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## Gas Tax Hikes Off Table this Year

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*Chattanooga Times Free Press - May 5, 2009*

**NASHVILLE** – Two gas tax hikes have been shelved until next year, according to Tennessee House Transportation Committee Chairman Bill Harmon, who says he will not push the options this year. However, he cautioned that eventually new funding would be needed to serve the state's transportation needs.

"That does not mean we should not do anything," Rep. Harmon, D-Dunlap, told committee members this week. "Our transportation (system) is in a crisis, and it's going to take a bipartisan effort to solve the problem and meet the identified needs. And we can't put this off much longer, people."

One measure would base future gas and diesel tax increases on the Consumer Price Index. The other option suggested by the Transportation Funding Options Special Joint Study Committee was a five-cent gas tax hike to be phased in over the next five years. Harmon said the state department of transportation is \$800 million short in the state and local highway and bridge needs.



*As we consider these proposals to "phase in" a gas tax hike I think we have to remember the motor fuel tax is typically a declining revenue stream from the day it is passed. By taking five years to phase in a nickel hike this action would really only preserve the purchasing power of the fuel tax and not add much in the way of new revenue. This is because of the eroding nature of the tax mechanism in the first place. The real bump in money would come from an immediate increase. TW*

## Director Leaving Nebraska Roads Department

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*Omaha World-Herald – May 4, 2009*

**LINCOLN** – The chief of Nebraska’s Department of Roads will leave the agency June 7 to pursue a job opportunity in Oregon, Gov. Dave Heineman announced Monday. John Craig served as the director for over ten years, during which the governor said, “we have seen many improvements that have benefited Nebraskans every day.”

Then-Gov. Mike Johanns appointed Craig in 1999. He previously served as executive director of the Associated General Contractors of Nebraska and deputy commander and deputy division engineer for the U.S. Army Corp of Engineers. Craig will become vice president of HDR, an architectural, engineering and consulting firm.



*John is one of the longest-serving CEO’s at AASHTO. One of the few exceptions is Dan Flowers in Arkansas whose tenure has outlasted many of the rest of us and spans back into the early 1990’s. Best wishes to John in his future work. TW*

## Tri-Rail’s Last Hope for Funding

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*South Florida Sun-Sentinel – May 5, 2009*

Nearly 15,000 weekday Tri-Rail passengers in Florida may need to find a new means of travel as the 72-mile line between Miami and Mangonia Park is facing drastic service cuts and potentially shutting down permanently in two years. Officials say lawmakers’ extended session at the end of this week for a final vote on a budget is the last shot at a bailout for the financially destitute train for another year.

A plan proposed Sunday suggested using funds set aside for Central Florida’s controversial SunRail commuter rail project killed by the Legislature last week. Lawmakers also rejected a separate proposal last Friday, which would have dedicated a \$2 rental car tax to Tri-Rail.

“Lawmakers made it clear that they weren’t out to sink Tri-Rail,” said Joseph Giulietti, executive director of Tri-Rail. “They just didn’t like the Central Florida rail project.” The looming service cuts threaten at a time when Tri-Rail has become one of the nation’s fastest growing commuter trains, breaking numerous ridership records. Most riders who flocked to the line when gas prices hit over \$4 a gallon last summer have continued to use the train.

## Orange Expressway may go Cash-Free

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*Orlando Sentinel - May 5, 2009*

Greater Orlando’s road agency is looking at a cash-free toll system in an effort to cut costs. Nearly 70 percent of drivers currently use electronic transponders on the over 100 miles of tollways overseen by the Orlando Orange County Expressway Authority. Faced with lower traffic

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and revenue levels paired with steady expenses, a committee analyzing the authority's operations indicated this week that it will recommend the complete elimination of toll booths.

A proposed plan would offer free, credit-card sized transponders that can be fixed to the windshield in place of the bulky ones for which motorists are paying \$25. Rental cars will also be equipped with them. Open road tolling can handle 1,800 cars per hour compared with 380 to 680 vehicles in cash toll booths.

"If you know you don't have to use change, you might use [a transponder] more often," said former state Sen. Daniel Webster, who was appointed by authority chairman and Orange County Mayor Rich Crotty to head the six-member panel. Although Webster says he will not revoke the 25-cent toll hike implemented last month, he is considering giving a greater discount to heavy users. Webster says the cash-free system could save the agency \$10 million to \$11 million a year.

## Transit Line may Lose \$40M in Funding

*The Grand Rapids Press – May 6, 2009*

A proposed rapid bus line for west Michigan may be doomed after Grand Rapids-area voters rejected a property tax hike this week the Rapid transit system would have used to pay for line operations. The Silver Line was to use revenue from a .16.-mill increase in 2012 and a 1.12-mill renewal, totaling 1.28 mills, set to expire in 2012. Without voter's approval of the tax request to operate the route, Rapid officials say they may also lose \$32 million in federal funding to build the line, and another \$8 million set aside by the state.

Officials say it is not clear what will happen to the federal funding. "It's quite possible we lost \$40 million because people were scared and didn't quite understand it," said Rapid Executive Director Peter Varga.

About 52 percent of voters rejected the Rapid property tax request, a dramatic reversal of a 2007 transit vote in which voters in the counties of Grand Rapids, East Grand Rapids and Kentwood outnumbered no votes in Wyoming, Grandville and Walker counties. It is now up to the Rapid Board to decide whether to scrap plans for the line. Grandville Mayor Jim Buck expressed his disappointment in voters' decision, and said he hoped Rapid would eventually ask voters again. "I think they've almost got to wait until the economy turns around," Buck said.



*For those not involved in transit project. it is important to understand that a transit agency must not only prove it has the capital funding to build a system or line but that sufficient revenue exists to operate it when open. They must also build into their financial plan increases in costs over the life of their system. Of course, the highway side of the equation is no less complicated but fewer people are watching when money is provided for new road capacity. Little thought is given to future funding to maintain the new facility. When was the last time a DOT director received money for a new roadway project with a simultaneous bump in his or her maintenance budget to accommodate those costs? TW*

## Hawaii Gov. Laments Hwy. Bills Defeat

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*Hawaii* - The governor of Hawaii has publicly expressed her disappointment and bewilderment at the legislative defeat of her major initiatives to improve state highways and increase the speed of internet. Gov. Linda Lingle demanded a public explanation from the legislature explaining the measures' fate. The measures died at the end of last week when they failed to receive approval from House-Senate conference committees before a legislative deadline expired.

State department of transportation director Brennon Morioka said the public supported the proposed highway modernization plan's improvements. "People are tired of sitting in traffic. They are tired of having their friends and family members die on the road senselessly each year," said Morioka. "And they're tired, most importantly, of government not providing the infrastructure that we're supposed to."

Gov. Lingle and her administration have dedicated the past several months to building support from interest groups and lawmakers for the transportation measure, which proposed to increase gas taxes and vehicle fees after the economy recovers to help fund major road improvements.

Rep. Marcus Oshiro, chairman of the House Finance Committee said the highway measure was defeated because lawmakers believe something should be implemented now instead of "some indeterminate time in the future," when the economy improves and the gas tax hike begins. Gov. Lingle said she refuses to allow a gas tax hike while the economy is struggling.

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## County Awaits Ruling on State Gas Tax Lawsuit

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Basehor Sentinel - May 5, 2009

The Kansas county of Leavenworth is backing Shawnee County's plans to file a lawsuit against the state for failing to pay some counties their share of gas tax revenue since 1999. The Associated Press reports that as of last Friday, seven other counties have joined in the lawsuit.

"We're hoping to recoup some of the back payments that were not repaid. However, Shawnee County is fighting the lawsuit for us and we are just awaiting the outcome," Leavenworth County Administrator Heather Morgan said this week.

The lawsuit claims that a formula calculating how much of the revenue should be distributed to Kansas Counties was figured incorrectly at the state treasurer's office in 1999. The error, discovered in 2008, resulted in some states getting too much money and other counties not given their full share.

Morgan said Leavenworth County has received \$663,000 for three years of gas tax revenue, "but we do not how much more we have been shorted. We understand that the problem goes back at least three additional years which were not corrected."

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## Miss. DOT Director Reconfirmed by Senate

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The executive director of Mississippi's department of transportation was reconfirmed by the state Senate on Thursday by a vote of 40-5. MDOT chief Butch Brown received the backing from the Senate Highways and Transportation Committee on Wednesday, despite numerous complaints against him regarding his support of a murderer's parole, questions over his leadership tactics and accusations of excessive spending.

Committee chairman Tom King said a legislative watchdog group investigated the allegations against Brown but did not find any law violations. MDOT commissioners and Brown have also been criticized for buying a helicopter to chase reported gas smugglers.

Mississippi state law requires the Senate confirm the MDOT director every four years. Brown was named head of the agency in 2001 and confirmed by the Senate. He was fired in 2004 but rehired weeks later.