

## Summary of Transportation Funding Study Committee Report

The Joint Study Committee on Critical Transportation Infrastructure Funding recently traveled the state to hear from community and business leaders about the funding needs in their area as well as possible solutions based on successes in other states. As a member of the committee, ACCG advocated for both the need of additional revenue at the local level and the continued protection of our existing revenue sources. The following is a detailed summary of the report findings that impact counties.

### Findings

**Recapitalize the Georgia Transportation Infrastructure Bank (GTIB)** – this solution would make available more funds for grants or loans to local governments for projects in your jurisdiction. Such partnerships that are independent of federal dollars allow for projects to be completed faster and more cost effectively.

**Double LMIG** – this solution would provide more funding through the local maintenance improvement grant program which provides counties with much needed resources for local road, bridge, and maintenance projects.

**Convert the Local Sales Tax on Motor Fuel to a Local Prepaid Transportation Tax** – This solution provides more revenue for counties by converting the current local sales tax on motor fuel to a local prepaid transportation tax that is levied at a cent per gallon rate equal to the 3 percent local sales tax currently in effect. The revenue will then be distributed between counties and cities by using the existing LMIG formula which is 2/3 lane miles and 1/3 population. The proposal would function as follows:

- Authorize counties to levy a local prepaid transportation tax at a cent per gallon rate equal to 3 percent which equals the statewide average rate for local sales taxes. This tax would be levied on motor fuel in lieu of our current local sales taxes on motor fuel.
- The revenue would be broadly dedicated to transportation purposes including both capital and operations and maintenance;
- The tax would be indexed based on a four year average of prices set by DOR, and would be collected at the wholesale level in the same manner as current law.
- Existing local SPLOST and ESPLOST pennies would remain in effect on motor fuel until they expire, at which time their collection on motor fuel would be converted to the local prepaid transportation tax.

ACCG is committed to working the General Assembly to find new and diversified revenue solutions that work to address Georgia's growing transportation needs at the state and local level. We support the findings highlighted above as they seek to address funding at the local level while maintaining local control and flexibility on how those funds are used for transportation purposes. If you have any questions or comments, please contact either ACCG Legislative Director Clint Mueller ([cmueller@accg.org](mailto:cmueller@accg.org)) or Associate Legislative Director Shaun Adams ([sadams@accg.org](mailto:sadams@accg.org)).