

TRANSPORTATION INFRASTRUCTURE

Transportation infrastructure continues to be at the forefront of the issues facing local, state, and federal decision-makers. Given the dwindling nature of the National Highway Trust Fund, many states have initiated efforts to combat the funding shortages and dilapidated condition of road, port, and air facilities. A team of researchers and policy analysts has been assembled to address these issues, for the purpose of creating a document detailing the issues, resources, concepts, models, and recommendations surrounding a multi-modal approach to Mississippi's transportation infrastructure. The team is comprised of individuals from Mississippi State University, University of Southern Mississippi, and others in the state. The Mississippi Economic Council is leading the effort, utilizing taskforce members and a team-based approach to this research.

What are Other States Doing?

As part of the initial investigation process the Mississippi State team has summarized much of what is taking place in other states, and has identified some potential avenues of consideration. It should be noted that these are just starting points, in what is intended to be a working dialog between the research teams and the working taskforce.

TAXES

An initial evaluation of the activities in other states that are working on transportation funding initiatives indicates that increased taxes are the primary revenue generation model that is being used. As shown in the map from the Transportation Research Advocacy Group, many states have attempted to implement transportation funding initiatives. In the majority of rural and southern states, these initiative have failed to pass. A primary reason for this failure appears to be the attempt to increase sales and/or gas taxes as a method to increase revenue. Kentucky, for example, currently attaches its gas taxes to the wholesale price of fuel. KY HB 445 essentially aimed to increase the wholesale price of fuel in order to generate additional funding for transportation.

Of the 14 highway funding initiatives that passed, 10 involved a form of gas, sales, or a combinations of gas and sales tax increases to generate revenues for transportation. The states that have successfully passed transportation funding initiative are significantly different than the state of Mississippi in terms of population size, income, state budgets, and voters' attitude towards tax increases; as a result, these states are not comparable to the state of Mississippi and may not be effective models for replication.

BONDS

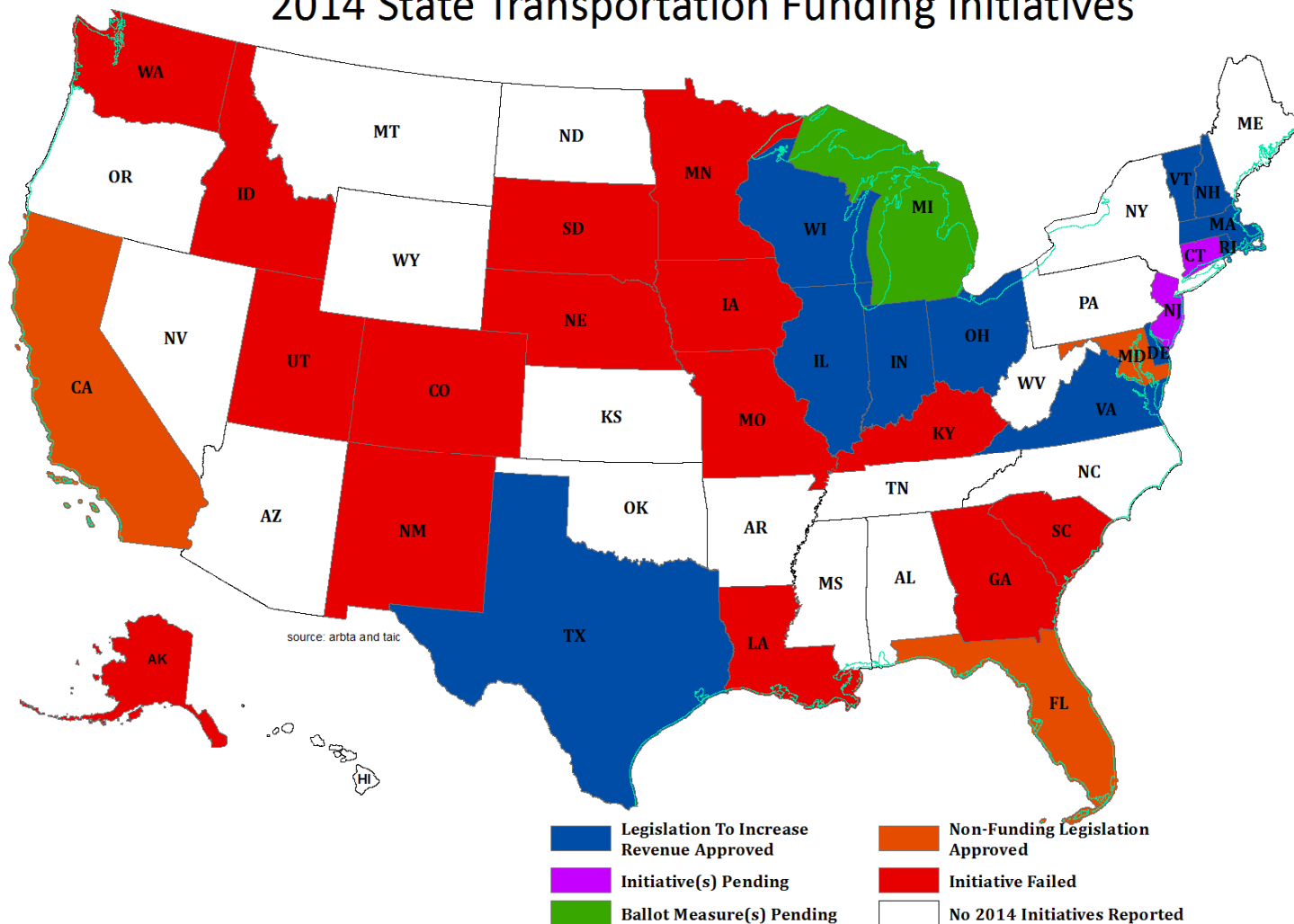
In many states, bond funding is a commonly used to fund transportation infrastructure. Several states, Alaska, Arkansas, and Maine, have all seen the passage of bonds as measures to fund transportation infrastructure projects over the last few years. However, bonds are not a necessarily appropriate method for the State of Mississippi; in fiscal year 2014, debt service in the state of Mississippi was approximately \$375.4 million and represented 7.5% of Regular General Fund Appropriations.

What are some Initial Options?

COMPARABLE STATE EXAMINATION

The research team is currently conducting an initial analysis of all legislation from comparable states to identify elements of this legislation that may be appropriate for use in the state of Mississippi. Comparability is based upon population size and density, the urban and rural distribution of the population, the distribution of the business infrastructure, the presence and reliance upon public transportation, and other socio-economic variables. Initial findings indicate that many states are working towards developing transportation initiatives, however many of these efforts stall, fail to pass out of legislative committees, or fail to receive sufficient votes to pass. Of the 73 initiatives in comparable states that were placed before committees in 2013-2014, only 21 were either pending or passed. Of those, 11 are currently in “pending” or “carryover” status, meaning that only 10 of the 73 (13.6%) transportation bills in comparable states have passed in the last two years. Of note, most of these bills allowed for appropriations for various functions of the transportation infrastructure. (Source: NCSL, updated December 30, 2014).

2014 State Transportation Funding Initiatives



Research to continue through mid-to-late 2015 to prepare for 2016 legislative session

