Funding Indiana’s Infrastructure for the Next Generation

Rep. Tim Brown
Chairman, House Ways & Means Committee
Past Achievements

• In 2006, Mitch Daniels’ Major Moves Plan fully funded $11 billion in roadway projects and maintenance over 10 years.

• In 2013, the General Assembly appropriated $400M to the Major Moves 2020 fund and permanently increased road funding by $210M per year by eliminating diversions from gas taxes and redirecting 1% of sales tax revenues toward roads.

• In 2015, the General Assembly appropriated an additional $200M to the MM2020 fund.

• In 2016, the General Assembly directed nearly $428M in state reserve funds to roads, provided local communities with additional funding tools, and created a local road and bridge matching grant program that has already awarded $150 million in matching funds.
FIRSST Task Force

- HEA 1001 (2016) created the FIRSST (Funding Indiana’s Road for a Stronger, Safer Tomorrow) Taskforce to review state and local road and bridge needs and to develop a long-term funding plan.

- The Taskforce had a 10 point charge in developing the long term plan:
  - Estimate costs of major projects
  - Identify projects that could utilize public-private partnerships or tolling.
  - Identify resources for annual maintenance needs
  - Review the state’s debt situation
  - Evaluate current state funding sources
  - Review fuel tax system options such as indexing, changing rates or changing collection point
  - Ensure that projects promote economic development
  - Review impact of dedicating more gasoline use tax (aka sales tax on gas) to roads
  - Analyze state and local collective purchasing agreements
  - Present recommendations to state budget committee before January 1, 2017
FIRSST Task Force

• Findings:
  • The quality of roads and bridges is critical to economic success.
  • Current funding levels are insufficient to meet the critical needs of the state.
  • INDOT’s work product as presented can be used as proxy for scope and cost.
  • Additional transportation funding needs exist at the local level.

• Recommendations:
  • The General Assembly should increase investment in roads and bridges during the 2017 legislative session by adopting a data driven sustainable long term plan for both the state and local level.
  • The General Assembly should consider the following options to increase funding for roads and bridges:
    • Increase fuel taxes
    • Index the fuel taxes ongoing
    • Implement road usage fees on alternative fuel vehicles and electric vehicles
    • Explore tolling options
    • Implement a per vehicle fee on vehicles registered in state
    • Increase the tire disposal fee
    • Dedicate additional gasoline use tax revenues (aka sales tax on gas) to transportation funding
    • Improve over-weight truck enforcement through electronic monitoring
    • Increase fees subject to International Registration Plan
    • Consider limited restoration of debt financing including highway revenue bonds, GARVEE bonds, and TIFIA bonds

• A copy of the final report can be found on the Indiana General Assembly website: https://iga.in.gov/documents/80892b6b
Funding Indiana’s Infrastructure for the Next Generation

House Bill 1002

✓ Comprehensive
✓ Sustainable
✓ Responsible
Funding Indiana’s Infrastructure for the Next Generation

HOUSE BILL 1002

Correct for inflation:
- 10 cent fuel tax increase
- 10 cent diesel tax increase
- 10 cent commercial diesel tax surcharge increase

$15 registration fee increase

$150 electric car registration fee

Require INDOT to further study tolling

Transfer the remaining sales tax on gasoline from the General Fund to the State Highway Fund

SAFE
EFFICIENT
WELL-MAINTAINED
MINIMUM DEBT

USER PAYS
STABLE & FLEXIBLE FUNDING TOOLS
STATE & LOCAL PARTNERSHIP

DATA DRIVEN
SUSTAINABLE
LONG TERM