



November 2009

TRANSPORTATION FUNDING

ISSUE: As the third fastest growing state in the country, Georgia counties are facing a critical need for substantial investments in existing and new transportation infrastructure. Unfortunately, available funds from local revenue sources are inadequate and state programs that support safe and efficient local and regional transportation networks are insufficiently funded. In particular, the underfunded state programs on which counties most rely include the resurfacing assistance program, LARP, and the city/county contract and bridge replacement and rehabilitation programs known as State Aid.

BACKGROUND: Georgia counties provide a majority of the transportation infrastructure in the state. They maintain 72 percent of the state's road network, or 84,117 miles of roads. More than one-third of those roads remain unpaved. Counties are also responsible for some 10,000 drainage structures and 8,000 bridges, over one-eighth of which are classified as structurally deficient and in need of repair or replacement. Counties own a majority of the 103 publicly owned airports in Georgia. Counties are also responsible for 94 rural and 15 urban transit systems. In addition, counties are responsible for miles upon miles of sidewalks, bicycle paths, trails, and other transportation structures.

To fund this responsibility, counties dedicate general property tax revenues, fees and special purpose local option sales taxes to transportation. However, unlike the state, counties do not have any dedicated transportation funding source. The state funds transportation primarily through Motor Fuel Tax (MFT) revenues, collected via a 7.5-cent excise tax and 3 percent sales tax per gallon of gasoline sold. The revenues are used to pay for the Georgia Department of Transportation's (GDOT) operating budget, state match for federal funds and debt service. Remaining funds are used for the local needs, including LARP and State Aid.

With GDOT debt service increasing and construction costs rising year after year, the amount of MFT revenues available for spending on local community needs is steadily decreasing.

ACCG POLICY: ACCG calls on the General Assembly to increase transportation funding for local governments - particularly for programs such as LARP and city/county contracts.

ACTION NEEDED:

- ACCG asks the General Assembly to fund the GDOT Local Maintenance and Improvement Grant Program, i.e. LARP and State Aid, at the maximum level of 20 percent of motor fuel tax revenues;
- ACCG asks the General Assembly to create new dedicated revenue sources, including a regional or local TSPLOST, to meet counties' transportation funding priorities;



- ACCG asks the General Assembly to transfer the one percent user fee of state sales tax on motor fuel that currently goes into the state general fund to local governments for transportation purposes;
- ACCG asks the General Assembly to enact a \$10 fee on traffic violation fines and dedicate them to local transportation purposes; and
- ACCG asks the state to evaluate the practice of using motor fuel tax revenue to pay for bonds sold to finance transportation construction and maintenance. ACCG wishes to ensure that an ever-increasing portion of motor fuel tax revenue is not consumed in paying outstanding debt, which will in turn limit the use of revenue generated by this user fee for federal matching or pressing state and local needs.

CONTACT: *Matthew Hicks: 404-522-5022; email: mhicks@accg.org*