million in Chapter 90 transportation funds on January 8, 2015, in order to maintain and construct local roads. \$300 million in Chapter 90 funds was originally authorized by Governor Deval Patrick (D) in 2014 House Bill 4046, but potential state budget concerns caused the former administration to withhold one-third (\$100 million) of the promised funds. After directing the release of the remaining one-third, Baker released a statement saying, “I am pleased that one of the first acts of this administration is to fulfill our commitment to ensure local governments have access to the infrastructure funds they have been promised for transportation upgrades. The release of these funds represents a step towards creating better jobs and building stronger communities in Massachusetts.”

### MICHIGAN

#### **Michigan Sales Tax Increase for Transportation Amendment (May 2015)**

The ballot measure would eliminate the current sales tax on motor fuels, which provides revenue for the School Aid Fund and local governments, and supplement those programs by increasing the general state sales/use tax from six to seven percent. If voters approve the ballot measure, then several “tie-barred” bills would take effect and generate new revenue for transportation.

#### **House Joint Resolution UU**

Part of a road funding deal reached December 18, HJ UU was proposed as a constitutional amendment to increase the state retail sales and use tax one percent, from its current six percent to seven percent. The measure would also eliminate an existing six percent sales tax on motor fuel and provide funding protection for schools and local governments, with General Fund dollars transferred to the School Aid Fund. The one percent state sales tax increase would partially be used to replace funds to schools and cities currently generated from the gasoline sales tax.

#### **Bill Status**

##### **Pending Voter Approval**

Introduced December 18 2014. Passed by the House in the early morning of December 19, 94-16. Passed by the Senate a few hours later 26-12. Enrolled on the May 2015 ballot.

#### **House Bill 5477**

House Bill 5477 was introduced by Representative Rob VerHeulen (R- Walker) on April 23, 2014 in order to replace the current 19-cent per gallon gas tax and 15-cent per gallon diesel tax with a calculation that would multiply the average wholesale gas price by 9.5 percent, gradually increasing to 15.5 percent by January 2018. This calculation would be performed by the Michigan Department of Treasury on an annual basis. According to a Senate Fiscal Agency analysis, HB 5477 could generate an additional \$781 million to \$1.5 billion per year, depending on the wholesale price of gas. Later substitutions changed the percentage to 14.9 percent beginning October 2015.

#### **Bill Status**

**Pending Voter Approval of HJ UU**

## STATE INITIATIVE DETAILS

### MICHIGAN

Bill was initially passed by the House on May 8, 2014 85-24. Senate approved HB 5477 with substitutions 23-14 on November 13, 2014 and sent back to the House, where the Senate substitutions were adopted, additional House substitution made, and the bill was approved on December 4, 2014 58-51. The Senate failed to approve the bill with the House substitution on December 11, 7-30. As part of the road funding deal reached on December 18, the House passed the bill December 19 93-17. The Senate subsequently passed HB 5477 23-15. The bill was tie-barred with the successful passage of HJ UU and is pending voter approval of that ballot measure.

#### House Bill 4630

An additional component of the comprehensive House road funding package, HB 4630 was originally introduced in April 2013 by Representative Michael McCreedy (R- Bloomfield Hills) to increase fines and special permit fees for overweight trucks and revise some registration fees. On May 8, 2014 a substitute was accepted that did not impose a large vehicle registration tax increase, but instead simplified the number of separate vehicle types and categories specified in the law.

#### Bill Status

##### Pending Voter Approval of HJ UU

HB 4630 passed the Senate with a vote of 21-15 on June 11, 2014. Substitutions from the Senate failed to pass in the House on December 11, 1-106. HB 4630 was then sent to a Senate-House committee for additional work. As part of the road funding deal reached on December 18, the House passed the bill December 19 67-43. The Senate subsequently passed HB 4630 23-15. The bill was tie-barred with the successful passage of HJ UU and is pending voter approval of that ballot measure.

#### House Bill 4539

Proposes phasing out the current six percent sales tax on motor fuel sales, a majority of which currently goes to the state's School Aid Fund.

#### Bill Status

##### Pending Voter Approval of HJ UU

Introduced April 11, 2013 by Rep. Wayne Schmidt. Passed by the House December 4, 2014 with 56 in favor and 53 opposed, and was sent to the Senate for consideration. The Senate inserted a substitution and passed

HB 4539 22-13 on December 11, but the bill with the substitution was soundly rejected by the House that same day, 0-106. As part of the road funding deal reached on December 18, the House passed the bill December 19 88-22. The Senate subsequently passed HB 4539 23-15. The bill was tie-barred with the successful passage of HJ UU and is pending voter approval of that ballot measure.

#### House Bill 5493

Tied to the success of HB 5477, HB 5493 would repeal the current tax on diesel fuel. The bill was introduced by Representative Rob VerHeulen (R- Walker) on April 29, 2014 as part of a comprehensive House road funding package. The proposed new state gas tax rates are defined in HB 5477.

#### Bill Status

##### Pending Voter Approval of HJ UU

HB 5493 passed the House on May 8 with 84 in favor and 25 opposed. Approved by the Senate on June 11 2014 with substitutions, and sent back to the House. As part of the road funding deal reached on December 18, the House passed the bill with substitutions December 19 87-23. The Senate subsequently passed HB 5493 25-13. The bill was tie-barred with the successful passage of HJ UU and is pending voter approval of that ballot measure.

#### House Bill 5167

Proposes requirements to make road agencies seek competitive bids for road construction and maintenance of over \$100,000. Payment made on a performance-based measure.

#### Bill Status

##### Pending Voter Approval of HJ UU

Introduced December 4, 2013. As part of the road funding deal reached on December 18, the House passed the bill December 19 107-3 and the Senate subsequently passed HB 5167 38-0. The bill was tie-barred with the successful passage of HJ UU and is pending voter approval of that ballot measure.

#### House Bill 5460

A bill to require local road agencies receive warranties from contractors for road maintenance and construc-

## STATE INITIATIVE DETAILS

### MICHIGAN

tion. Currently, law only requires this from the state Department of Transportation.

#### **Bill Status**

##### **Pending Voter Approval of HJ UU**

Introduced April 17, 2014. As part of the road funding deal reached on December 18, the House passed the bill December 19 99-11, and the Senate subsequently passed HB 5167 37-1. The bill was tie-barred with the successful passage of HJ UU and is pending voter approval of that ballot measure.

#### **House Bill 5459**

Included in the bundle of House road funding bills, HB 5459 proposed that sales tax collected on gasoline sales be used to finance transportation infrastructure. This would shift an estimated \$370 million in sales and use tax revenues from the general fund to road and bridge projects.

#### **Bill Status**

##### **Pending.**

Introduced April 17, 2014 by Rep. Peter Pettalia. Was passed by the House Committee on Tax Policy (91-18) and referred to the Senate Committee on Infrastructure Modernization on May 13, 2014.

#### **Senate Bill 220**

Introduced by Senator Darwin Booher (R-D35) February 26, 2013 to require the state to first solicit bids from local road commissions for construction projects being performed in their region. SB 220 would require the Michigan Department of Transportation (MDOT) to secure warranties for full replacement or appropriate repair guarantee for projects exceeding \$1.0 million and construction projects undertaken after the bill took effect; require MDOT to generate, and make available to the public, an annual report listing all warranties secured and projects for which warranties were not secured; permit MDOT to contract with private sector companies, as well as local road agencies, to perform road work, and include maintenance in the work that may be the subject of a contract; and require MDOT to solicit bids from a local road agency for work to be performed within that agency's jurisdiction.

#### **Bill Status**

##### **Pending.**

SB 220 passed the Senate 37-0 November 13, 2014 and was sent to the House, where it was referred to the Committee on Transportation and Infrastructure the same day.

#### **House Bill 5453**

Proposal to increase fines imposed on trucks traveling within the state whose weight exceeds state limits.

#### **Bill Status**

##### **Pending.**

Introduced by Rep. Robert Kosowski April 17, 2014. Passed the House May 8, 2014 104-5.. Senate passed an amended version November 13 and returned back to the House.

#### **Senate Bill 6**

Introduced January 16, 2013 by Senator John Proos (R-21) for the purpose of amending the state's Sales Tax Act in order to dedicate 18% of undedicated sales tax proceeds to a comprehensive transportation fund.

#### **Bill Status**

##### **Pending**

SB 6 passed the Senate June 5, 2014 37-0. That same day, the House referred it to the Committee on Tax Policy.

## STATE INITIATIVE DETAILS

### MINNESOTA

#### Senate File 87

- 6.5 percent sales tax on motor fuel purchases, in addition to the state's current 28.5 cents-per-gallon motor fuel tax, which would generate an estimated \$580 million annually;
- Floor in place on the motor fuels sales tax to prevent the sales tax from generating less than 10 cents-per-gallon;
- A one cent general sales tax in the seven-county metropolitan region (new in two counties, increasing by  $\frac{3}{4}$  of a cent in five counties), producing an estimated \$251.3 million in revenue dedicated primarily to transit development, with \$40 million annually reserved for bicycle and pedestrian projects;
- An increase in annual vehicle registration fees for \$125 million in funding for roads and bridges;
- A motor vehicle lease tax, to generate an estimated \$32 million per year primarily for transit;
- \$200 million per year for four years in trunk highway bonds to be used for the state's Corridors of Commerce program;
- An additional \$200 million in trunk highway bonds (dispersed over four years) for transportation economic development;
- \$567 million in General Obligation (GO) bonds for local roads bridges; and
- The implementation of a public-private partnership pilot program.

As the taxes are implemented, recurring revenue from the Senate's plan is estimated to increase to \$1.09 billion in 2017, \$1.109 billion in 2018 and \$1.125 billion in 2019.

#### Bill Status

##### Pending.

Introduced by Sen. Scott Dibble (DFL- District 61) and referred to the Transportation and Public Safety Committee January 12, 2015.

#### Senate File 84/House File 83

Authorizes the sale of bonds for \$520,000 in order to fund construction of a Grey Cloud Slough bridge in Washington County.

#### Bill Status

##### Pending.

Introduced by Sen. Katie Sieben (DFL-District 54) and referred to the Senate Capital Investment Committee January 12, 2015; and companion bill introduced in the House by Rep. Dan Schoen (DFL- District 54A) and referred to

the House Environment and Natural Resources Policy and Finance Committee the same day.

#### Senate File 80/House File 101

Grants counties the ability to consent on certain trunk highway projects (currently limited to municipalities).

#### Bill Status

##### Pending.

Introduced by Sen. Charles W. Wiger (DFL- District 43) and referred to the Senate Finance Committee January 12, 2015; House companion bill introduced the same day by Rep. Tim Mahoney (DFL- District 67A) and assigned to the House Transportation Policy and Finance Committee.

#### Senate File 64/House File 78

Authorizes the state to sell and issue up to \$11,850,000 of state bonds, the proceeds of which will be deposited into the state's Trunk Highway Fund for the purpose of construction on portions of Route No. 163, south of Cromwell city.

#### Bill Status

##### Pending.

Introduced by Sen. Tony Lourey (DFL- District 11) and referred to the Senate Capital Investment Committee January 12, 2015; House companion bill introduced the same day by Rep. Mike Sundin (DFL- District 11A), assigned to the House Transportation Policy and Finance Committee.

#### Senate File 44

Authorizes the state to sell and issue up to \$30,000,000 of state bonds, the proceeds of which will be deposited into the state's Trunk Highway Fund for the purpose of adding a third travel lane in each direction on U.S. Highway 10, between Hanson Boulevard and Round Lake Boulevard in Coon Rapids city.

#### Bill Status

##### Pending.

Introduced by Sen. John A. Hoffman (DFL-District 36) and referred to the Capital Investment Committee January 8, 2015.

## STATE INITIATIVE DETAILS

### MINNESOTA

#### Senate File 14

An act authorizing the sale of bonds and appropriating 50 percent of bond proceeds for the repair of public roads and bridges.

#### Bill Status

##### Pending.

Introduced by Sen. David M. Brown (R- District 15) and referred to Capital Investment Committee January 8, 2015.

#### Senate File 11

Requires 40 percent of sales tax revenue per year to be awarded as grants for projects in Dakota, Ramsey or Washington County.

#### Bill Status

##### Pending.

Introduced by Sen. Bev Scalze (DFL- District 42) and referred to the Capital Investment Committee January 8, 2015.

#### Senate File 01

Disaster relief for areas in southern Minnesota damaged by the June 2014 floods. \$3 million (of the proposed \$11.48 million) will be spend on road repairs.

#### Bill Status

##### Pending.

Introduced by Sen. Vicki Jensen (DFL- District 24) and referred to the Finance Committee January 12, 2015.

#### House File 4

Requires MnDOT to implement efficiencies, and allocates 90 percent of unreserved Trunk Highway Funds as well as a state budget surplus for construction and maintenance of roads and bridges 2016-2019— estimated \$750 million total, with \$200 million provided FY 2016 from the budget surplus.

#### Bill Status

##### Pending.

Introduced by Rep. Tim Kelly (R- District 21A) and referred to the Transportation, Policy and Finance Committee January 8, 2015.

#### House File 80

\$28 million appropriated from the trunk highway fund for aquisition fo right-of-way and construction on Highway 212.

#### Bill Status

##### Pending.

Introduced by Rep. Glenn Gruenhagen (R- District 18B) and referred to the Transportation, Policy and Finance Committee January 12, 2015.

#### House File 7

Appropriate funds from current budget surplus as well as state reserve funds for southern Minnesota roads and bridges affected by June 2014 flooding.

#### Bill Status

##### Pending.

Introduced by Rep Jim Knoblach (R- District 14B) and referred to Ways and Means Committee January 8, 2015.

## STATE INITIATIVE DETAILS

### MONTANA

#### House Bill 275

Proposal to increase the state gas tax by 5 cents-per-gallon. 60 percent of the proceeds would be allocated for repair and maintenance of county roads and streets, with 40 percent going towards public transportation.

#### Bill Status

##### Pending

Introduced January 21, 2015 by Rep. Nancy Wilson (D-Missoula) and referred to the House Transportation Committee.

### NEW JERSEY

#### Assembly Bill 3886

Introduced by Assemblyman John Wisniewski (D-Middlesex) in order to raise the state's 2¾ percent (4 cents-per-gallon) petroleum products gross-receipts tax collected from refiners and distributors, who build the cost of the tax into the price of gasoline at the pump. If approved, AB 3886 would increase the tax to 9 percent of the wholesale price of gasoline, raising the state gas tax by approximately 25 cents-per-gallon and generating an estimated \$1.25 billion annually for state highways.

#### Bill Status

##### Pending

Introduced in the Assembly November 13, 2014, and referred to the Assembly Transportation and Independent Authorities Committee.

#### Assembly Concurrent Resolution 205

A companion bill to AB 3886, introduced by Assemblyman John Wisniewski (D-Middlesex) for the purpose of amending the state constitution in order to dedicate all revenues from New Jersey's petroleum products gross-receipts tax to the state's Transportation Trust Fund. Currently, the petroleum products gross-receipts tax is deposited in the General Revenue Fund.

#### Bill Status

##### Pending

Introduced in the Assembly November 13, 2014, and referred to the Assembly Transportation and Independent Authorities Committee.

#### Senate Bill 1865

Introduced on March 17 by State Senator Raymond Lesniak (D-Union) to increase the motor fuels tax in order to fund road and bridge improvement projects throughout the state. SB 1865 would raise the motor fuels tax by five-cents-per-gallon each year for three years. The bill would ensure that the new revenue collected would exclusively be used for transportation improvement programs. Senator Lesniak says that SB 1865 would generate \$750 million annually for transportation infrastructure projects.

Lesniak said, "The state's transportation infrastructure is collapsing...the roads have been neglected for years

## STATE INITIATIVE DETAILS

### NEW JERSEY

and the harsh winter left a landscape of potholes that are damaging and dangerous. This has a severe impact on our quality of life and the state's economy. This plan will provide the resources needed to repair, rebuild, and maintain the highways, bridges, and roadways that are so important in New Jersey.”

#### Bill Status

##### Pending

SB 1865 was referred to the Senate Transportation Committee on March 17, 2014.

#### Assembly Bill 3816

Introduced by Assemblyman Tim Eustace (D-Bergen) for the purpose of dedicating sales tax revenues from the sale of electricity, natural gas, and hydrogen-powered vehicles to the state Transportation Trust Fund.

In a news release, Eustace states: “Seeking alternative funding sources for the Transportation Trust Fund is necessary to maintain the state's roadways and railways in the manner it needs to be – now and in the future... This additional financing capacity will be beneficial to put in place now, especially as more residents are choosing to purchase green or environmentally friendly vehicles.”

#### Bill Status

##### Pending

Introduced October 16, 2014 and referred to the Assembly Transportation and Independent Authorities Committee.

#### Senate Bill 1896

Introduced by New Jersey State Senator Nicholas Scutari (D-Union) to legalize marijuana in order to raise revenue for transportation. Senate Bill 1896 would “legalize the possession and personal use of small amounts of marijuana for persons age 21 and over,” and this new tax revenue would be used to fund road and bridge improvement projects throughout the state of New Jersey. SB 1896 would impose a new 7 percent sales tax on marijuana, which Scutari estimates could generate \$100 million per year for the state. 70 percent of the sales tax revenue would be dedicated to New Jersey's Transportation Trust Fund. 20 percent of the tax revenue would be used for drug enforcement and demand

reduction, and the remaining 10 percent would be allocated for women's health programs.

#### Bill Status

##### Pending

Introduced March 27, 2014. No further progress has been made.

#### Senate Bill 2051

Introduced by State Senator Ronald L. Rice (D) on April 28, 2014. The bill revises the motor fuel tax rate based on 7% of retail price of unleaded regular gasoline and provides gross income tax deduction for certain taxes paid on motor fuel.

#### Bill Status

##### Pending

Referred to Senate Transportation Committee on May 5, 2014.

#### Senate Concurrent Resolution 126

Introduced by Senators Thomas H Kean, Jr. (R-21) and Joseph Pennacchio (R-26) July 31, 2014 to redirect \$400 million per year of moto vehicle fees from the state's General Fund to New Jersey's Transportation Trust Fund.

#### Bill Status

##### Pending

Referred to Senate Transportation Committee July 31 2014.

#### Assembly Bill 801

A proposal for the Turnpike Authority and the South Jersey Transportation Authority to study and report on potential new revenue-generating services in rest areas and service plazas, as well as analyze potential to maximize revenues from billboards and cellphone towers. If passed, the two authorities would have 12 months to complete the study.

#### Bill Status

##### Pending

Introduced in the Assembly on January 16, 2014 and passed with a vote of 75-1 on March 20, 2014. A801 was reported from the Senate Transportation Committee December 8, 2014.

## STATE INITIATIVE DETAILS

### NEW MEXICO

#### House Bill 58

Proposal to increase the state's 17 cents-per-gallon flat gas tax and 21 cents-per-gallon diesel tax by one cent every year for five years, in order to generate an estimated \$70 million annually to fund transportation projects.

#### Bill Status

##### Pending

Pre-filed by Rep. Roberto "Bobby" Gonzales (D-Taos), chairman of the House Transportation and Public Works Committee, December 19, 2014.

#### Senate Bill 52

A bill to extend the overweight zones from six to twelve miles in three of the state's Mexican border ports of entry (Antelope Wells, Columbus, and Santa Theresa). Funds generated from the purchase of special permits authorizing overweight vehicles and loads to operate on the highway are deposited in the state's road fund.

#### Bill Status

##### Pending

Pre-filed by Sen. Mary Kay Papen (D-Las Cruces) December 16, 2014.

### NORTH DAKOTA

#### Senate Bill 2126

A transportation funding "jump-start" bill that would provide \$873 million, with \$300 million from the Strategic Investment and Improvements Fund and the remainder from the state's General Fund. \$450 million would be dedicated to road expansions and bypass projects. \$300 million would be divided between four hub cities.

#### Bill Status

##### Pending

Introduced January 6, 2015 and referred to the Appropriations Committee.

#### Senate Bill 2103: "Surge" Funding

Proposes \$845 million from the Strategic Investment and Improvements Fund to be divided between counties, cities and school districts. \$300 million would be allocated to the top ten oil-producing counties, with an additional \$140 million going to oil patch cities. \$215 million would be available for the four hub cities in the "oil patch", and \$140.8 million would go to non-oil producing counties.

#### Bill Status

##### Pending

Introduced January 6, 2015. The Appropriations Committee amended and recommended approval, and placed it on the Senate's calendar January 22.

## STATE INITIATIVE DETAILS

### SOUTH CAROLINA

#### **Senate 0002: Interstate Lane Expansion Fund**

Bill proposes the establishment of a fund within the State Infrastructure Bank solely for the purpose of existing interstate lane expansion, which will require the General Assembly to annually appropriate an amount equal to the general fund portion of the sales tax on cars.

#### **Bill Status**

##### **Pending**

Prefiled on December 3, 2014 and referred to the Committee on Labor, Commerce and Industry.

#### **House 3262**

A bill to increase the state's 16 cent-per-gallon flat excise tax on gasoline by five cents, which would be used to form a County Road Transfer Fund. The fee increase would cease after the completed transfer of certain roads from the state to local governments.

#### **Bill Status**

##### **Pending**

Prefiled by Rep. Tommy Stringer (R-Greenville) on December 11, 2014 and referred to the Committee on Ways and Means.

#### **House 3263**

Introduced by Rep. Tommy Stringer (R-Greenville) to dedicate the five cents-per-gallon proposed in House 3262 (above) for the creation of a County Road Transfer Fund, which would transfer 21,000 miles of roads from the state to local governments.

#### **Bill Status**

##### **Pending**

Prefiled on December 11, 2014 and referred to the Committee on Ways and Means.

#### **House 4563**

Proposal to increase the state's 16 cents-per-gallon flat excise tax on motor fuel by 10 cents, with an income tax break for the first two years to offset the cost to residents. Estimated to raise \$335 million per year.

#### **Bill Status**

##### **Pending**

Introduced January 23, 2015 by Rep. B.R. Skelton (R) and referred to the Committee on Finance.

#### **Senate 27**

A bill to increase the state's motor fuel tax by two cents per year for the next ten years, in order to generate \$600 million annually for transportation construction. S27 would also decrease the state's income tax by 0.2 percent per year for ten years, reducing the General Fund by \$1 billion.

#### **Bill Status**

##### **Pending**

Introduced January 13, 2015 by Senators Larry Grooms (R) and George Campsen (R), and referred to the Committee on Finance.

#### **Senate 244**

Proposed ballot measure to increase the motor fuel tax by 5 cents-per-gallon to fund local road work. If approved by the legislature it would be put before voters.

#### **Bill Status**

##### **Pending**

Introduced January 13, 2015 by Senators Chauncey Gregory (R) and Greg Hembree (R), and referred to the Committee on Finance.

#### **Senate 142**

S 142 would require all General Fund revenues left over after general and supplemental appropriations be credited to the state's highway fund for improvements to existing interstates and state and local roads.

#### **Bill Status**

##### **Pending**

Prefiled December 3, 2014 and introduced January 13, 2015 by Senator Creighton B. Coleman (D- District 17), and referred to the Committee on Finance.

## STATE INITIATIVE DETAILS

### SOUTH DAKOTA

#### Senate Bill 1

Following a study commissioned by the Legislature in 2014, SB 1 was filed at the request of the Interim Committee on Highway Needs and Financing to address the identified funding needs. The bill proposes a gradual increase in the state's 22 cents-per-gallon gas tax, starting with seven cents initially (to 29 cents-per-gallon), and increasing by 2.5 percent beginning in 2017 and continuing until 2025. Additionally, diesel fuel used on farms would increase by seven cents-per-gallon, for an additional \$50 million. SB 1 also proposes a ten percent increase in vehicle registration and licensing fees, generating approximately \$8.7 million. The entire proposal would generate about \$100 million per year.

#### Bill Status

##### Pending

Introduced January 5, 2015.

### TEXAS

#### House Joint Resolution 27

HJR 27 is a constitutional amendment filed November 10, 2014 to ensure that revenues generated from motor vehicle registration fees and taxes on motor fuels and lubricants is spent solely on road and transportation issues.

#### Bill Status

##### Pending

Filed November 10, 2014.

#### House Bill 373

A proposal to increase and redirect taxes on motor vehicle sales, rental and use to the State Highway Fund. Currently, these taxes are deposited into the state's General Revenue Fund, with portions of the funds dedicated to the Property Tax Relief Fund (PTRF) and Texas Emissions Reduction Plan (TERP). If approved, the funds cannot be used for tolls roads, rail transportation or trolleys.

#### Bill Status

##### Pending

Filed in the House by Rep. Ron Simmons (R-District 65) November 24, 2014.

#### House Joint Resolution 53

HJR 53 proposes a constitutional amendment to dedicate the net revenue from the state's vehicle sales tax to the State Highway Fund. Currently, the revenue generated is deposited into the General Revenue Fund. HJR would be implemented gradually, with a 10 percent increase in funds deposited into the State Highway Fund every year until 100 percent is reached.

If approved by the Legislature, HJR 53 would be put before voters as a constitutional amendment ballot measure.

#### Bill Status

##### Pending

Filed in the House by Rep. Will Metcalf (R-Conroe) December 8, 2014.

#### House Bill 469

Legislation to enable HJR 53, detailing the gradual process of shifting vehicle sales tax revenue from the General Revenue Fund to the State Highway Fund. Beginning

## STATE INITIATIVE DETAILS

### TEXAS

September 1, 2017, 10 percent of the tax would be deposited into State Highway Fund, increasing every year for ten years until 100 percent is being deposited into the State Highway Fund by September 2026.

#### Bill Status

##### Pending

Filed in the House by Rep. Will Metcalf (R-Conroe) December 8, 2014.

#### House Bill 395

To increase the state gas tax by 10 cents-per-gallon, one quarter of which would fund education, and the remaining three-quarters would be allocated to the Texas Department of Transportation.

#### Bill Status

##### Pending

Filed in the House by Rep. Ruth Jones McClendon (D-San Antonio) November 26, 2014.

#### House Joint Resolution 28/ Senate Joint Resolution 12

A bill to put a ballot measure before voters which, if approved, would institute a constitutional amendment prohibiting the Texas legislature from appropriating from the 3/4 of funds allocated for transportation, generated from motor vehicle registration fees, motor fuel taxes, and funds received from the federal government intended for public highways (1/4 of the net revenue would continue to be reserved for the state's school fund).

#### Bill Status

##### Pending

Prefiled in the House November 10, 2014 by Rep. Joe Pickett (D-District 79), along with a duplicate bill (HJR 29). Companion bill SJR 12 was introduced by Sen. Charles Perry (R-District 28) in the Senate.

#### House Joint Resolution 36/ Senate Joint Resolution 15

A bill to put a ballot measure before voters which, if approved, would institute a constitutional amendment prohibiting the Texas legislature from appropriating from the 3/4 of funds allocated for transportation, generated

from motor vehicle registration fees, motor fuel taxes, and funds received from the federal government intended for public highways (1/4 of the net revenue would continue to be reserved for the state's school fund) starting September 1, 2017.

#### Bill Status

##### Pending

Prefiled by Rep. Lyle Larson (R-District 122) November 10, 2014. Companion bill introduced in the Senate by Sen. Charles Schwertner (R-District 5) November 17, 2014.

#### House Bill 129

Proposal to allocate all motor vehicle sales tax proceeds to the state highway fund.

#### Bill Status

##### Pending

Prefiled by Rep Craig Goldman (R) November 10, 2014.

#### House Bill 202

A measure to require 50 percent of revenue remaining from the motor vehicle sales tax after allocations by the comptroller be deposited in the state highway fund every year. These funds would be prohibited from use on toll roads.

#### Bill Status

##### Pending

Prefiled by Rep Jeff Leach (R) November 10, 2014.

#### Senate Bill 61

A bill to require all revenue generated from state motor fuel taxes be deposited in the state highway fund— including the current 25 percent allocated for school funding— for the purpose of acquiring rights-of-way and constructing public roads.

#### Bill Status

##### Pending

Prefiled by Sen Donald Huffines (R) November 10, 2014.

## STATE INITIATIVE DETAILS

### TEXAS

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#### **Senate Bill 139**

Proposal tie-barred to legislative and voter approval of SJR 12, to remove the Department of Public Safety's eligibility for state highway funds.

#### **Bill Status**

##### **Pending**

Prefiled by Sen Charles Perry (R) November 10, 2014.

## PASSED STATE HIGHWAY FUNDING INITIATIVES—TIMELINE

DATE	STATE	MEASURE
Nov 6, 2012	Alaska	Voters approved Proposition 2 at the polls in November 2012. The measure allows for a general obligation bond to be issued for the purpose of transportation projects in the state, not to exceed \$453,499,200.
Nov 6, 2012	Arkansas	Voters approved Issue 1, a half-cent sales tax increase to cover a \$1.3 billion bond issue for roads and bridges.
Nov 6, 2012	Maine	Voters approved Question 4, which provides about \$41 million for highway and bridge repairs throughout the state.
Feb 15, 2013	Wyoming	Governor Mead signed a bill into law that raises the state's gas tax by 10 cents a gallon beginning July 1.
Feb 26, 2013	California	The state Board of Equalization voted to increase the excise tax 10 percent, from 36 cents per gallon to 39.5 cents per gallon. It will take effect July 1.
March 25, 2013	Virginia	Governor McDonnell signed into law an overhaul of the transportation funding system which scraps the gas tax, raises the sales tax, creates a tax on wholesale gas and diesel and charges registration fee for hybrid, electric and alternative-fuel vehicles.
April 1, 2013	Ohio	Gov. John Kasich signed on April 1 a two-year, \$7.6 billion transportation and public safety budget bill that also allows the state to use toll revenue from the Ohio Turnpike for projects beyond the 241-mile toll road's borders.
May 16, 2013	Maryland	Gov. Martin O'Malley signed legislation to increase the state's gas tax. The bill raises taxes on gasoline in stages over four years—with a roughly 4-cent increase on July 1.
July 24, 2013	Massachusetts	On July 24, the state legislature voted to override Governor Deval Patrick's veto of an \$800 million transportation finance bill. As a result, on July 31 the gas tax increased by three cents, from 21 to 24 cents per gallon.
Aug 5, 2013	Texas	The Texas legislature approved a measure to redirect \$1.2 billion annually in oil and gas revenue from the state's general Rainy Day Fund to support transportation improvements. This constitutional amendment must still be approved by Texas voters in 2014.
Nov 25, 2013	Pennsylvania	The comprehensive transportation package approved in November 2013 will provide an additional \$2.3 to \$2.4 billion for Pennsylvania highways, bridges, rail, airports, transit, and bike/pedestrian facilities. The legislation eliminates the state retail gas tax paid at the pump and removes the cap on the Oil Company Franchise Tax that is charged at the wholesale level.

## PASSED STATE HIGHWAY FUNDING INITIATIVES—TIMELINE

DATE	STATE	MEASURE
Nov 5, 2013	Maine	Maine had the only statewide initiative on the ballot in November 2013, and with 72 percent approval, voters overwhelmingly passed a \$100 million transportation bond that will fund infrastructure projects for state highways, ports, and bridges. These highway improvement projects will receive \$76 million, \$27 million for bridges, \$24 million for ports and rail, and \$5 million for local governments. This bond will also leverage an additional \$154 million from federal and state funds.
April 29, 2013	Vermont	State gas tax increased 5.9 cents per gallon. The hike includes a new 2 percent assessment on the price of gasoline while slightly decreasing the per-gallon tax by .8 cents. It is estimated that by FY 2016 the tax could amount to a net hike of 6.5 cents. Diesel tax was also increased by 3 cents per gallon over two years. In addition to the approved \$11 million bonds, it is anticipated that \$32 million will be generated in FY 2016 for transportation infrastructure funding.
May 22, 2014	New Hampshire	Gov. Maggie Hassan signed legislation to raise the New Hampshire gasoline and diesel fuel taxes by four cents per gallon. The tax will go into effect July 1 and had bipartisan political and business community support. The new gas tax will be 22-cents per gallon and the new diesel tax will be 23.6 cents per gallon. The tax will fund highway improvements for the next two years, and then half the tax will be earmarked to pay off \$200 million in debt for Interstate 93 expansions. The tax will expire in 20 years after the debt is paid off.
June 19, 2014	Rhode Island	Starting July 2015, the state gas tax by 1-cent, a move that House Finance Committee Chairman Raymond Gallison says will produce an estimated \$4.8 million a year. Subsequently that increase will be revisited every two years to reflect increases based on the rate of inflation.
Nov 4, 2014	Texas	In 2013, the Texas legislature approved a measure to redirect half of the revenue generated from oil and gas taxes away from the state's general Rainy Day Fund, to be deposited into the State Highway Fund. Once in the Fund, the approximately \$1.2 to \$1.7 billion per year would be used to fund construction and maintenance on public roads. Voters approved this measure November 2014.