



MEMORANDUM

Date: May 9, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Transportation Funding**

Please see the attached article that appeared in the *Arizona Daily Star* addressing transportation funding and the number of states that continue to raise their taxes to help fund transportation investments.

California recently raised their gas tax another 12 cents per gallon, and Tennessee's has increased by 6 cents per gallon. Arizona remains one of the few states that has failed to make any progress in advancing transportation investment necessary for economic development.

CHH/anc

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Priscilla Cornelio, Director, Transportation Department

States raising taxes, fees to fix crumbling highways and bridges

By David A. Lieb

THE ASSOCIATED PRESS

For the first time in nearly 30 years, Tennessee will tax motorists more to fill their tanks. So will California, Indiana and Montana.

Lawmakers across the U.S. have approved new proposals this year to pay for transportation improvements, including tax hikes, vehicle fee increases and bond packages. Those measures extended an existing trend to a new milestone: Two-thirds of all states have stepped up highway funding over the past five years.

It's happening in both Democratic- and Republican- led states as they strain to overcome backlogs deepened by the last recession. And lawmakers are acting regardless of promises from President Trump for a \$1 trillion national infrastructure program that his administration has yet to detail.

Some state officials doubt that Trump's plan will make much of a difference when it comes to repairing and replacing thousands of old bridges or repaving and widening countless miles of congested roads.

'We really don't know what's in it. We haven't seen anything,' said Tennessee state Rep. Eddie Smith, a Republican from Knoxville. But 'it sounded like there wasn't going to be a lot that we would directly benefit

from.'

Trump has said his plan will depend partly on spurring private investment in infrastructure. That could include tax incentives for those who subsidize big-ticket projects, with an expectation that investors could recoup costs through tolls or fares on roads, bridges, rail systems or airports. Tennessee currently uses neither tolls nor bonds for its highway system.

At least two dozen states adopted higher fuel or sales taxes to pay for transportation improvements.

'That's highly unusual for that many states to be in agreement about raising taxes, and these are oftentimes fairly conservative states as well,' said Carl Davis, research director at the Institute on Taxation and Economic Policy, a Washington- based nonprofit think tank.

The U.S. has an \$836 billion backlog of needed repairs and improvements to roads and bridges, plus an additional \$90 billion backlog for public transit systems, according to the Federal Highway Administration.

Those needs have grown as the money available from the Federal Highway Trust Fund for states fell by more than 9 percent from 2010 to 2015, according to an Associated Press analysis.