

Indiana legislators hear pleas for increased funding for transportation budget

Discussion of devoting sales tax revenue from gasoline to roads

By Eric Bradner

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INDIANAPOLIS —More patching and less paving. Fewer upgrades to key thoroughfares. No money to fix worn-out bridges.

That's the grim picture that local officials from around Indiana painted for state legislators during a House Ways and Means Committee hearing Wednesday. They urged lawmakers to pump more money into transportation as they write a new two-year spending plan.

The panel was considering three measures that would combine to infuse more than \$400 million into roads budgets — a move that would carry political consequences, since it would lessen the amount available for education and for Gov. Mike Pence's proposed income tax cut.

Lawmakers who are pushing for extra transportation funding said it's a priority that they can't ignore.

"We're coming to a point where that's becoming critical, and we don't want to get to a place where it becomes debilitating," said House Transportation chairman Ed Soliday, a Valparaiso Republican who is carrying one of the bills.

Of the bills considered by the committee Wednesday, the biggest chunk — \$286 million — would come from setting aside half of the revenue collected by sales tax on gasoline purchases for transportation.

Up to another \$144 million a year could come from pulling the Indiana State Police, the Bureau of Motor Vehicles and the Department of Revenue out of the list of recipients of shares of Indiana's 18-cents-a-gallon gas tax and devoting that money entirely to roads — a change the other two bills move toward.

That extra cash would be split between the Indiana Department of Transportation, which says it needs \$200 million more a year, and counties, cities and towns.

“To be the ‘Crossroads of America,’ we’re going to have to make a continued and sustained investment in infrastructure, and I think this is an appropriate way to do it,” said Rep. Todd Huston, R-Fishers.

The need, local officials said, is a result of years of increased road construction and maintenance costs and decreased gas tax revenue as motorists switch to fuel-efficient vehicles and cut back on driving.

Greg Goodnight, the Democratic mayor of Kokomo, said the city is paying 54 percent more per ton of asphalt today than it was in 2005 — while also seeing its state funding drop from \$1.44 million seven years ago to \$1.22 million today.

He said tight budgets for road construction and maintenance can hurt local leaders in their efforts to attract businesses looking to relocate. “When we try to showcase our cities, it is important,” he said.

“Some of the things they notice are our streets. We’ve done our best over the last few years to stretch our dollars as best we could, but any help that you could give us as a committee and as a legislature, I know would be very much appreciated.”

Advocates of the bills said lawmakers should consider sales tax collected on gasoline — worth more than \$500 million per year in a state that spends about \$14.5 billion annually — a “user fee” that should be redirected into infrastructure.

“Let’s collect the money that folks are paying as user fees and use it for roads first,” said Dennis Faulkenberg, the president of APPIAN, an Indianapolis transportation consulting firm.

No one opposed the measures in Wednesday’s committee hearing, but Rep. Eric Turner, R-Marion, asked several lobbyists who testified the same question.

“Many of us — most of us — agree that these user fees should be used for roads, but it obviously takes money out of the general fund. Who’s going to get shortchanged?” he asked.

Meanwhile, Pence said he believes that “roads mean jobs,” but that he prefers his own plan — to boost infrastructure funding by automatically sending half of Indiana’s surplus into an account specifically for it, rather than by beefing up the amount the state budgets for transportation.

No votes were taken on the bills Wednesday. House Ways and Means Committee Chairman Tim Brown, R-Crawfordsville, said the panel will take more time to consider them and draft potential amendments.

But Brown seemed open to at least ending Indiana’s practice of funding the state police and license branch with gas tax revenue, rather than from the general fund.

“It is the first step, I think, as we march toward April,” he said.

Lawmakers have largely ignored transportation funding issues in recent years because Gov. Mitch Daniels' "Major Moves" plan — including \$3.85 billion in revenue resulting from a northern Indiana toll road's 75-year lease — has bolstered the state's road budget.

That money is now mostly spent or allocated for specific projects, leaving Indiana without a source for transportation revenue other than gas taxes.

"Doing infrastructure," Soliday said, "is like doing the dishes. As soon as you've finished them for the day, somebody has to have a bowl of ice cream."