New Hampshire Senate Bill 367 (2014)

Title of Bill: Senate Bill 367

Purpose: A 4.2 cents-per-gallon motor fuel increase, dedicated to the state’s transportation system for use in resurfacing and reconstruction on secondary roadways, municipal bridges, and Interstate 93.¹

Status of Amendment: Passed

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Signed into law: May 20, 2014

History

State Gas Tax

The gas tax in New Hampshire had not been increased since 1991, when the 16 cents-per-gallon rate was raised to 18 cents; all of the revenue produced by the gas tax in New Hampshire is directed toward the Highway Fund.²

Gas Tax Distribution & Transportation Funding Sources

New Hampshire requires all Highway Fund revenue be allocated to only highway-related purposes. The Highway Fund is comprised of revenue generated by the state gas tax, motor vehicle registration fees, and plate fees.

Each cent of the state gas tax generates approximately $8.4 million, of which 12 percent ($1 million) is distributed to the Block Grant Aid for cities and towns.³⁴

Need

New Hampshire has close to 17,000 miles of state and town roads, turnpikes and interstate highways. Municipalities own and maintain almost 70 percent—or 11,865 miles—of these roadways. Of the 3,795 bridges in the state, municipalities own and maintain 1,685 bridges (44 percent).

Prior to the passage of SB 367, these municipalities relied on state and federal funding sources to make improvements. With support from these sources declining and only two significant sources of revenue...
to maintain and improve road infrastructure—local property taxes and state aid from the highway fund—municipalities were unable to consistently maintain the infrastructure of these roads and bridges.\textsuperscript{iv}

- **Roads**- New Hampshire DOT Commissioner Chris Clement noted that “Without adequate funding, the department is facing an expanding deficit of that could reach over $1 billion by 2022 in operating and capital funding, not counting the $365 million needed to complete the rebuilding and widening of I-93”.\textsuperscript{vi} A 2013 TRIP report found a $74 million annual shortfall for maintaining the state’s roads and bridges, with an anticipated 25 percent increase in vehicle-miles traveled within the New Hampshire.\textsuperscript{v}

- **Bridges**- The New Hampshire Department of Transportation “red listed” 353 of the bridges as in need of significant repair or full replacement, meaning the bridges are either structurally deficient or should be restricted to some vehicles. TRIP’s 2013 report on the state of New Hampshire’s roads identified 31 percent of total bridges—state and municipal—that failed to meet standards: 15 percent ‘structurally deficient’, and 16 percent ‘functionally obsolete’.\textsuperscript{v}

- **Pavement**- State transportation officials reported that, with 81 percent of New Hampshire’s pavement reported as “fair” or “poor” condition and 42 miles per year falling into “poor” condition, approximately $12 million in additional funding was needed to prevent further decline. Officials noted this estimate did not include the cost to repair or replace deficient drainage, guard rails, and bridges. The cost to restore all “poor condition” pavements to good condition was estimated at $615 million.

Representative Bouchard stated, “Deferring maintenance due to lack of funds only increases the cost to taxpayers by as much as five times the original projected cost.”\textsuperscript{vii}

**Summary of Legislation**

Senate Bill 367, primarily sponsored by Jim B Rausch (R-District 19), was introduced in the New Hampshire Senate on January 4, 2014 for the purpose of requiring the adjustment of the road toll imposed on sales of motor fuels according to changes in the Consumer Price Index and appropriate revenues for certain transportation projects. The bill eliminated certain ramp tolls on the Everett turnpike in the town of Merrimack and established “a committee to study the effectiveness and efficiency of the department of transportation”\textsuperscript{viii}.

SB 367 passed the Senate on March 27, 2014 with a vote of 15-9. The bill was sent to the House, where it was adopted with a vote of 193-141 (with 13 no-votes and 40 abstaining) on April 23, 2014. Governor Maggie Hassan (D) signed the bill into law on May 20.

Governor Hassan believed SB367 to be “the most significant state-level investment in our infrastructure in twenty-three years”\textsuperscript{ix} and noted “a modern and solid transportation infrastructure is essential to the success of New Hampshire’s people and businesses.”\textsuperscript{ix}
Revenue collected from the gas tax increase for the fiscal year ending in June 2015 will be distributed equally among the 6 state highway districts in New Hampshire for rehabilitation and resurfacing. All remaining funds were for the purpose of state bridge aid for municipal bridges.

- $12 million for district rehabilitation programs
- $13.2 million for district resurfacing programs

Additional revenue collected from rates that exceed 18 cents-per-gallon in the fiscal year ending in 2016 will be distributed for the purpose of, in order of priority:

- Make debt service payments for bonds issued pursuant to RSA 6:13-d (Authority to Borrow; Certain Transportation Projects)
- $8.1 million for district rehabilitation programs
- $13.2 million for district resurfacing programs
- $6.8 million for bridge aid and municipal bridges under RSA 234 (Duty to Construct and Maintain Bridges)
- All remaining funds to be deposited into the highway bridge and betterment account
For the fiscal year ending in 2017 and each fiscal year thereafter, revenue collected from rates that exceed 18 cents-per-gallon, will be distributed for the following purposes, in order of priority:

- Make debt service payments for bonds issues pursuant to RSA 6:13-d (Authority to Borrow; Certain Transportation Projects)
- $6.8 million for state bridge aid for municipal bridges under RSA 234

All remaining funds are to be deposited into the highway, bridge and betterment account.°

Supporters

Arguments:

- Declining federal and state support for municipalities, leaving them to rely on local property tax to address local transportation needs
- Completion of the I-93 expansion
- Less tax burden for future generations
- Loss of purchasing power due to inflation

Key Players:


“I am a strong proponent of infrastructure improvements because I believe it is critical for the well-being of our state. I also feel it is very important that we fund our Betterment Account and our State Aid Bridge Account because these funds go to our local communities to repair local roads and bridges to help reduce the tax burden on our local taxpayer” – Senator Jim Rausch vi

Department of Transportation Commissioner Christopher Clement

New Hampshire Municipal Association Board Chair Steve Fourniervi

A Safer Road to Tomorrow: A coalition of roads and business groups dedicated to informing New Hampshire’s residents about the need for transportation funding.

Publications by A Safer Road to Tomorrow in support of SB 367:

- Proposed Legislation Raising Road Toll According to CPI
- Road Toll Facts

Coalition partners include:
Opponents

Arguments:

- Unfair burden on low-income residents
- The state could reallocate existing revenue to pay for infrastructure repairs

Key Players:

Senate President Chuck Morse (R)

“I continue to oppose any increase in the gas tax; I believe it hurts the families of New Hampshire who can at least afford it, and it burdens our businesses trying to make ends meet in a fragile economy”

Americans for Prosperity

“After listening to the hearing it is still unclear where the $32 million that is projected to be raised by SB 367 is going if it were to pass.

At the hearing on Feb. 18th it was interesting to hear Senate President Chuck Morse point out to Commissioner Clements that the budget of his department – the DOT – had gone up by 20% per year for the last five years for a total of $100 million. I think the Public deserves to know just why the DOT budget increased by 20% in each of the last five years before the Senators vote on increasing the Gas/Diesel Tax. I know of no other state department or agencies whose budgets have increased with as large a percentage as the DOT budget. As Senator Morse pointed out, this is not sustainable.”

New Hampshire State Republican Committee
Citizens for A Strong New Hampshire

Why did it succeed?

Campaign Strategies and Messaging Focused on Economic Benefits and Job Creation

“The I-93 bond will put these dollars to work immediately, creating new jobs and finally completing one of the most important infrastructure and economic development projects in our state.” – New Hampshire Senate News Release upon Senate passage of SB 367.

Advocacy Coalition & Grassroots Mobilization

An involved transportation funding advocacy group performs outreach to the public and the legislature to prove the importance of new revenues for roads and bridges, and gain support for passage of legislation. “A Safer Road to Tomorrow” actively advocated for transportation funding and generated materials to demonstrate the need for a gas tax increase.

Governor as a Champion

Governor Hassan was supportive of the passage of SB 367, from the moment it was first approved by a Senate committee to signing the bill.

"In order to keep New Hampshire’s economy moving forward, we must work together to address our transportation infrastructure challenges.

A solid, modern transportation infrastructure is one of the essential foundations for New Hampshire’s long-term economic growth. SB 367 will help us make progress on that important effort, helping ensure we can continue to plow and repair our roads and keep our people safe.

I want to thank Senator Rausch for leading efforts to take an important step toward addressing our transportation needs, and I encourage members of both parties to support the committee’s bipartisan recommendation to strengthen our roads and bridges." – Governor Hassan’s statement regarding the committee vote of SB 367.

Compromise

SB367 eliminated the toll booths at Exit 12 in Merrimack, a point of contention in that region of New Hampshire for two decades.

One of the bills largest opponents, Senate President Chuck Morse, realized that the bill would likely pass and worked with Senator Rausch and Senator Nancy Stiles (R) to craft language for the widening of I-93. Though Morse still voted against the gas tax increase, his influence was crucial for the final compromise and passage of SB367.
The Transportation Investment Advocacy Center ™ (TIAC) is a first-of-its kind, dynamic education program and internet-based information resource designed to help private citizens, legislators, organizations and businesses successfully grow transportation investment at the state and local levels through the legislative and ballot initiative processes.

The TIAC website, www.transportationinvestment.org, was created so transportation investment advocates do not have to “re-invent the wheel” to mount successful campaigns. It exists to put in one place—and promote the sharing of—strategies... sample political and communications tools... legislative and ballot initiative language... and information on where to obtain professional campaign advice, research and help. To subscribe to at no cost—and receive via email—the regularly updated TIAC blog, visit the website.

In addition to the website, the TIAC program includes an annual workshop in Washington, D.C., and ongoing webinars for transportation investment advocates featuring case studies, best practices, and the latest in political and media strategies. State and local chamber of commerce executives, state legislators, state and local transportation officials, “Better Roads & Transportation” group members, industry and labor executives, and leaders of state and local chapters of national organizations who have an interest in transportation development programs are welcomed to participate.

The TIAC is a project of the American Road and Transportation Builders Association’s “Transportation Makes America Work!”™ (TMAW) program (www.tmaw.org) and funded through voluntary contributions and sponsorships. To become a sponsor or to make a contribution, visit the ARTBA store or contact TIAC Manager Carolyn Kramer at ckrramer@artba.org or 202-289-4434. Also contact Ms. Kramer if you have questions or comments about any reports or case studies published through the TIAC.
Appendix

I. New Hampshire Senate Bill 367 (2014) Final Passage (March 27, 2014)

Legislators voting to approve the 4.2 cents-per-gallon gas tax increase

Senate

Jeff Woodburn (District 1)  Bob Odell (District 8)  Bette R Lasky (District 13)
David H Watters (District 4)  Sylvia B Larsen (District 15)  David R Boutin (District 16)
David M Pierce (District 5)  Jim B Rausch (District 19)  Lou D’Allesandro (District 20)
Andrew J. Hosmer (District 7)  Molly M Kelly (District 10)  Martha Fuller Clark (District 21)
Bob Odell (District 8)  Peter Bragdon (District 11)  Nancy F Stiles (District 24)
Molly M Kelly (District 10)  Peggy Gilmour (District 12)  

House

William Butynski (Cheshire 1)  Priscilla P Lockwood (Merrimack 9)
Alfred C Lerandeau (Cheshire 12)  Kevin P St.James (Rockingham 13)
Harry L Young (Cheshire 14)  Eileen C Flockhart (Rockingham 18)
Charles F Weed (Cheshire 16)  Donna L Schlachman (Rockingham 18)
Gary M Coulombe (Coos 3)  Chris Muns (Rockingham 21)
Marcia Hammon (Coos 5)  Rebecca Emerson-Brown (Rockingham 27)
Bernard L Benn (Grafton 12)  Brian Wazlaw (Rockingham 29)
Beatriz Pastor-Bodmer (Grafton 12)  Elizabeth B Burtis (Rockingham 6)
Laurie Harding (Grafton 13)  Kevin K Waterhouse (Rockingham 7)
Peter M Sullivan (Hillsborough 10)  Dorothea D Hooper (Strafford 16)
Joel F Winters (Hillsborough 18)  Stephen M Ketel (Strafford 17)
Jill S Hammond (Hillsborough 24)  Dale S Spainhower (Strafford 18)
Angeline A. Kopka (Hillsborough 28)  Marsha L Pelletier (Strafford 20)
David B Campbell (Hillsborough 33)  Kenneth Grossman (Strafford 4)
Patrick L. Culbert (Hillsborough 37)  Amanda A Merrill (Strafford 6)
Mary Ann Knowles (Hillsborough 37)  Linda L Tanner (Sullivan 9)
Richard S. Eaton (Hillsborough 38)  Ruth P Gulick (Belknap 1)
Stephen P Spratt (Hillsborough 4)  Lisa DiMartino (Belknap 2)
John W Cebrowski (Hillsborough 7)  David O. Huot (Belknap 3)
Peter E Ramsey (Hillsborough 8)  Ian P. Raymond (Belknap 4)
Gary B Richardson (Merrimack 10)  Syndi G. White (Carroll 2)
Jane J Hunt (Merrimack 15)  Tom Lavender (Carroll 5)
Rick H Watrous (Merrimack 16)  Carol H. Friedrich (Grafton 16)
Candace C W Bouchard (Merrimack 18)  Catherine Mulholland (Grafton 17)
Frank W. Davis (Merrimack 20)  James D Aguiar (Grafton 7)
Mary Beth E Walz (Merrimack 23)  Tim O’Flaherty (Hillsborough 12)
Legislators against the gas tax increase

**Senate**

Jeanie L Forrester (District 2)  
Jeb Bradley (District 3)  
Sam A Cataldo (District 6)  
Andy Sanborn (District 9)  
Sharon M Carson (District 14)  
John M Reagan (District 17)  
Donna M. Soucy (District 18)  
Chuck W Morse (District 22)  
Russell E Prescott (District 23)

**House**

Colette Worsman (Belknap 2)  
Herbert R. Vadney (Belknap 2)  
Donald H Flanders (Belknap 3)  
Robert A Luther (Belknap 3)  
Dennis H Fields (Belknap 4)  
Richard B Burchell (Belknap 5)  
Stephen Holmes (Belknap 5)  
Charles R. Fink (Belknap 6)  
Michael J. Sylvia (Belknap 6)  
Guy Comtois (Belknap 7)  
Jane Cormier (Belknap 8)  
Gene G Chandler (Carroll 1)  
Karen C Umberger (Carroll 2)  
Mark E McConkey (Carroll 3)  
Glenn Cordelli (Carroll 4)  
Harry C Merrow (Carroll 5)  
Bill G. Nelson (Carroll 5)  
Christopher J Ahlgren (Carroll 6)  
Stephen J Schmidt (Carroll 6)  
Donald S. Wright (Carroll 8)  
Suzanne H. Gottling (Sullivan 2)  
Andrew S. O’Hearne (Sullivan 3)  
Raymond G Gagnon (Sullivan 5)  
Virginia O’Brien Irwin (Sullivan 6)
John B Hunt (Cheshire 11)
Jane B Johnson (Cheshire 12)
Henry A. L. Parkhurst (Cheshire 13)
Laurence M Rappaport (Coes 1)
Yvonne D Thomas (Coes 3)
Herbert D Richardson (Coes 4)
Leon H. Rideout (Coes 7)
Ralph J. Doolan (Grafton 1)
Brad Bailey (Grafton 14)
Rick M Ladd (Grafton 4)
Edmond D Gionet (Grafton 5)
Harold T "Skip" Reilly (Grafton 9)
Larry G Gagne (Hillsborough 13)
Steve Vaillancourt (Hillsborough 15)
Emily C. Sandblade (Hillsborough 18)
Dick Marston (Hillsborough 19)
Neal M Kurk (Hillsborough 2)
Ralph G Boehm (Hillsborough 20)
Frank A. Byron (Hillsborough 20)
Richard W Hinch (Hillsborough 21)
Tony J Pellegrino (Hillsborough 21)
Lenette M Peterson (Hillsborough 21)
Kathleen M Stroud (Hillsborough 21)
Phillip N. Straight (Hillsborough 21)
Robert H Rowe (Hillsborough 22)
Peter T Hansen (Hillsborough 22)
Stephen J Palmer (Hillsborough 23)
Robert F Willette (Hillsborough 23)
Shawn P. Sweeney (Hillsborough 23)
Peter R. Leishman (Hillsborough 24)
James E Coffey (Hillsborough 25)
James A Parison (Hillsborough 25)
Jack B Flanagan (Hillsborough 26)
James P Belanger (Hillsborough 27)
Donald L LeBrun (Hillsborough 32)
David K. Murotaka (Hillsborough 32)
Kenneth N Gidge (Hillsborough 33)
Mary S Nelson (Hillsborough 35)
Shawn N Jasper (Hillsborough 37)
Lars T Christiansen (Hillsborough 37)
Russell T Ober (Hillsborough 37)
Lynne M Ober (Hillsborough 37)
Andrew Renzullo (Hillsborough 37)
Jordan G Ulery (Hillsborough 37)
Mark Warden (Hillsborough 39)
Gary L Daniels (Hillsborough 40)
Laurie J Sanborn (Hillsborough 41)
Kathleen F Souza (Hillsborough 43)

Andre A. Martel (Hillsborough 44)
George A Lambert (Hillsborough 44)
William L O'Brien (Hillsborough 5)
John A Hikel (Hillsborough 6)
Calvin D Pratt (Hillsborough 6)
John A Burt (Hillsborough 6)
Moe Villeneuve (Hillsborough 7)
Keith Murphy (Hillsborough 7)
Dan McGuire (Merrimack 21)
J.R. Hoell (Merrimack 23)
Frank R Kotowski (Merrimack 24)
Todd P Smith (Merrimack 24)
Thomas C. Walsh (Merrimack 24)
Carol M McGuire (Merrimack 29)
Bruce E. Hodgdon (Rockingham 1)
Daniel C Itse (Rockingham 10)
Elisabeth N Sanders (Rockingham 12)
Kenneth L Weyler (Rockingham 13)
John B Sedensky (Rockingham 13)
Regina M Birdsell (Rockingham 13)
Debra L DeSimone (Rockingham 14)
William G. Friel (Rockingham 14)
Jack Hayes (Rockingham 14)
Mary M Allen (Rockingham 15)
Robert L. Nigrello (Rockingham 16)
Adam R Schroadter (Rockingham 17)
Patrick F Abrami (Rockingham 19)
Joe Duarte (Rockingham 2)
Kyle J Tasker (Rockingham 2)
Romeo Danais (Rockingham 2)
Lawrence B Perkins (Rockingham 20)
Aboul B Khan (Rockingham 20)
Frederick C Rice (Rockingham 21)
J. Tracy Emerick (Rockingham 21)
Pamela Z Tucker (Rockingham 23)
Kathleen M Hoelzel (Rockingham 3)
Lawrence M Kappler (Rockingham 3)
Joe W Scarlottto (Rockingham 31)
Timothy P Comerford (Rockingham 33)
Richard E. Gordon (Rockingham 35)
Dan (Dudley) Dumaine (Rockingham 4)
James E Devine (Rockingham 4)
Joseph M Hagan (Rockingham 4)
Betsy McKinney (Rockingham 5)
Alfred P Baldasaro (Rockingham 5)
David C Lundgren (Rockingham 5)
Daniel J Tamburello (Rockingham 5)
Robert M Fesh (Rockingham 6)
Frank V Sapareto (Rockingham 6)
Brian K Chirichiello (Rockingham 6)
James C Webb (Rockingham 6)
Mary E Griffin (Rockingham 7)
Charles E McMahon (Rockingham 7)
Ronald J Belanger (Rockingham 8)
Robert J Elliott (Rockingham 8)
Marilinda J Garcia (Rockingham 8)
Patrick J. Bick (Rockingham 8)
Bianca R Garcia (Rockingham 8)
Joe Sweeney (Rockingham 8)
Jeffrey F. Harris (Rockingham 9)
Robbie L Parsons (Strafford 1)
John A. Mullen (Strafford 1)
Warren J Groen (Strafford 10)
Deanna S. Rollo (Strafford 18)
Joseph A Pitre (Strafford 2)
Laura M Jones (Strafford 24)
David A. Bickford (Strafford 3)
James P Gray (Strafford 8)
Steven P. Beaudoin (Strafford 9)
Steven D Smith (Sullivan 11)
Joe Osgood (Sullivan 4)
Skip Rollins (Sullivan 6)
James L Grenier (Sullivan 7)
“SB 367 - Transportation Funding for New Hampshire”
http://www.nh.gov/dot/road-toll/

“An Overview of New Hampshire’s Tax System”

A Safer Road to Tomorrow: Funding guide. http://www.saferoadsnh.com/Facts/Funding/

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https://www.nhmunicipal.org/advocacy/highway-funding

“NEW HAMPSHIRE TRANSPORTATION BY THE NUMBERS: Meeting the State’s Need for Safe and Efficient Mobility”, TRIP Report, February 2013.

“Follow the Money: New Hampshire’s Transportation Infrastructure in Decline”, by Timothy W. Fortier and Paul Sanderson, New Hampshire Town And City, January/February 2013
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