BUILD INDIANA COUNCIL

Infrastructure Media Summary

January 19, 2016

Purdue expert explains state road funding
Lafayette Journal & Courier
Taya Flores
1/19/2016

Although the state budget has been set, Indiana lawmakers face a major funding issue — how to create additional revenue to repair Indiana roads — according to a Purdue University economist. The closure of 37 miles of Interstate 65 due to the instability of the Wildcat Creek bridge near Lafayette, which halted northbound travel for about a month last August, recently thrust the longstanding issue into the forefront of priorities for the state. Following tradition, Larry DeBoer, professor of agricultural economics, opened the Third House session Saturday with a state budget analysis. Third House is a Greater Lafayette Commerce function that allows members to hear from state legislators and share input on pending legislation. The state faces an estimated $1 billion annual shortfall in revenue needed to adequately maintain state and local roads, according to Build Indiana Council, an Indianapolis-based coalition of transportation construction companies. One reason is that traditional sources of revenue for roads, such as gasoline taxes, are becoming less reliable, DeBoer said. The trend has been driven by high gas prices that depressed sales in recent history and cars that have improved fuel efficiency, he said. "I think if gasoline prices stay down for a while, we will get growth but not enough to solve the problem," he said. This session, state legislators will decide how to reallocate funds.
http://www.jconline.com/story/news/2016/01/19/purdue-expert-explains-state-road-funding/78867792/?from=global&sessionKey=&autologin=

Editorial: Taxing times for Indiana's roads
Terre Haute Tribune Star
Editorial
1/19/2016

Bosma's plan — not Pence's — deserves to find its way into the passing lane. When a savvy, experienced, powerful, anti-tax Republican Speaker of the Indiana House of Representatives and the president of an association of Hoosier truckers agree fuel taxes need to be raised to benefit road funding, Indiana citizens should take serious notice. The House speaker, Brian Bosma, and the trucking official, Gary Langston, took that position just inches apart on our front page Tuesday. Both are unlikely sources of that view. Bosma claims "street cred" for his long record of opposing tax increases and helping achieve tax cuts. Langston looks out for the financial welfare of truckers and trucking companies. Authorizing more tax or backing more expense are not usual positions they take. But so critical is the need to improve Indiana's crumbling roads that Bosma is driving legislation through the current General Assembly session that would add 4 cents per gallon to Indiana's tax on gasoline and 7 cents per gallon of diesel fuel. The proposed legislation also would add a $1 tax per pack for cigarettes. "This is a small price to pay," Bosma said

Monday, “for enhanced roads, enhanced bridges and economic infrastructure that is very critical to create jobs, to maintain jobs.” And Langston said that truckers’ inconvenience at the pump would be worth the longer-term investment in better roads. “We’ve been saying [for a long time] at the federal and state level that we need to raise taxes on fuel and fix the roads.” Langston said. “Bad roads and congested highways cost us money.”
http://www.tribstar.com/opinion/editorials/editorial-taxing-times-for-indiana-s-roads/article_21aca816-b61e-50d4-8f02-58d5981ef25c.html

SOLIDAY: New revenue critical to keep roads, economy going
Indianapolis Business Journal
Rep.Ed Soliday/Opinion
1/16/2016

Indiana’s transportation infrastructure touches every sector of our economy and drives development. As chair of the House Committee on Roads and Transportation, I am committed to ensuring our roads and bridges are safe and continue to support Indiana’s thriving economy. This legislative session, I am authoring a responsible, comprehensive and sustainable infrastructure funding plan to preserve our reputation as the Crossroads of America. This plan was not developed overnight. In fact, it is based on years of research and data. Today, infrastructure in Indiana is primarily funded by a fixed gasoline tax of 18 cents per gallon, a level established in 2002. Inflation has since reduced the purchasing power of this funding source by more than 25 percent. In the meantime, vehicles are using less gasoline, further reducing the money available to maintain our roads and bridges. This will get worse and become critical as auto manufacturers strive to meet the federal CAFE standards of 55 mpg by 2025. House Bill 1001 is built upon three principles: fiscal responsibility, data-driven metrics and sustainable infrastructure funding to support a safe, efficient transportation system and a thriving economy, without creating long-term debt for our children.
http://www.ibj.com/articles/56669-new-revenue-critical-to-keep-roads-economy-going

Friedman’s toll road idea was ‘lead balloon’ of 2015
Indianapolis Business Journal
Sen. Brandt Hershman/Opinion
1/16/2016

Shaw Friedman has once again attempted to attack the state’s most successful public initiative in recent memory, the 2006 lease of the Indiana Toll Road. That transaction, praised nationally and internationally, converted a shoddy, debt-ridden, money-losing highway into billions of dollars of investment in long-delayed projects to build and rebuild Indiana’s infrastructure. Hoosiers continue to benefit from more than 200 new projects, including economic game-changers like the Hoosier Heartland Corridor, the Fort to Port Highway, U.S. 31 from South Bend to Indianapolis, two new Ohio River bridges, I-69 to Evansville, and more. The biggest building program in the nation rebuilt 1,400 of the state’s bridges and resurfaced 480 miles of the state’s road miles—all without a penny of new taxes or borrowing. Indiana received a dramatically better toll road—free of debt after half a century, with electronic tolling, 25 additional state troopers, and billions of dollars in new investment, all required under the terms of the lease. The lease took the road, its contracts and employees out of patronage politics. Friedman’s crackpot proposal to take the road back into political control by him and his political cronies was the lead balloon of 2015, easily the worst of all options.
http://www.ibj.com/articles/56643-friedmans-toll-road-idea-was-lead-balloon-of-2015

House GOP roads chairman says Pence funding plan a 'gamble'
South Bend Tribune

Associated Press
1/15/2016

INDIANAPOLIS — A key Republican leader on transportation issues dismissed Gov. Mike Pence’s short-term plan to rebuild the state’s infrastructure as a “gamble” that would not provide a steady stream of funding to maintain deteriorating roads and bridges. House Roads committee Chairman Ed Soliday said Wednesday that the Republican governor’s proposal relies heavily on state budget reserves for funding. That means that if lawmakers in the future do not set aside enough money, a provision to release the excess dollars for roads funding will not be triggered, which could lead to wild swings in the amount of money that is available, he said. “You have no idea what it’s going to be,” said Soliday, of Valparaiso. “That’s totally dependent on revenue and the budget. So it could be zero. It could be a lot.” The condition of Indiana’s crumbling roads has emerged as a major issue not only for lawmakers, but also on the campaign trail. There is a major division among majority Republicans over how to handle the funding, with Pence and the Senate leaders signaling they are at odds with their counterparts in the House, who seek to raise taxes to provide a long-term solution. Pence, on the other hand, has proposed borrowing $240 million while drawing $241 million from the state’s budget reserves to boost short-term roads spending in 2017.
http://www.southbendtribune.com/news/politics/house-gop-roads-chairman-says-pence-funding-plan-a-gamble/article_4bfdd3ef-7dd5-5016-8932-192470f52045.html

$1 billion road plan test driven in NWI
NWI Times
Keith Benman
1/15/2016

An Indiana House transportation bill that would raise the gasoline tax has been taken out for its first spin around the state and so far some key people seem to like the ride. State Rep. Ed Soliday, R-Valparaiso, on Friday touted endorsements for House Bill 1001 at a Lake County Advancement Committee luncheon, including those of local mayors and Indiana's leading business group. "The speaker of the House has said this is the year for infrastructure," Soliday told about 70 Northwest Indiana leaders at Teibel's Restaurant. The bill would add $787 million to state road funds next fiscal year and at least a quarter billion dollars in each subsequent year. It also would add $240 million to local road funds in its first year and just slightly smaller amounts in subsequent years. It would also give localities new tools, such as a wheel tax, for raising more money for roads.
http://www.nwitimes.com/business/billion-road-plan-test-driven-in-nwi/article_a5c31bd9-1e39-5df9-b5e4-76468592f406.html