



State Funding Initiatives Report

NOVEMBER 2014



ABOUT THE TRANSPORTATION INVESTMENT ADVOCACY CENTER (TIAC)

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 ckramer@artba.org or 202-289-4434. Also contact Ms. Kramer if you have questions or comments about the monthly State Fund Initiatives Report™.

EXECUTIVE SUMMARY

New Developments

Legislation

- Michigan Senate approved HB 5477 November 13, a bill to replace the state's current 19 cents-per-gallon motor fuel tax with a 9.5 percent tax on the wholesale price of gasoline. HB 5477 now awaits review by the House when it reconvenes early December.
- Virginia lawmakers November 10 approved a 1.6 percent increase in the state sales tax on gasoline to fund transportation investment, in accordance with the transportation funding bill passed 2013. Lawmakers also transferred \$50 million in sales tax revenue from the General Fund back to the state's transportation fund.
- New Jersey Assembly is considering AB 3816, introduced October 16 for the purpose of dedicating sales tax revenues from the sale of electricity, natural gas, and hydrogen-powered vehicles to the state Transportation Trust Fund.
- California Governor Jerry Brown (D) approved two transportation bills in September, including a vehicle-miles-traveled (VMT) study.

Ballot Initiatives

- A ballot measure to support or increase transportation investment was successfully passed in 4 states—Maryland, Rhode Island, Texas and Wisconsin—during the month.
- A ballot measure to support transportation investment was defeated in 1 state—Louisiana—during the month.

Activity Status Year-to-Date

Legislation

- Legislation to increase transportation funding has been introduced in 11 states YTD, with New Hampshire and Rhode Island passing legislation to ensure recurring revenue in the form of state gas tax increases.
- Legislation to increase transportation investment has been successfully passed in four states—California, Maryland, Florida, and Wisconsin—YTD. Additionally, California, Indiana South Dakota, and Louisiana passed legislation authorizing studies examining potential transportation funding sources.
- Legislation to increase transportation investment is awaiting action in four states—Connecticut, Michigan, Texas and New Jersey.
- Legislation to increase transportation investment has been defeated in 15 states YTD.

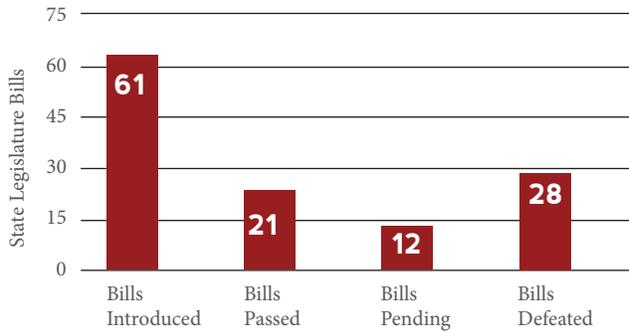
Ballot Initiatives

- Statewide ballot measures to increase transportation funding were approved in three states—Texas, Rhode Island and Ohio—YTD.
- Ballot measures to increase transportation investment have been successfully passed in two states—Maryland and Wisconsin—YTD.
- Ballot measures to increase transportation investment have been defeated in three states—Louisiana, Missouri and Massachusetts—YTD.
- 212 county and local ballot measures were voted on in 2014, with 169 approved.

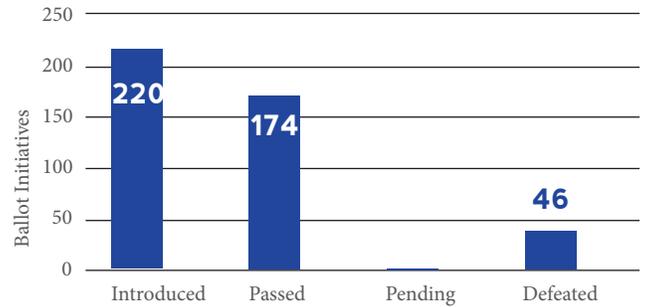
Total Statewide Funding Approved Year-to-Date: \$18,121,100,000

EXECUTIVE SUMMARY

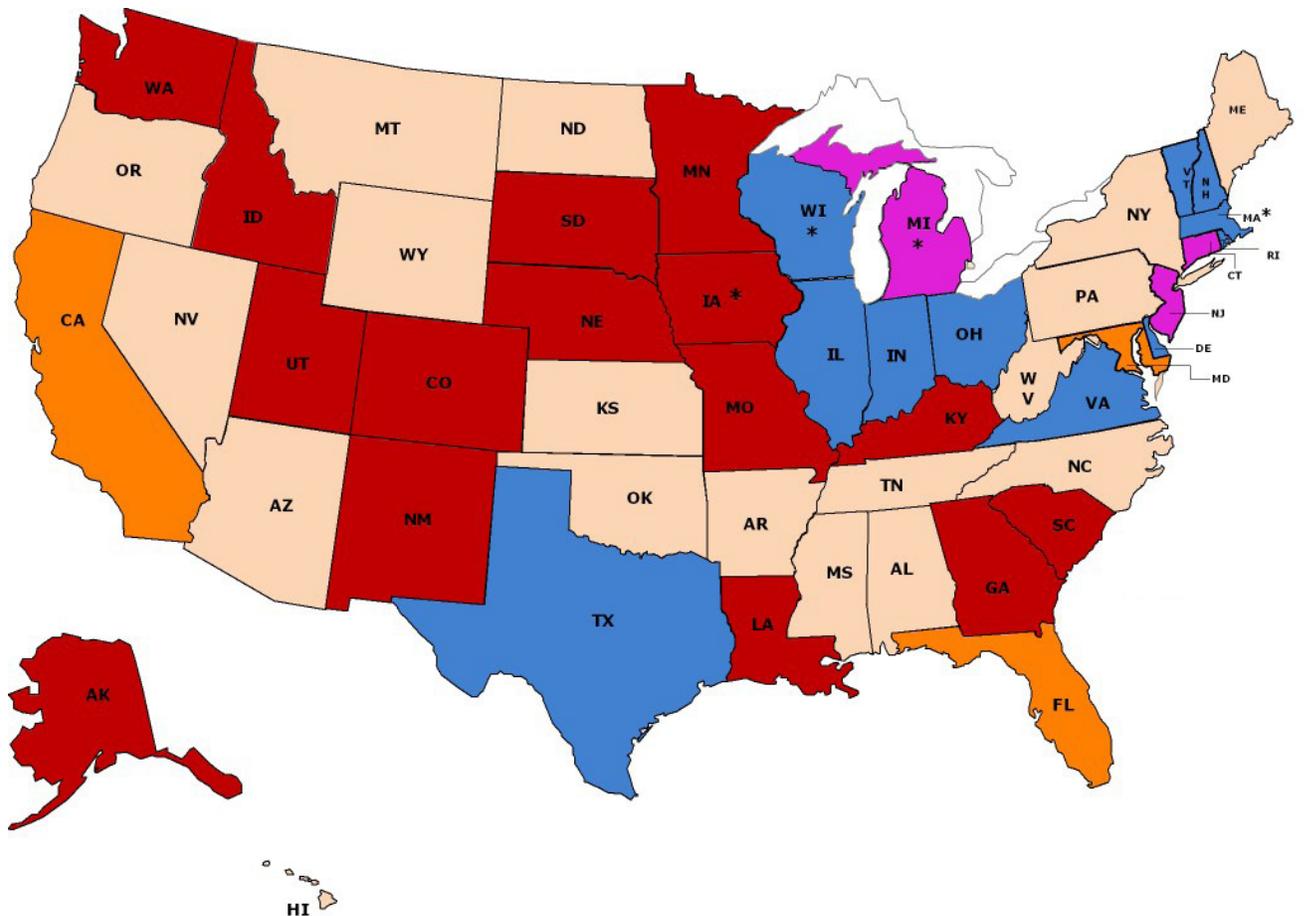
STATE FUNDING LEGISLATIVE 2014



BALLOT MEASURES 2014



2014 STATE TRANSPORTATION FUNDING INITIATIVES



- Legislation to Increase Revenue Approved
- Non-Funding Legislation approved
- Initiative pending
- Initiative failed

* Several measures are in varying stages. View state breakdown for more info.

STATE INITIATIVE DETAILS

ALASKA

House Joint Resolution 10

Introduced by Representative Peggy Wilson (R-Wrangell) February 3, 2014, HJR 10 proposed a constitutional amendment to reestablish a dedicated transportation projects fund. Beginning July 1, 2015, the Alaska Transportation Infrastructure Fund would have received revenue designated solely for Alaska's transportation infrastructure from the state's fuel tax, vehicle rental tax, studded tire tax, driver's license and identification card fees, and vehicle registration fees. Wilson said of HJR 10, "This change to the constitution, reinstating a dedicated transportation fund, is needed to create and maintain a modern, reliable transportation system for Alaska."

Bill Status

Bill Died—Action Postponed Indefinitely

HJR 10 passed the Senate on March 13 34-4. The bill was sent to the Senate Finance Committee on April 2, where it died without action.

CALIFORNIA

Senate Bill 628

Was introduced February 22, 2013 by Senators Beall (D-Campbell) and Wolk (D-Solano) to provide local agencies with a robust infrastructure investment tool, Enhanced Infrastructure Financing Districts (EIFDs). EIFDs will reduce vote requirements for bonds from two-thirds majority to 55% and increase scope of infrastructure projects eligible for bonds.

Bill Status

Approved—Signed into Law

Passed with amendments by the Assembly 44-31 and by the Senate 21-13 on August 30, 2014. The bill was signed into law by Governor Jerry Brown (D) September 29, 2014.

Senate Bill 1077

Was introduced by Senator Mark DeSaulnier (D) on February 19. The bill proposes the development of a vehicles miles traveled (VMT) tax pilot program, to test out the feasibility of such a program as an alternative to California's gas tax revenues

Bill Status

Approved—Signed into Law

Passed by the state Assembly with supplements on August 25, 2014 46-26, and by the Senate August 27, 23-11. Presented by Governor Jerry Brown (D) September 4, 2014. The bill was signed into law by Governor Jerry Brown (D) September 29, 2014.

STATE INITIATIVE DETAILS

COLORADO

House Bill 14-1259

Representative Brian DelGrosso (R-Loveland) introduced HB 14-1259 in the House February 3, 2014 for the purpose of transferring \$100 million from Colorado's General Fund to the State Highway Fund on July 1. The transferred money would be distributed proportionately to the Colorado Department of Transportation engineering regions, based off the number of state highway lane miles within each region, and used to maintain its highways and bridges.

Bill Status

Bill Died—Action Postponed Indefinitely

The bill was assigned to the House Transportation and Energy committee, from which it was referred to Appropriations May 20. on April 11 the House postponed action on the bill indefinitely.

CONNECTICUT

Senate Joint Resolution 23

SJ 23—"A Resolution Proposing an Amendment to the State Constitution Limiting the Use of Moneys Contained in the Special Transportation Fund"—was introduced February 27, 2014 with the purpose of restricting diversions taken out of Connecticut's Special Transportation Fund (STF). Established in 1984, the fund was intended to "provide a dedicated fund for the financing of investment in the State's transportation system and to cover the cost of operating the Department of Transportation and all the services it provides." Sources of the fund's revenue come from the state's gas tax, motor vehicle sales tax, license, permit, and registration fees, and Emission Inspection Program late fees.

Representative David Scribner (R-107) said of SJ 23, "The reinvestment of transportation funding into infrastructure improvements is crucial as our roads and bridges continue to deteriorate and pose a risk to safety. This Constitutional Amendment would help reduce the cost of commuting in Connecticut and boost transparency by preventing state government from using slight-of-hand fiscal maneuvers to raid transit funding."

Representative Jan Giegler (R-138) stated, "It's unfortunate we need to take actions like this to preserve funds that were already set aside for transportation infrastructure improvements and repairs."

Bill Status

SJ 23 was sent to the Joint Committee on Finance, Revenue and Bonding April 15. No new action was taken before the legislature adjourned.

STATE INITIATIVE DETAILS

DELAWARE

Governor Proposal

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. Delaware's motor fuels tax has not been raised since 1995, and the gasoline tax currently stands at 23-cents-per-gallon.

Bill Status

Facing weak state revenues in an election year, Markell and Transportation Secretary Shailen Bhatt were unable to find House lawmakers willing to sponsor the plan. On June 19, the Markell Administration compromised by instituting a one dollar weekend hike on Route 1 tolls. This move is expected to generate approximately \$10 million, the majority of which will go towards restoring proposed cuts to the Community Transportation Fund accounts. Localities can apply to their lawmakers to have projects financed through this fund. In addition, the Delaware Department of Transportation (DelDOT) will borrow another \$20 million that will be earmarked solely for paving projects.

While Bhatt has the authority to raise tolls without authorization from the general Assembly, in a show of multilateral support the capital budget committee voted 11-1 in favor of the toll hike and borrowing plan. Bhatt has stated that he plans to continue lobbying for a tax or fee increase in 2015.

FLORIDA

House Bill 7175

Introduced April 11, 2014 by Representative Tom Goodson (R-Titusville) and the Economic Affairs Committee for the purpose of authorizing revenue from leases with wireless communications facilities near roads and commercial signs on state trails to fund road construction. Additionally, the bill calls for more toll roads within the state, authorizes the Florida Department of Transportation (FDOT) to finance "strategic airport investment projects," and prohibits local governments from installing new parking meetings along state roads for a period of one year. HB 7175 embodies a package of bills assembled by FDOT Secretary Ananth Prasad.

Bill Status

Approved-Signed Into Law

Passed in the House 118-0 April 24. Passed in the Senate 40-0 May 2. Governor Rick Scott (R) signed the bill into law June 20. The bill went into effect July 1, 2014.

STATE INITIATIVE DETAILS

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

Failed

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

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

Failed—Action Postponed Indefinitely

HB 481 was introduced in the House on February 7. The bill was previously under consideration in the Transportation and Defense Committee.

STATE INITIATIVE DETAILS

ILLINOIS

House Bill 3794

Part of Governor Pat Quinn's (D) six-year Illinois Jobs Now! capital construction program, is expected to generate more than 210 projects and create 14,300 jobs. In addition to the \$1 billion in projects already in the Illinois Department of Transportation's FY 2015-2020 program, the bill allocates \$100 million for local improvements to roads and bridges. It was introduced on January 3, 2014 by Rep. Michael J. Madigan (D-Chicago).

Bill Status

Approved—Signed into law

Signed into law by Governor Pat Quinn July 22.

Senate Bill 3224

Passed in conjunction with HB 3794, SB 3224 provides the General Obligation bond authorization to fund projects created through HB 3794. It was introduced by Sen. Toi W. Hutchinson (D-Chicago Heights) on February 11, 2014.

Bill Status

Approved—Signed into law

Signed into law by Governor Pat Quinn July 22.

INDIANA

House Bill 1002

"Major Moves 2020 Funding" was authored by Representative Timothy Brown (R-District 41). This bill immediately releases \$200 million from Indiana's trust fund—which was created in 2013—to permit new transportation funding.

Bill Status

Approved—Signed into law

On February 3, HB 1002 passed 92 to 2 in the House. In the Senate, the bill passed 49 to 0 on February 27. On March 13, the House voted 95 to 4 in favor of the bill, and the same day, the Senate voted again 43 to 5. On March 13, the House Speaker signed the. Governor Mike Pence (R) signed the bill into law on March 27, 2014.

House Bill 1104

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

Approved—Signed into law

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. On March 13, the Speaker signed the legislation, and the bill was signed into law by the Governor on March 27.

STATE INITIATIVE DETAILS

IOWA

House Study Bill 661

A proposal that would decrease the gasoline tax from 21-cents-per-gallon to 16-cents-per-gallon and would also create a new 5 percent wholesale tax on motor fuels. The bill was proposed by the Committee on Transportation Chairman Josh Byrnes (R-Osage). If implemented, this plan could raise an extra \$230 million each year.

Proponents of the bill include the Iowa Good Roads Association, the Associated General Contractors, and the Iowa Corn Growers Association. Opponents of the bill include tea party advocates, Iowans for Tax Relief, Truckstops of Iowa, and the Petroleum Marketers and Convenience Stores of Iowa.

Representative Osage said, “I would say if anything passes, it is going to be the hybrid tax plan...it is not going to be the long-term flat tax. This is more of a long-term fix.”

Bill Status

Failed

Introduced February 19, 2014 and referred to the House Transportation Subcommittee. No further action was taken.

House Study Bill 514

Introduced in an Iowa House Committee in January, the study 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

Stalled in Committee.

On January 29, House Study Bill 514 passed in the House

Transportation sub-committee and advanced to the House Transportation Committee.

Senate File 2042

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.” In 2014, this proposal would generate an additional \$130 million for the Iowa Department of Transportation.

Bill Status

Failed

Introduced on January 23 and referred to the Ways & Means Committee on February 27. No further action taken.

Senate File 2068

Introduced January 28, 2014 by Senator Mark Chelgren (R-41) for the purpose of indexing the state’s motor fuel tax, as well as “certain special fuel used in motor vehicles” to the percentage change in the average of the Consumer Price Index issued by the U.S. Department of Labor.

Bill Status

Failed

Referred to the House Transportation Subcommittee. No further action taken.

STATE INITIATIVE DETAILS

KENTUCKY

House Bill 445

A revenue bill that would raise Kentucky's gasoline tax by 1.5-cents-per-gallon in order to fund additional transportation projects throughout the state. This bill was introduced by Representative Rick Rand (D) in the House on February 24, and the bill would "amend the effective date of the provisions relating to the gas tax to provide that the amendment applies beginning June 1, 2014." If approved, this plan would have generated an additional \$107 million to fund transportation. Kentucky's gasoline tax is currently tied to the average price of wholesale motor fuels, and as a result, the state gasoline tax fluctuates frequently. HB 445 would have raised the minimum wholesale price in order to generate additional revenue to fund transportation projects statewide.

Bill Status

On March 25, the Senate rejected HB 445

Previously, on March 12, the Kentucky House had passed HB 445 with a vote of 53 to 44.

LOUISIANA

2014 Ballot Measure: The Louisiana State Infrastructure Bank Amendment

House Bill 628 is on the November 4, 2014 ballot as a legislatively-referred constitutional amendment. Louisiana residents voted on the bill that would have cleared the way for a transportation "lockbox" initiative. The ballot measure asked voters to approve a constitutional amendment to permit the creation of a state infrastructure bank. The bank would loan public funds already being collected by Louisiana to localities for transportation projects. The measure was placed on the ballot after Governor Bobby Jindal (R) came under criticism for transferring funds to help cover costs associated with the State Police in FY 2014-2015. The Louisiana Constitution permits up to 20 percent of the account to be spent on ports, parish roads, state flood control projects, and the State Police. The last transfer occurred three years earlier, prior to Jindal taking office, when \$38 million was distributed from the transportation fund to the State Police.

Bill Status

Failed.

On November 4, the measure failed to be passed by voters, with 32% in favor and 66% opposed.

House Concurrent Resolution 166

Authorized the creation of an eight-member Transportation Funding Task Force to review solutions for the \$10 billion backlog of transportation infrastructure projects. Recommendations are due to the House and Senate transportation committees by January 15, 2015. The first meeting was held September 10.

STATE INITIATIVE DETAILS

MARYLAND

2014 Ballot Measure: Maryland Transportation Fund Amendment

The Maryland ballot measure proposed the establishment of a transportation trust fund in the Maryland Constitution, from which revenues generated by motor fuel taxes, motor vehicle excise taxes, registration and licensing fees, and other sources would go towards paying transportation-related bond debt and the modernization and maintenance of highways. The measure stipulates that revenues in the fund cannot be shifted to the state general fund or a special fund, except for extenuating circumstances such as a fiscal emergency.

Senate Bill 829 assured that the Maryland Transportation Fund Amendment will be included in the November 4, 2014 as a legislatively-referred constitutional amendment. SB 829 was approved by the Maryland House of Delegates on April 5, 2013 with a vote of 108-30 in favor. It was approved by the Senate on April 7, 2013 with a vote of 40-7, and was enrolled as a constitutional referendum on May 2, 2013.

Bill Status

Approved

Maryland voters showed their support for the transportation “lockbox” with a vote of 82% in favor and 18% opposed.

MASSACHUSETTS

House Bill 4046

Amended from a previous bill—House Bill 3882—and was introduced on April 14, 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

Approved—Signed into law

The bill passed the House on April 16 with 150 in favor and 2 opposed, and passed the Senate on April 17 with 40 in favor and 0 opposed. The Governor signed on April 18, 2014.

2014 Ballot Measure: The Tank the Automatic Gas Tax Hike Ballot Measure

Put on the November 4, 2014 statewide ballot to repeal part of a 2013 law that indexes the state gas tax to inflation. To secure a spot on the ballot, the coalition “Tank the Automatic Gas Tax Hikes” collected signatures on a petition in support of repealing the law. The ballot question preserves the 3-cent increase in the state gas tax, but would abolish the portion that indexes future state gas tax increases to the rate of inflation., putting \$1 billion of transportation projects at risk.

Bill Status

Failed.

Voters approved the measure 53% to 47%, removing the portion of the law that indexed the state gas tax to the consumer price index.

STATE INITIATIVE DETAILS

MICHIGAN

Senate Bill 608

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, 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. SB 608 is part of the state's 2014 supplemental appropriations legislation. 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.

Bill Status

Approved—Signed into law

On February 20, the Republican-led state Senate voted 32 to 6 in favor of approving this road maintenance funding legislation. On March 13, the Michigan state legislature approved a \$215 million package to pay for road maintenance projects through the state. The bill was signed into law by Governor Rick Snyder on March 14.

Senate Bill 6

Introduced January 16, 2013 by Senator John Proos (R-21) for the purpose of amending the state's Sales Tax Act in order to dedicate 18% of undedicated sales tax proceeds to a comprehensive transportation fund.

Bill Status

SB 6 passed the Senate June 5, 2014 37-0. That same day, the House referred it to the Committee on Tax Policy.

House Bill 4630

An additional component of the comprehensive House road funding package, HB 4630 was originally introduced in April 2013 by Representative Michael McCreedy (R- Bloomfield Hills) to increase fines and special permit fees for overweight trucks and revise some registration fees. On May 8, 2014 a substitute was accepted that did not impose a large vehicle registration tax increase, but instead simplified the number of separate vehicle types and categories specified in the law. The bill is expected to generate approximately \$35 million per year, which will go towards funding roads and bridges. With this substitute HB 4630 passed the House with 90 in favor and 19 opposed.

Bill Status

HB 4630 passed the Senate with a vote of 21-15 on June 11, 2014.

House Bill 4925

Would have allowed the Michigan Department of Transportation to enter into public-private partnerships pertaining to researching, planning, developing, financing or operating a public transportation facility. The measure faced controversy when it was accused by critics of creating an opening for toll roads within the state.

Bill Status

Held back in the House Transportation and Infrastructure committee for additional work.

House Bill 5477

House Bill 5477 was introduced by Representative Rob VerHeulen (R- Walker) on April 23, 2014 in order to replace the current 19-cent per gallon gas tax and 15-cent per gallon diesel tax with a calculation that would multiply the average wholesale gas price by 9.5 percent, gradually increasing to 15.5 percent by January 2018. This calculation would be performed by the Michigan Department of Treasury on an annual basis. According to a Senate Fiscal Agency analysis, HB 5477 could generate an additional \$781 million to \$1.5 billion per year, depending on the wholesale price of gas.

Bill Status

STATE INITIATIVE DETAILS

MICHIGAN

Pending- Bill passed the Senate on November 13, 2014.

Bill was approved in Senate 23-14 and will now go to the House for vote when it reconvenes early December.

House Bill 5459

Included in the bundle of House road funding bills, HB 5459 proposed that sales tax collected on gasoline sales be used to finance transportation infrastructure. This would shift an estimated \$370 million in sales and use tax revenues from the general fund to road and bridge projects.

Bill Status

Was passed by the House Committee on Tax Policy (91-18) and referred to the Senate Committee on Infrastructure Modernization on May 13, 2014.

House Bill 5493

Tied to the success of HB 5477, HB 5493 would repeal the current tax on diesel fuel. The bill was introduced by Representative Rob VerHeulen (R- Walker) on April 29, 2014 as part of a comprehensive House road funding package. The proposed new state gas tax rates are defined in HB 5477.

Bill Status

Pending.

HB 5493 passed the House on May 8 with 84 in favor and 25 opposed. Approved by the Senate on June 11 2014 with substitutions, and send back to the House.

MINNESOTA

Senate File 2107

Introduced by Senator David Scott Dibble (D-Minneapolis) February 27, 2014, with the purpose of generating approximately \$700 million per year in additional transportation funding from new taxes. Those taxes include a five percent wholesale gas tax, amending a transit sales tax, and allocate the \$2 billion in proceeds from the sale of bonds. The revenue generated from these taxes would be split between funding for roads and bridges and funding for transit.

Bill Status

Bill Died

On April 2 SF 2107 was amended by the Senate Committee of Transportation and Public Safety, recommended to pass, a re-referred to the Committee on Finance.

House File 2395

Introduced February 27, 2014 by Representatives Frank Hornstein (D-61A) and Phyllis Kahn (D-60B) as a companion bill to SF 2107.

Bill Status

Bill Died

The House Transportation Finance Committee passed the bill 9-6 and sent it to the House Taxes Committee.

STATE INITIATIVE DETAILS

MISSOURI

House Joint Resolution 68

HJR 68 was a constitutional amendment proposal to temporarily raise the state sales and use tax by .75% (reduced from the originally proposed 1%, or one penny, increase) for a period of 10 years to fund transportation projects throughout the state of Missouri. The constitutional amendment was sponsored by Representative Dave Hinson (R-St. Clair), and in the Senate, the bill is sponsored by Senator Mike Kehoe (R-Jefferson City). The measure was passed by the Senate on April 29 22 to 10 in favor. On May 15 the amendment was passed by the House, 105 to 43. Originally scheduled for the November 2014 ballot, it was moved up to the August ballot.

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 and avoid taxing out-of-state truckers using the roads.

Bill Status

Failed

The measure was defeated by voters at the August 5, 2014 primary election with 59% against and 40% for the transportation sales tax increase.

NEBRASKA

Legislative Bill 1092

Introduced by Senator Annette Dubas (NON-Fullerton) January 22, 2014, LB 1092 would authorize the state to issue bonds in order to finance up to \$400 million in highway projects. If approved, this would have been the first time Nebraska used bonds.

Bill Status

Failed

Final Senate vote April 10 was 28 for and 16 against, failing to achieve the three-fifths majority required for the bill to move on.

STATE INITIATIVE DETAILS

NEW HAMPSHIRE

Senate Bill 367

Introduced by Senator Jim Rausch (R-Derry), who is the Senate Transportation Committee Chairman. Senate Bill 367 would increase the gasoline tax by 4-cents-per-gallon in 2014, which would raise \$32 million for the New Hampshire Department of Transportation. In the original text, beginning in 2018 Senate Bill 367 would start adjusting the future rates every four years. This component was later removed. 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. The bill initially included a new CPI adjustment, but this was removed from the current bill. In February 2014, Governor Maggie Hassan said she would sign this legislation into law.

Bill Status

Approved—Signed into law

SB 367 was signed by Governor Hassan on May 20, 2014 and will go into effect July 1. The new gas tax will be 22-cents per gallon and the new diesel tax will be 23.6 cents per gallon.

NEW JERSEY

Assembly Bill 3816

Introduced by Assemblyman Tim Eustace (D-Bergen) for the purpose of dedicating sales tax revenues from the sale of electricity, natural gas, and hydrogen-powered vehicles to the state Transportation Trust Fund.

In a news release, Eustace states: “Seeking alternative funding sources for the Transportation Trust Fund is necessary to maintain the state’s roadways and railways in the manner it needs to be – now and in the future... This additional financing capacity will be beneficial to put in place now, especially as more residents are choosing to purchase green or environmentally friendly vehicles.”

Bill Status

Introduced October 16, 2014 and referred to the Assembly Transportation and Independent Authorities Committee.

Assembly Bill 2268

Introduced in the Assembly February 6, 2014, A2268 proposed the creation of a revolving State Transportation Infrastructure Bank Fund within the Environmental Infrastructure Trust and repealing the existing State Infrastructure Bank. A2268 would have granted the authority to issue bonds in maturities of up to 30 years for both transportation and energy projects.

Bill Status

Failed

The bill passed the Assembly 62-14 on June 26, and the Senate 35-1 June 30. Governor Chris Christie (R) vetoed A2268 September 11, 2014.

In his veto message, Christie stated: “While I support the sponsors’ desire to address the state’s transportation and energy infrastructure needs, this bill raises significant questions concerning funding sources and offers few solutions for our infrastructure needs. Specifically, the bill does not dedicate or identify any resources for the capitalization or operation of the transportation and energy banks.”

In a September 11 news release, Assembly Deputy Speaker John S. Wisniewski, chairman of the Assembly Transportation Committee, said: “This bill would have established a state transportation infrastructure bank that would have opened up opportunities for

STATE INITIATIVE DETAILS

NEW JERSEY

innovation and private investment without imposing any direct financial burden on the state. In housing the bank in the state's existing Environmental Infrastructure Trust, it would have created efficiencies that would have saved the state money. It would also have authorized creation of a revolving loan fund to reduce financing costs for county and municipal transportation projects. At a time when the state's Transportation Trust Fund is flat broke, the governor's veto defies comprehension."

Senate Bill 1896

Introduced by New Jersey State Senator Nicholas Scutari (D-Union) to legalize marijuana in order to raise revenue for transportation. Senate Bill 1896 would "legalize the possession and personal use of small amounts of marijuana for persons age 21 and over," and this new tax revenue would be used to fund road and bridge improvement projects throughout the state of New Jersey.

SB 1896 would impose a new 7 percent sales tax on marijuana, which Scutari estimates could generate \$100 million per year for the state. 70 percent of the sales tax revenue would be dedicated to New Jersey's Transportation Trust Fund. 20 percent of the tax revenue would be used for drug enforcement and demand reduction, and the remaining 10 percent would be allocated for women's health programs.

Bill Status

Introduced March 27, 2014. No further progress has been made.

Senate Bill 1865

Introduced on March 17 by State Senator Raymond Lesniak (D-Union) to increase the motor fuels tax in order to fund road and bridge improvement projects throughout the state. SB 1865 would raise the motor fuels tax by five-cents-per-gallon each year for three years. The bill would ensure that the new revenue collected would exclusively be used for transportation improvement programs. Senator Lesniak says that SB 1865 would generate \$750 million annually for transportation infrastructure projects.

Lesniak said, "The state's transportation infrastructure is collapsing...the roads have been neglected for years and the harsh winter left a landscape of potholes that are damaging and dangerous. This has a severe impact

on our quality of life and the state's economy. This plan will provide the resources needed to repair, rebuild, and maintain the highways, bridges, and roadways that are so important in New Jersey."

Bill Status

SB 1865 was referred to the Senate Transportation Committee on March 17.

Senate Bill 2051

Introduced by State Senator Ronald L. Rice (D) on April 28, 2014. The bill revises the motor fuel tax rate based on 7% of retail price of unleaded regular gasoline and provides gross income tax deduction for certain taxes paid on motor fuel.

Bill Status

Referred to Senate Transportation Committee on May 5, 2014.

Senate Concurrent Resolution 126

Introduced by Senators Thomas H Kean, Jr. (R-21) and Joseph Pennacchio (R-26) July 31, 2014 to redirect \$400 million per year of moto vehicle fees from the state's General Fund to New Jersey's Transportation Trust Fund.

Bill Status

Referred to Senate Transportation Committee July 31.

STATE INITIATIVE DETAILS

NEW MEXICO

House Bill 74

Introduced by Representative Roberto “Bobby” Gonzales (D-Taos) to 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

Bill Died—Action postponed indefinitely

On February 13, HB 74 passed in the Transportation & Public Works Committee. HB 74 would have been under consideration in the House Taxation & Revenue Committee.

Senate Bill 228

Sponsored by John Arthur Smith (D) 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.

Bill Status

Bill Died—Action postponed indefinitely

SB 228 was previously under consideration in the Senate Corporations & Transportation Committee.

OHIO

2014 Ballot Measure: Senate Joint Resolution 6

State Issue 1 (Ohio Bonds to Fund Public Infrastructure Amendment) is the third renewal of the State Capital Improvement Program, a bond program that provides grants to maintain and improve local roads, bridges, and other infrastructure projects. The renewal grants the issuance of \$1.875 billion in general obligation bonds over ten years, providing up to \$175 million in state borrowing annually for five years (\$25 million increase from existing program), increasing to \$200 million per year for the remaining five years.

Bill Status

Approved—Signed into law

The measure was introduced by Senator Kevin Bacon (R-3) and Senator Gayle Manning (R-13). It passed the state Senate on January 14, 31-0, and the House on January 22, 92-2. The measure was put on the May 6 primary election ballot as a legislatively-referred constitutional amendment and was passed with strong bipartisan support and minimal public opposition, 65% in favor and 35% opposed.

STATE INITIATIVE DETAILS

RHODE ISLAND

2014 Ballot Measure: Mass Transit Hub Infrastructure Bonds/(Question 6)

Residents voted to approve a measure 60% to 40% to permit the state to issue \$35 million in bonds to fund transit hub infrastructure projects.

2015 State Budget Bill/ 2014-H 7133A

Beginning July 1, the proposed budget bill would divert money from the state's general fund, increase vehicle inspection fees from \$39 to \$55, and raise court fees drivers pay to dispute fines for traffic violations from \$25 to \$50, raising an estimated \$600,000. Fees from motor vehicle titles and rental surcharges will also support the budget. With this plan the state will avoid an unpopular proposal to raise tolls on the Sakonnet Bridge. Starting July 2015, the plan will increase the state gas tax by 1-cent, a move that House Finance Committee Chairman Raymond Gallison says will produce an estimated \$4.8 million a year. Subsequently that increase will be revisited every two years to reflect increases based on the rate of inflation.

Additionally, the plan will create a new fund for the maintenance of roads and bridges, which will receive revenue from all vehicle-related fees (currently being deposited into the state's General Fund).

Senate Bill 2335

Introduced February 12, 2014 to create a Rhode Island Transportation Infrastructure Fund, a state fund dedicated solely for transportation and bridge construction costs. Starting FY 2015 and continued until FY 2020, Rhode Island would deposit 0.25% of the state's annual appropriation, until the amount totals 1.5% of the state's total appropriation. Also beginning in 2015, a 5 percent surcharge on all Department of Motor Vehicle fees will be additionally deposited into the Transportation Fund. SB 2335 also proposes a ballot measure to allow voters to determine whether general obligation bonds would be issued to compensate for the reduction or elimination of tolls on four popular bridges in the East Bay. Starting FY 2015 the bill would reallocate .1% of revenue from the state's capital plan fund to the public transit authority, with a .1% increase each year until 2019. Additionally, SB 2335 would create a "Rhode Island turnpike and bridge authority". Finally, a joint legislative commission would be appointed to study the state's gas tax.

Bill Status

Failed

Bill died in Senate June 4, 2014.

SOUTH CAROLINA

House Bill 3412

Introduced in the House January 23, 2013 for the purpose of indexing the state's gas tax to inflation, as well as converting the vehicle sales tax into an equivalent fee on new vehicle purchases and registration. A portion of the new revenue would be diverted to the State Infrastructure Bank to fund highway maintenance and construction.

Bill Status

Failed

HB 3412 passed the House February 19, 2013 92-5. It was set for special order April 30, 2014, but no further action was taken.

Senate Bill 891

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

Failed

On January 14, the bill was introduced in the Senate and was then referred to the Senate Committee on Finance. No further action was taken.

House Bill 4563

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

Failed

On January 23, HB 4563 was referred to the Committee on Ways and Means. No further action was taken.

STATE INITIATIVE DETAILS

SOUTH DAKOTA

On April 23, 2014, lawmakers authorized a legislative committee to initiate a study over the summer that will analyze ways the state and meet its short- and long-term transportation funding needs. Chaired by Senator Mike Vehle (R-Mitchell), the 15-member committee will file reports of their findings and make recommendations to the Executive Board.

“Despite the fact that we studied this five years ago, the changing environment and magnitude of dollars involved warrants an ongoing look,” stated Senator Craig Tieszen (R-Rapid City).

House Bill 1230

Introduced February 4, 2014, the purpose of HB 1230 was to grant the board of county commissioners the ability to levy an annual property tax for the purpose of county road and bridge construction. Proceeds would be designated to a “county highway and bridge reserve fund”. The property tax could not exceed \$1.20 per one thousand dollars of the property value.

Bill Status

Failed

HB 1230 was referred to the House Transportation Committee upon introduction. It failed to pass 5-8.

TEXAS

2014 Ballot Measure: Texas Transportation Funding Amendment

In 2013, the Texas legislature approved a measure to redirect half of the revenue generated from oil and gas taxes away from the state’s general Rainy Day Fund, to be deposited into the State Highway Fund. Once in the Fund, the approximately \$1.2 billion would be used to fund construction and maintenance on public roads. Upon final approval by voters, the measure amendment would take effect immediately.

Bill Status

Approved.

The ballot measure overwhelmingly passed at the polls on November 4, 80% to 20%.

House Joint Resolution 27

HJR 27 is a constitutional amendment filed November 10, 2014 to ensure that revenues generated from motor vehicle registration fees and taxes on motor fuels and lubricants is spent solely on road and transportation issues.

Bill Status

Filed November 10.

STATE INITIATIVE DETAILS

UTAH

House Bill 388

“Amendments to Transportation Funding” legislation, would permit local government elections to increase the sales tax to support mass transit funding. HB 388 was sponsored by Representative Johnny Anderson (R-District 34).

Bill Status

Bill Died on March 13, 2014

The House had previously passed the bill with a vote of 58 to 10.

House Bill 240

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

Bill Died on March 13, 2014

The bill had been previously under consideration in the House Rules Committee.

House Bill 266

Introduced by Representative Jim Nielson (R-Bountiful), 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

Bill Died on March 13, 2014

HB 266 had been previously 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

Approved—Signed into law

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. On March 12, the Senate passed the newest versions of the bill, and the following day, the House voted 56 to 11—with 8 abstentions—to pass HB 74. The Speaker of the House signed the bill and the bill was signed into law by the Governor on March 29.

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

Bill Died on March 13, 2014

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.

STATE INITIATIVE DETAILS

UTAH

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

Bill Died on March 13, 2014

Previously, the Senate Revenue and Taxation Committee passed SB 60 on February 12. 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. However, Utah House Speaker Becky Lockhart (R-Provo) did not permit lawmakers to discuss SB 60, and as a direct result, the bill died when the Utah Legislature adjourned on March 13 for the rest of the year.

VERMONT

FY 2015 Transportation Bill

On June 2 Vermont Governor Peter Shumlin signed the FY 2015 Transportation Bill, which contains \$685.7 million in transportation infrastructure funding. This represents the largest investment ever made in the state’s transportation infrastructure.

Strategic components of the newly approved budget put emphasis on economic development, safety, preservation and maintenance of the existing transportation system, energy efficient transportation options, and the continued rebuilding of roads and bridges damaged by recent natural. Within the bill, \$115.7 million has been allocated for paving, \$140.3 million for bridges, \$50 million for maintaining and improving roadways, \$13.3 million for highway safety and traffic operations, \$2.7 million for park-and-ride facilities, \$29.8 million for public transit, \$19.9 million for aviation, \$37.3 million for rail, and \$108.7 million for town highway programs.

STATE INITIATIVE DETAILS

VIRGINIA

With Congress looking unlikely to pass a measure to let states tax internet sales, Virginia lawmakers November 10 approved an increase in the state sales tax on gasoline from 3.5 to 5.1 percent to fund transportation investment. Lawmakers also transferred \$50 million in sales tax revenue from the General Fund back to the state's transportation fund.

The original legislation that increased transportation investment in Virginia, approved in 2013, was contingent upon Congressional authorization of a bill which would grant states the ability to institute a sales tax on internet purchases made from out-of-state websites. If passed, Virginia planned to dedicate funds from the internet sales tax to transportation projects. If the federal government failed to pass this legislation by 2015, the transportation bill stated that Virginia will increase the motor fuels tax on gasoline by 1.6 percent. With concerns that the internet tax bill will not be passed this year, Virginia lawmakers approved the gasoline sales tax increase.

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.

Bill Status

The revised \$8 billion proposed transportation package died in the Washington state legislature in March

In 2013, the Democrat-controlled house passed a transportation bill. In February 2014, the Senate Republicans drafted another transportation funding proposal, but with insufficient support a formal vote was never taken.

STATE INITIATIVE DETAILS

WEST VIRGINIA

In January, Delegate Margaret Stagers (D-Fayette)—the chairwoman of the House of Delegates’ Roads and Transportation Committee— stated her intention to introduce a constitutional amendment on the November 2014 ballot for a \$1.2 transportation bond. **This proposal did not make the 2014 ballot.**

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

Approved—Signed into Law

The House voted 99 to 0 on February 11 to pass AB 704. On March 11, the Senate voted 33 to 0. The bill was signed into law by Governor Walker on March 19.

2014 Ballot Measure: Wisconsin Transportation Fund Amendment, Question 1

Wisconsin voters were asked to consider a measure that would require revenue generated from taxes on motor vehicle fuel, registration, licensing, and other transportation fees be deposited directly into the state’s transportation fund. If approved, the amendment would also prevent any diversions from this fund to projects outside of the scope of Wisconsin’s Department of Transportation. This ballot measure was created after 54 Wisconsin counties unanimously approved a 2010 advisory question assessing interest in having state lawmakers pursue a transportation fund.

To put an amendment before voters a majority vote is required in two successive sessions of the Wisconsin Legislature. In the first session, SHR 23 was passed in the Senate (26-6) and Assembly (82-11) on May 17, 2011. In the second session, AJR 2 was passed in the Assembly (82-13) on February 14, 2013 and in the Senate (25-8) on February 20, 2013.

Bill Status

Approved.

Voters approved the measure 80% to 20%.

PASSED STATE HIGHWAY FUNDING INITIATIVES—TIMELINE

DATE	STATE	MEASURE
6-Nov-12	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.
6-Nov-12	Arkansas	Voters approved Issue 1, a half-cent sales tax increase to cover a \$1.3 billion bond issue for roads and bridges.
6-Nov-12	Maine	Voters approved Question 4, which provides about \$41 million for highway and bridge repairs throughout the state.
15-Feb-13	Wyoming	Governor Mead signed a bill into law that raises the state's gas tax by 10 cents a gallon beginning July 1.
26-Feb-13	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.
25-Mar-13	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.
1-Apr-13	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.
16-May-13	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.
24-Jul-13	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.
5-Aug-13	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.
25-Nov-13	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.

PASSED STATE HIGHWAY FUNDING INITIATIVES—TIMELINE

DATE	STATE	MEASURE
5-Nov-13	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.
29-Apr-14	Vermont	State gas tax increased 5.9 cents per gallon. The hike includes a new 2 percent assessment on the price of gasoline while slightly decreasing the per-gallon tax by .8 cents. It is estimated that by FY 2016 the tax could amount to a net hike of 6.5 cents. Diesel tax was also increased by 3 cents per gallon over two years. In addition to the approved \$11 million bonds, it is anticipated that \$32 million will be generated in FY 2016 for transportation infrastructure funding.
22-May-14	New Hampshire	Gov. Maggie Hassan signed legislation to raise the New Hampshire gasoline and diesel fuel taxes by four cents per gallon. The tax will go into effect July 1 and had bipartisan political and business community support. The new gas tax will be 22-cents per gallon and the new diesel tax will be 23.6 cents per gallon. The tax will fund highway improvements for the next two years, and then half the tax will be earmarked to pay off \$200 million in debt for Interstate 93 expansions. The tax will expire in 20 years after the debt is paid off.