



Faced with insufficient revenues and increased transportation infrastructure needs, states throughout the country are exploring new ways to fund highway and bridge improvements.

Delaware

- Delaware Governor Jack Markell (D) introduced a plan in January to increase the gasoline tax by 10-cents-per-gallon. Markell's infrastructure plan proposes borrowing an additional \$50 million per year in order to pay for \$500 million in road and bridge improvement projects over a five-year period. If the state legislature passes this transportation funding proposal, the tax increase and new debt could generate \$100 million annually to pay for new infrastructure improvement projects. The proposed gasoline tax increase would likely bring in \$50 million per year.

The Republican leadership has expressed opposition to Markell's plan, and so far, four House Democrats have said that they will reject the gas tax increase. The gas tax increase needs to receive approval from at least three-fifths of the General Assembly. Delaware's motor fuels tax has not been raised since 1995, and the gasoline tax currently stands at 23-cents-per-gallon.

Georgia

- **House Bill 195** was introduced by Ed Setzler (R-Acworth), which is the second attempt to pass a regional transportation sales tax—the first time it failed in 2012 as a referendum. The 2012 referendum divided the state up into 12 regions, and the transportation sales tax referendum failed in nine of the twelve regions. Setzler's bill would "provide for the method for creation of special districts for the purpose of a special district transportation sales and use tax."

Bill Status: On January 16, 2014, the bill was withdrawn from the House Ways and Means Committee and was recommitted to the House Transportation Committee.

Idaho

- **House Bill 481** was sponsored by the Transportation and Defense Committee and would amend the Idaho state law to change the motor fuel tax rate over two years.

Bill Status: As of February 10, HB 481 is currently under consideration in the Transportation and Defense Committee.

Indiana

- **House Bill 1104** was sponsored by Representative Edmond Soliday (R-District 4), who is also the chair of the House Roads and Transportation Committee. House Bill 1104 would provide funding for a transportation infrastructure study of alternative funding mechanisms. A third party would conduct the study, which would be required to last for at least two years.

Bill Status: On January 23, the bill passed in the House with a vote of 93 to 1. On March 4, the Senate voted unanimously to pass HB 1104. The following day, the House unanimously passed a motion to concur with the Senate amendments made to the legislation.

Iowa

- **House Study Bill 514** was introduced in an Iowa House Committee in January, and the bill proposes a 10-cents-per-gallon fuel tax increase over the next three years. House Study Bill 514 would allow for a 3-cents-per-gallon gasoline tax increase on July 1, 2014, another increase of 3-cents-per-gallon the following year, and a final 4-cents-per-gallon increase on July 1, 2016.

Representative Josh Byrnes (R-Osage)—the House Transportation Chairman—says that he believes that there will be sufficient votes to pass the bill. A coalition of businesses, local governments, and farmers has formed in support of the ten-cent-per-gallon increase proposal. Iowa Governor Terry Branstad (R) said that if the bill passed in the legislature, he would not veto it. However, Branstad has not publicly endorsed raising the gasoline tax either.

Bill Status: On January 29, House Study Bill 514 passed in the House Transportation sub-committee and advanced to the House Transportation Committee.

- **Senate File 2042** was introduced by Senator Amy Sinclair (R-Allerton), and this legislation would “take 2 percent of the adjusted gross general fund revenues off the top for transportation infrastructure.”¹ In 2014, this proposal would generate an additional \$130 million for the Iowa Department of Transportation.

Bill Status: The bill was introduced on January 23, 2014 and was referred to the Ways & Means Committee.

- **Senate File 068** is a bill that proposes tying the fuel tax rate to the inflation rate in Iowa.

Massachusetts

- **House Bill 3882** was amended from a previous bill—House Bill 3860—and was introduced on January 29, 2014. This bill makes financial improvements to Massachusetts’ transportation system, in part, by issuing a \$13 billion transportation bond bill to fund transportation projects over the next five years.

Bill Status: The Senate passed this bill in March 2014.

- **House Bill 3142:** A hearing was held by the Joint Committee on Transportation in December 2013 on House Bill 3142, legislation introduced by Representative Carl Sciortino (D-Medford) and Representative Tricia Farley-Bouvier (D-Pittsfield) which seeks to launch a tax-by-the-mile pilot program in Massachusetts. House Bill 3142 would give the Department of Transportation the authority to implement a vehicles-miles-traveled (VMT) pilot program consisting of at least 1,000 volunteers.

Bill Status: House Bill 3142 was referred to the Joint Committee on Transportation.

¹ Lynch, James. *WCF Courier*. 28 January 2014.

Michigan

- In January 2014, the Michigan legislature announced \$115 million in new funding for transportation projects. The funds will support over 100 state and local projects, and the funds became available from the legislature's Road and Risks Reserve (RRR) Fund.
- In February 2014, Governor Rick Snyder (R) introduced a \$254 million one-time spending proposal to fund transportation next year. Snyder's fiscal year 2015 executive budget proposal will include \$139.1 million in general fund expenditures in order to ensure the state receives matching federal funds. Additionally, his budget calls for \$115 million for road and bridge projects throughout Michigan as well as an increase of \$40 million for highway maintenance projects.
- **Senate Bill 608:** In February 2014, the Michigan Senate began considering legislation to provide \$100 million in funding to fix damaged roads from the harsh impact of this winter's snow and ice storms. The road funding would be used from a \$115 million reserve fund.

Bill Status: On February 20, the Republican-led state Senate voted 32 to 6 in favor of approving this road maintenance funding legislation. The legislation then was referred to the Committee on Appropriations.

Minnesota

- Senator Scott Dibble (D) and Representative Frank Hornstein (D) are planning on introducing transit funding legislation on February 18 at a joint hearing.
- As a result of unsuccessful transportation funding legislation in 2013, a new transportation advocacy group—"Move MN"—has formed. "Move MN" has brought together a unified group of 180 diverse stakeholders to help advance the transportation funding initiative for the 2014 session.

Missouri

- **House Joint Resolution 68:** HJR 68 is a constitutional amendment proposal to temporarily raise the state sales and use tax by 1% —a penny sales tax increase—to fund transportation projects throughout the state of Missouri. The constitutional amendment is sponsored by Dave Hinson (R-St. Clair). If the Missouri legislature passes HJR 68, then the measure would be placed on the ballot for voters to approve in November. Representative predicts that the House will vote on this measure in April 2014.

During a House Transportation Committee public hearing in February, business group and association lobbyists argued in support of the proposed legislation and said that it would help with jobs and infrastructure. Opponents of the legislation argued that the proposal would unreasonably hurt low-income residents.

Bill Status: On February 11, the House Transportation passed HJR 68. On February 20, the House Rules Committee also passed the bill.

New Hampshire

- Senator Lou D’Allesandro (D-Manchester) says that she will re-introduce a 2013 bill which proposed using casino funds to support highway funding. In 2013, D’Allesandro’s bill—which would have raised approximately \$50 million for roads and bridge maintenance—passed in the Senate, but failed in the House.
- **Senate Bill 367** was introduced by Senator Jim Rausch (R-Derry), who is the Senate Transportation Committee Chairman. Senate Bill 367 would tie the state gasoline tax to the Consumer Price Index (CPI). Senate Bill 367 would increase the gasoline tax by 4.2-cents-per-gallon in 2014, which would raise \$28 million for the New Hampshire Department of Transportation. Beginning in 2018, Senate Bill 367 would start adjusting the future rates every four years. State Department of Transportation Commissioner Chris Clement has endorsed this bill to raise the gasoline tax. The bill has also received bi-partisan support and includes many Republican and Democratic co-sponsors from both chambers of the legislature. In February 2014, Governor Maggie Hassan said she would sign this legislation to tie the gas tax to CPI.

Bill Status: On March 4, the Senate Ways and Means Committee passed the bill with a vote of 4 to 1.

- Representative Candace Bouchard (D-Concord)—the current chair of the House Transportation Committee—has proposed extending a tax to alternative fuel driven vehicles. This legislation would be applicable to both commercial and governmental fleets that would transition to propane as well as natural gas.

New Mexico

- **House Bill 74** was introduced by Representative Roberto “Bobby” Gonzales (D-Taos), and this bill would raise the gasoline and diesel fuel tax by 5-cents-per-gallon for the next 10 years in order to pay for specific highway construction projects in New Mexico. The bill would increase the gasoline tax to 22-cents-per-gallon until 2024, and then the tax would resume back to 17-cents-per-gallon. With this new revenue, New Mexico would then be able to issue \$100 million in new bonds to fund 10 highway improvement plans. The 5-cents-per-gallon gasoline tax increase would bring in approximately \$70 million per year.

Bill Status: On February 13, HB 74 passed in the Transportation & Public Works Committee. HB 74 is currently under consideration in the House Taxation & Revenue Committee.

- **Senate Bill 228** is sponsored by John Arthur Smith (D), and the bill proposes raising the gasoline and diesel tax rates by 13-cents-per-gallon over a 5-year period. In 2024, the motor fuel tax rates would begin to be indexed for inflation.

Bill Status: SB 228 is currently under consideration in the Senate Corporations & Transportation Committee.

South Carolina

- **Senate Bill 891** was introduced by Senator Raymond Cleary (R-District 34). SB 891 would increase the gasoline and diesel fuel tax by 2-cents-per-gallon each year until the user fee reached 36-cents-per-gallon.

Bill Status: On January 14, the bill was introduced in the Senate and was then referred to the Senate Committee on Finance.

- **House Bill 4563** was introduced by Representative B.R. Skelton (R-Pickens), and this bill would raise the state motor fuel tax rate by 10-cents-per-gallon all at once. The South Carolina residents would receive a state

income tax break during the first two years of implementation, and after this time period, then they would pay the new tax rate. This bill would ultimately generate \$335 million annually for South Carolina's roads; however, the tax rebate would return \$211 million during the first two years, which would then result in \$124 million per year to benefit roads. After the two year tax rebate period is over, South Carolina would generate \$335 million per year. Governor Nikki Haley has threatened to veto any legislation that includes raising fuel tax rates.

Bill Status: On January 23, HB 4563 was referred to the Committee on Ways and Means.

Texas

- In 2013, 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.

Utah

- **House Bill 240** was recently proposed by Representative Jim Nielson (R-Bountiful), and this bill would raise the gasoline tax by a total of 7.5-cents-per-gallon in order to increase funding for state highways. Over a five year period, this bill would annually increase the gasoline tax by 1.5 cents-per-gallon. This plan would generate approximately \$22 million during the first year of implementation.

Bill Status: The bill is currently under consideration in the House Rules Committee as of January 31.

- **House Bill 266** was introduced by Representative Jim Nielson (R-Bountiful), and this bill is an alternative proposal to Nielson's other bill—House Bill 240. This bill would tie the gasoline tax rate to inflation, which would raise additional tax revenues.

Bill Status: HB 266 is currently under consideration in the House Rules Committee, as of January 27.

- **House Bill 74** is legislation regarding energy efficient vehicle tax credits and has been introduced by Representative Lowry Snow (R-St. George). HB 74 would increase the one-time tax credit for buying or leasing an electric or hybrid vehicle from \$605 to \$2,500.

Bill Status: HB 74 received a favorable recommendation from the House Revenue and Taxation Committee on February 12. On February 25, the bill passed in the House with a vote of 59 to 13—with 3 members not voting. On March 4, HB 74 was given a favorable recommendation by the Senate Revenue and Taxation Committee.

- **Senate Bill 139**, introduced by Senator Wayne Harper (R-Taylorsville), would implement additional payment laws when drivers register or renew, and this would be dependent on the power source of the vehicle. During registration, drivers with gasoline or diesel vehicles would be charged \$43, natural gas drivers would pay \$133, electric owners would pay \$138, and hybrid vehicle drivers would pay \$163. Harper says his bill should be passed along with House Bill 74 so that the hybrid and electric vehicles can receive the one-time tax credit.

Bill Status: On February 12, the Senate Transportation and Public Utilities and Technology Committee passed Senate Bill 139. On February 27, the Senate voted 19 to 5—with 5 senators absent or not voting—during the

third reading of the bill, and the bill passed again during a third reading the following day with a vote of 22 to 4—3 abstained. The bill was introduced in the House Rules Committee on February 28.

- **Senate Bill 60**—a bill sponsored by Senator John Valentine (R-Orem)—would modify the calculation of the state gasoline tax. Therefore, Valentine’s bill would allow the gasoline tax to increase if gasoline prices were also raised. SB 60 establishes a base of 14-cents-per-gallon and then the remaining part of the tax would be calculated by multiplying 3.69 percent by the average pre-taxation gasoline price-per-gallon from the previous year.

Bill Status: On February 12, the Senate Revenue and Taxation Committee passed SB 60. The bill then passed in the Senate on February 25 with a vote of 26 to 1—with two abstentions. On March 4, SB 60 was unanimously passed by the House Transportation Committee. Now, the bill will be considered by the House.

Washington

- In February, Senate Transportation Committee co-chairman Senator Curtis King (R-Yakima) introduced a new \$12.3 billion transportation revenue proposal that calls for an 11.5-cents-per-gallon gasoline tax increase. The bill would allocate \$6.5 million for road projects, \$365 million for transit, and \$302 million for bike and pedestrian projects.

Wisconsin

- **Assembly Bill 704**, a road funding bill that was requested by Governor Scott Walker (R) and introduced by in the state Assembly, would designate \$43 million from expected surplus revenue to pay for eleven statewide transportation maintenance and rehabilitation projects.
- **Bill Status:** On February 20, the Joint Finance Committee unanimously passed AB 704. This bill now awaits a vote in the Senate.

SUMMARY OF 2014 TRANSPORTATION FUNDING MEASURES

STATE	MEASURE	DESCRIPTION	BILL STATUS
Delaware	Governor Proposal	A proposal to increase the gasoline tax by 10-cents-per-gallon. This infrastructure plan proposes borrowing an additional \$50 million per year in order to pay for \$500 million in road and bridge improvement projects over a five-year period. If the state legislature passes this transportation funding proposal, the tax increase and new debt could generate \$100 million annually to pay for new infrastructure improvement projects. The 10-cents-per-gallon gasoline tax increase would likely bring in \$50 million per year.	The Republican leadership has expressed opposition to the Governor's plan, and so far, four House Democrats have said that they will reject the gas tax increase.
Georgia	House Bill 195	This is the second attempt to pass a regional transportation sales tax—the first time it failed in 2012 as a referendum.	In January, the bill was re-assigned to the Transportation Committee after being withdrawn from the Ways and Means Committee.
Idaho	House Bill 481	This bill was sponsored by the Transportation and Defense Committee and would amend the Idaho state law to change the motor fuel tax rate over two years.	As of February 10, HB 481 is currently under consideration in the Transportation and Defense Committee.
Indiana	House Bill 1104	House Bill 1104 was sponsored by Representative Edmond Soliday (R-District 4), who is also the chair of the House Roads and Transportation Committee. House Bill 1104 would provide funding for a transportation infrastructure study of alternative funding mechanisms. A third party would conduct the study, which would be required to last for at least two years.	On January 23, the bill passed in the House with a vote of 93 to 1. On March 4, the Senate voted unanimously to pass HB 1104. The following day, the House unanimously passed a motion to concur with the Senate amendments made to the legislation.
Iowa	House Study Bill 514	Proposes a 10-cents-per-gallon fuel tax increase over the next three years. It would allow for a 3-cents-per-gallon gasoline tax increase on July 1, 2014, another increase of 3-cents-per-gallon the following year, and a final 4-cents-per-gallon increase on July 1, 2016.	On January 29, House Study Bill 514 passed in the House Transportation subcommittee and will advance to the House Transportation Committee.
Iowa	Senate File 2042	SF 2042 would "take 2 percent of the adjusted gross general fund revenues off the top for transportation infrastructure." In 2014, this proposal would generate an additional \$130 million for the Iowa Department of Transportation.	The bill was introduced on January 23, 2014 and was referred to the Ways & Means Committee.
Iowa	Senate File 068	Proposes tying the fuel tax rate to the inflation rate in Iowa.	
Massachusetts	House Bill 3142	Seeks to launch a tax-by-the-mile pilot program in Massachusetts. House Bill 3142 would give the Department of Transportation the authority to implement a vehicles-miles-traveled (VMT) pilot program consisting of at least 1,000 volunteers.	A hearing on this bill was held in December 2013. HB 3142 has been referred to the Joint Committee on Transportation.
Massachusetts	House Bill 3882	Transportation bond bill to finance transportation system improvement projects.	The Senate passed this bill in March 2014.
Michigan	Senate Bill 608	Legislation to provide \$100 million in funding to fix damaged roads from the harsh impact of this winter's snow and ice storms. The road funding would be used from a \$115 million reserve fund.	On February 20, the Republican-led state Senate voted 32 to 6 in favor of approving this road maintenance funding legislation. The legislation now will go to the House for consideration.

Missouri	House Joint Resolution 68	A constitutional amendment proposal to temporarily raise the state sales and use tax by 1 percent to fund transportation projects throughout the state of Missouri. If the bill passes, then the measure will be placed on the ballot for voter approval.	On February 11, the House Transportation passed HJR 68. On February 20, the House Rules Committee also passed the bill.
New Hampshire	Senate Bill 367	Legislation to tie the state gasoline tax to the Consumer Price Index (CPI). Senate Bill 367 would increase the gasoline tax by 4-cents-per-gallon in 2014, which would raise \$28 million for the New Hampshire Department of Transportation. Beginning in 2018, Senate Bill 367 would start adjusting the future rates every four years.	On March 4, the Senate Ways and Means Committee passed the bill with a vote of 4 to 1.
New Mexico	House Bill 74	HB 74 would raise the gasoline and diesel fuel tax by 5-cents-per-gallon for the next 10 years in order to pay for specific highway construction projects in New Mexico. The bill would increase the gasoline tax to 22-cents-per-gallon until 2024, and then the tax would resume back to 17-cents-per-gallon. With this new revenue, New Mexico would then be able to issue \$100 million in new bonds to fund 10 highway improvement plans. The 5-cents-per-gallon gasoline tax increase would bring in approximately \$70 million per year.	On February 13, HB 74 passed in the Transportation and Public Works Committee. HB 74 is now currently under consideration in the House Taxation & Revenue Committee.
New Mexico	Senate Bill 228	A bill to raise the gasoline and diesel tax rates by 13-cents-per-gallon over a 5-year period. In 2024, the motor fuel tax rates would begin to be indexed for inflation.	SB 228 is currently under consideration in the Senate Corporations & Transportation Committee.
South Carolina	House Bill 4563	A bill to raise the state motor fuel tax rate by 10-cents-per-gallon. The South Carolina residents would receive a state income tax break during the first two years of implementation, and after this time period, then they would pay the new tax rate. This bill would ultimately generate \$335 million annually for South Carolina's roads; however, the tax rebate would return \$211 million during the first two years, which would then result in \$124 million per year to benefit roads. After the two year tax rebate period's termination, South Carolina would generate \$335 million per year.	On January 23, HB 4563 was referred to the Committee on Ways and Means.
South Carolina	Senate Bill 891	This bill was introduced by Senator Raymond Cleary (R-District 34). SB 891 would increase the gasoline and diesel fuel tax by 2-cents-per-gallon each year until the user fee reached 36-cents-per-gallon.	On January 14, the bill was introduced in the Senate and was then referred to the Senate Committee on Finance.
Texas	Constitutional Amendment	In 2013, 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.
Utah	House Bill 240	A bill to raise the gasoline tax by a total of 7.5-cents-per-gallon in order to increase funding for state highways. Over a five year period, this bill would annually increase the gasoline tax by 1.5 cents-per-gallon. This plan would generate approximately \$22 million during the first year of implementation.	The bill is currently under consideration in the House Rules Committee as of January 31.
Utah	House Bill 266	This is an alternative proposal to House Bill 240. HB 266 would tie the gasoline tax rate to inflation, which would raise additional tax revenues.	HB 266 is currently under consideration in the House Rules Committee, as of January 27.

Utah	House Bill 74	Legislation regarding energy efficient vehicle tax credits. HB 74 would increase the one-time tax credit for buying and leasing an electric or hybrid vehicle from \$605 to \$2,500.	HB 74 received a favorable recommendation from the House Revenue and Taxation Committee on February 12. On February 25, the bill passed in the House with a vote of 59 to 13—with 3 members not voting. On March 4, HB 74 was given a favorable recommendation by the Senate Revenue and Taxation Committee.
Utah	Senate Bill 139	A bill to implement additional payment laws when drivers register or renew, and this would be dependent on the power source of the vehicle. During registration, drivers with gasoline or diesel vehicles would be charged \$43, natural gas drivers would pay \$133, electric owners would pay \$138, and hybrid vehicle drivers would pay \$163.	On February 12, the Senate Transportation and Public Utilities and Technology Committee passed Senate Bill 139. On February 27, the Senate voted 19 to 5—with 5 senators absent or not voting—during the third reading of the bill.
Utah	Senate Bill 60	This bill would modify the calculation of the state gasoline tax.	On February 12, the Senate Revenue and Taxation Committee passed SB 60. The bill then passed in the Senate on February 25 with a vote of 26 to 1—with two abstentions. On March 4, SB 60 was unanimously passed by the House Transportation Committee. Now, the bill will be considered by the House.
Washington	Transportation Budget	This \$12.3 billion transportation revenue proposal calls for an 11-cents-per-gallon gasoline tax increase. The bill would allocate \$6.5 million for road projects, \$365 million for transit, and \$302 million for bike and pedestrian projects.	
Wisconsin	Assembly Bill 704	AB 704 would designate \$43 million from expected surplus revenue to pay for eleven statewide transportation maintenance and rehabilitation projects.	On February 20, the Joint Finance Committee unanimously passed AB 704. This bill now awaits a vote in the Senate.

Passed State Highway Funding Initiatives - Timeline

Date	State	Measure
November 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.
November 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.
November 6, 2012	Maine	Voters approved Question 4, which provides about \$41 million for highway and bridge repairs throughout the state.
February 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.
February 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.
August 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.
November 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.
November 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.