Use of Expected Results of
The Indiana Highway Needs Study

Senator Robert E. Peterson
Highway Needs Study Committee

Highways have held a prominent place in the action of each session of the Indiana General Assembly since statehood was won in Indiana. As the state developed, a transportation system was built to attempt to meet the needs of the state's early citizens. Townships, counties and private companies had broad authority at the close of the 1800's operating within general guidelines set by the legislatures. However, when the automobile came into general use in the early 1900's new demands were created for a unified system of roads.

The 20-year period, between 1917 and 1937, saw many changes in state laws as they concerned highways. A State Highway Department was created, a state-wide system of interconnected roads was established, federal funds were made available to the state for road improvements, the township's highway responsibilities were dropped, the concept of highway user taxes became well established and use of property tax revenues for highway use declined.

A motor vehicle highway account was set up to collect tax revenues and distribute highway funds to the various governmental units. Thus, by 1937, the present day structure of highway laws was essentially established. The last major change in highway finance law was an increase of 2 cents per gallon in the motor fuel tax by the 1957 Legislature. The current distribution formula was set by the 1949 Legislature.

The decision by congress in the mid-1950's to support the building of the 41,000-mile Interstate Highway System has made the federal government an important factor in today's highway picture. In addition, an ever-increasing population and level of automobile ownership has caused all state legislatures to take a fresh look at their state's transportation problems.

The safe and economical movement of people and goods is important but the deaths occurring daily on our highways bring the most urgency to the question. Even though Indiana's death rate is following a national trend, the terrible loss to individuals and their families makes each accident "too many." Building better highways
is only one of several ways which hold promise of reducing the losses, which are shared by all of us, connected with highway related accidents. All levels of government must do their best to slow down and, if possible, to reverse this trend.

The economy of Indiana is also affected greatly by our highway program. Indiana's official slogan is "Cross-Roads of America." Our state's highways must be such that the "cross-roads" won't become the "bottle-neck of America."

Because of its location, Indiana does serve as the cross-roads for cross-country travel, but we must remember that most trips are still generated by our own people and industries. Industry needs good roads for low cost transportation and also to permit employees to travel to their homes within a reasonable time and without becoming involved in traffic jams.

There are also demands for new or better roads to serve the recreational needs created with construction of the new flood control projects in the Wabash and White River Valleys. Other areas of the state are asking for better roads as a means of encouraging the tourist trade to look at new sections of Indiana.

New housing areas are being developed over the state, each one creating a need for new roads and streets. Even those built by real estate developers are added to the total mileage for maintenance and act as a potential burden on the local highway budget.

These are typical demands faced by highway administrators at both state and local levels of government. While the legislature is not in position to build or maintain roads, it has the responsibility to define and state the policy and philosophy of highway administration in Indiana.

For example, a report to the 1965 Legislature from the Indiana Commission on State Tax and Financing Policy charged the legislature with failure to provide adequate standards for the use of funds distributed by the state to local units of government. The report stated that this failure resulted in a vacuum in highway management at the local level, a lack of coordinated planning, an inflation of reported road mileage by keeping uneconomic roads in the system, and failure on the part of local units of government to make full use of available sources of funds.

The report went on to say that two main problems existed—one was the need for greater efficiency in the expenditure of highway user funds and the second was a better coordination between state and local units of government in the development of integrated state-wide transportation and land use planning. Greater efficiency could be
achieved, the report said, by a reclassification of roads. It also suggested the possibility of emulating Michigan's system of requiring an annual program from local government as prerequisite to the distribution of state funds.

The suggestions made by the Commission on State Tax and Financing Policy will be considered by the needs and fiscal study committee as part of the overall highway study. The point raised by the commission, as I see it, is that developing an estimate of the state's future highway needs and providing funds is not the end of the legislature's responsibilities. The questions we must face and seek to answer are those involving the fundamental purpose of our transportation system and the relationship of state government to local government. Should the construction of highways be controlled by the concept of providing facilities for those who provide the most tax dollars? Or should the construction of highways be used by the state as an economic tool to develop the economies of sections of Indiana now growing at a lower than average rate? Should we pay for our highways only with revenues from the highway user or should others pay a larger share? Should we expand, as our neighboring states have, bonding for highway improvements, of course, within our constitutional limitations?

Between now and the opening of the 1967 legislature, these problems and many others are going to be studied. Which of many proposed avenues will be recommended by this committee is unknown yet today, but the purpose of this report is to point out the number of policy questions which are demanding answers—answers which the legislature must give if Indiana is to meet its highway obligations over the next 20 years.