

Governors pushing gas tax

California – Jerry Brown - “Each year, we fall further and further behind and we must do something about it,” Brown said during a speech marking his fourth inauguration as governor. Asked afterward how he planned to accomplish his infrastructure goals, Brown said the task is “daunting” and declined to lay out a path to achieve it.

“It’s a tall mountain to climb. Let me just put it that way,” he said. “So it’s difficult. I’m going to pull people together, and if there’s enough that we can get some Republican consensus, then we can do things.”

Michigan – Rick Snyder - Snyder has been working to ramp up road funding for more than two years, and the deal came together on the last scheduled day of the lame-duck session.

“Nobody likes our roads,” Snyder said at a news conference. “We’re seeing significant damage to people’s vehicles ... and we needed to come up with a solution.”

South Carolina – Nikki Haley - Gov. Nikki Haley promised during her successful campaign for a second term last fall to present her plan for funding transportation improvements by the time the Legislature convenes Jan. 13. Haley has a plan but will not roll it out until next month. Her spokesman has said it will not include raising taxes.

Tennessee – Bill Haslam - A push is mounting for Tennessee's first gas tax increase in a quarter-century, buoyed by growing interest from Gov. Bill Haslam and Republican legislative leaders who have historically opposed tax hikes of any sort.

“It’s incumbent upon us as the administration to show here’s what we would do with that money if you increased the fuel tax, and then it’s also I think important for all of us not to just increase it so that ... three years from now we’re back in the same position.”

Georgia – Nathan Deal - In its 23-page report released Tuesday, the Joint Study Committee on Critical Transportation Infrastructure Funding doesn’t make particular recommendations, but says the state will have to cover a \$1 billion to \$1.5 billion annual transportation funding gap **to stay economically competitive.**

“The comment I’ve heard that is most appropriate is that everything should be on the table. We should be looking at everything. I think there is a common coming-together of an understanding now that we do need additional revenue to complete and begin some of the transportation projects that are going to keep our state competitive.”

Minnesota - Gov. Mark Dayton plans to make highway and transit funding a "huge" priority during the legislative session that starts Tuesday.

He said last week that he's putting the finishing touches on a \$6 billion transportation improvement plan that could add 12 cents in new taxes to the cost of a gallon of gasoline and a nickel more for every \$10 of taxable purchases in the seven-county metro area to fund bus and rail transit.

Iowa – Terry Branstad - Governor Terry Branstad has already made known that transportation funding is a top priority of his in 2015.

Mississippi – Phil Bryant, who called a special session last year in which lawmakers added \$32 million for state-aid roads, wants the Legislature to again budget \$52 million instead of the usual \$20 million for the road agency.

"This \$52 million in funding won't solve every problem, but it will certainly go a long way toward addressing critical transportation needs," Bryant said.

Maine - Governor Paul LePage (R) announced January 12 a plan to invest \$2 billion into the state's transportation infrastructure over the next three years. The "Work Plan," as it is called, proposes an estimated 1,929 road, bridge and transit projects to be accomplished from 2015 through 2017. For-hundred and sixty-nine million dollars has already been allocated for the 523 projects scheduled to begin in 2015.

LePage stressed that the investment in Maine's infrastructure would not only create good-paying construction jobs in the short term but make the state more competitive in the long run.

"It's imperative if we're going to move Maine from poverty to prosperity that we have good infrastructure," he said.

-----RECENT SUCCESSFUL FUNDING EFFORTS-----

VIRGINIA: HOUSE BILL 2313 (2013) This successful legislative campaign with the Virginia state legislature produced a five-year, \$3.4 billion transportation investment bill that, among other changes, replaced the state's gas tax with a sales tax on motor fuel. The legislature passed the bill in March, and Governor McDonnell (R) signed this overhaul of the transportation funding system into law in May. The new law scrapped the gas tax, raised the sales tax, established a tax on wholesale gas and diesel, and charged registration fees for hybrid, electric and alternative-fuel vehicles.

"This is a historic day in Virginia," McDonnell said in a written statement Saturday. "We have worked together across party lines to find common ground and pass the first sustainable long-term transportation funding plan in 27 years. There is a 'Virginia Way' of cooperation and problem solving, and we saw it work again today in Richmond."

MARYLAND: HOUSE BILL 1515 (2013) This successful legislative campaign in the Maryland state legislature resulted in the enactment of a transportation gasoline/sales tax package that has been projected to generate \$830 million per year for road and public transportation improvements. This law raised taxes on gasoline in stages over a four-year period – with a roughly four-cents-per-gallon increase on July 1, 2013. More specifically, the law established a new three percent sales tax on wholesale gas,

which will be introduced over a three-year period. This law also automatically adjusted the flat tax on gas to account for changes in inflation.

"Because Maryland motorists have been enjoying gas prices declining over the past couple of months, the impact of the gas tax won't be as noticeable to most motorists, unless for some reason gas prices begin to tick upward, which is not anticipated," Averella said.

OHIO: HOUSE BILL 51 (2013) In 2013, the Ohio state legislature delivered an increase in transportation funding. Ohio Governor John Kasich (R) signed a two-year, \$7.6 billion transportation and public safety budget bill that also permitted states to use toll revenue from the Ohio Turnpike for projects beyond its 241-mile toll road borders. The law allocated \$4 billion to pay for road and bridge contracts, which was mostly funded through fuel tax revenues.

VERMONT: HOUSE BILL 510 (2013) The Vermont legislature increased the fuel tax to support transportation investment throughout the state in 2013. Vermont enacted a two-percent sales tax on gasoline as well as a 0.8 cent decrease in the per gallon tax, and a two-cents-per-gallon diesel tax increase —phased in over two years— that will generate \$28 million per year to support road and bridge improvements.

OREGON: SENATE BILL 810 (2013) This successful vehicles-miles-traveled (VMT) pilot program passed in the Oregon state legislature in 2013, and this road usage charge system will be the first in the nation. Senate Bill 810 established a new program in which drivers are able to voluntarily participate in a mileage-based user fee system instead of paying the traditional fuel excise tax in Oregon.

WYOMING: HOUSE BILL 69 (2013) This successful legislative campaign with the Wyoming state legislature raised the fuel tax rate by ten-cents-per-gallon, which will generate approximately \$70 million annually.

INDIANA CASE STUDY: BUDGET INCREASE (2013) The Indiana State Legislature increased road funding by \$215 million annually. This included two policy changes: ending diversions and designating 1% of the state sales taxes for road funding.

PENNSYLVANIA: HOUSE BILL 1060 (2013) This successful legislative campaign with the Pennsylvania state legislature produced a five-year, \$2.3 billion transportation package. The comprehensive transportation bill passed in November 2013, and it will provide an additional \$2.3 to \$2.4 billion for Pennsylvania highways, bridges, rail, airports, transit, and bike/pedestrian facilities. The law eliminated the state retail gas tax paid at the pump and removed the cap on the Oil Company Franchise Tax, which was charged at the wholesale level.

TEXAS: CONSTITUTIONAL AMENDMENT (2013) In August of 2013, the Texas legislature successfully 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.

MASSACHUSETTS: 2013 This successful legislative campaign with the Massachusetts state legislature resulted in an increase of the gasoline tax in order to generate additional transportation funding. In July of 2013, Massachusetts legislators overrode a veto from Governor Deval Patrick (D) to enact a three-

cents-per-gallon gasoline tax increase as part of an \$800 million transportation bill—Governor Patrick had pushed for an even more ambitious plan. As a result of the bill's passage, the gasoline tax increased by three-cents-per-gallon on July 31, 2013—from 21 cents-per-gallon to 24-cents-per-gallon.