

2016 Indiana General Assembly Road Funding Proposals

List compiled January 15, 2016 by Association of Indiana Counties

SPONSORS	GOVERNOR'S PLAN	HOUSE DEMOCRAT PLAN	HOUSE REPUBLICAN PLAN	SENATE REPUBLICAN PLAN	SENATE DEMOCRAT PLAN
Plan Sponsors	Governor's Plan is over \$1 billion spread over 2017, 2018, 2019 and 2020 for state roads. No funding for local roads, and no increased revenue in future years.	House Democrat Plan is \$2 billion for state and local roads spread over 2017, 2018, 2019 and 2020. This plan does not create additional revenue in future years.	House Republican Plan creates \$982M in new revenue for state and local units to spend on road and bridge needs in addition to creating additional tools for local units to raise revenue. This includes an annual, ongoing increased revenue of over \$450M/yr for state and local roads.	Senate Republican Plan is to support the Governor's initiative of \$1 billion over 4 years for state roads and release \$430 million in local income tax reserve accounts for local roads. This plan does not create additional revenue for locals in future years.	Senate Democrat Plan authorizes \$459 million from state funds for local roads.
State Funding for State Roads	Uses \$450 million in state appropriations. \$150 million in state appropriations for 2018, 2019 and 2020. Uses \$250 million from the state surplus. Issue new bonds of \$250 million . Generates \$26 million in revenue by refinancing current bonds. Uses \$50 in earned interest from the next generation trust fund.	Requires all sales tax paid on fuel to go towards roads. This generates \$500 million in new road funding for the MVH formula of which 53% (\$265 million per year) would be for the state and 47% (\$235M) per year for locals (\$155M county and \$80M for cities and towns).	State to receive \$759M in new funding from various sources, including \$100M to Major Moves 2020 for P&M, \$429M in shift of state surplus, \$125M (1 cent sales tax on gas to SHF, marginal 2 cents to MVH), \$105M from indexed fuel tax for a total of \$759M in FY 2017 (~ \$250M+ going forward)	See Governor's Plan	No money for state roads
State Funding for Local Roads	As originally presented, the Governor's plan did not provide any money for local roads, though he has since supported the Senate GOP local road plan.	Of the \$500 annually generated revenue 47% would be for local roads equating to \$235 million per year for locals of which \$155 million would be for county roads and \$ 80 million for cities and towns.	Locals to receive \$223M in new funding from increased \$57M (marginal 2 cent shift in sales tax to MVH), \$75M (share of indexed fuel taxes) plus creation of a grant application fund called the Local Road and Bridge Maintenance Account (LRBMA). LRBMA to receive total of \$91M in FY 2017 (~\$70M+ going forward) from \$30M distribution of state surplus, \$61M shift of 1 cent sales tax on gas, and ~\$100,000 from annual \$1 fee on electric vehicles.	Releases \$430 million before June 1, 2016 in accumulated local income tax reserves of which 75% must be spent on roads or for rainy day fund. Remaining 25% can be used for any county purpose. Uses the certified distribution formula, which allocates the released funds to the units which generated them.	Transfers up to \$250 million of the state's reserve in 2017 to a local road improvement fund. This is a matching fund. Distributes 50% of a county's income tax reserve account for roads, expected to be \$209 million in 2016. Expands the public safety tax to include expenditures on roads including drainage structures.
New Local Options or comments		Does not propose any new revenue source to backfill loss to the 2015 GA passed budget.	Creates \$259M extra capacity in local option wheel/surtax (\$183M from doubled max wheel/surtax rates and \$76M from Municipal Option Wheel Tax), allows dedicated LOIT for Roads and Bridges (statewide capacity equals \$350M/yr) in addition to current Wheel Tax/Surtax which holds ~\$100M in capacity statewide. Also, provides \$250,000 to LTAP annually for data collection on status of local road and bridge infrastructure.	Current law requires the state to accumulate a 50% reserve for local income taxes. Any accumulation over 50% is to be distributed to local units. Bill has been amended to reduce the 50% requirement to 25% in future.	Decouples the wheel and surcharge tax. Increases the maximum amount of wheel tax from \$40 to \$55 and the surcharge tax from \$25 to \$40. Allows the fiscal body of a county to place on the ballot a property tax referendum for roads. Authorizes a county to impose a county motor vehicle fuel tax at a rate of \$0.01 or \$0.02 per gallon of gasoline/ special fuel used in the operation of a motor vehicle. Provides that revenue from the tax must be used by the county for maintenance, repair, or improvement of on county highways and bridges. Allows the county to bond for roads.