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**Subject:** **PRESS RELEASE: House Transportation Chairman Jay Roberts Introduces Transportation Funding Act of 2015**

## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE:**

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### **House Transportation Chairman Jay Roberts Introduces Transportation Funding Act of 2015**

*Provides more than \$1 billion in new transportation funding with no state tax increase*

ATLANTA — State Representative Jay Roberts (R-Ocilla) today announced the Transportation Funding Act of 2015. This legislation addresses Georgia's critical transportation infrastructure needs and provides more than \$1 billion in new transportation funding without a tax increase.

"Thursday morning, House Transportation Chairman Jay Roberts and others will introduce legislation which we believe will lead to bringing our state into the 21st century with our transportation policy," said Speaker of the House David Ralston (R-Blue Ridge). "I expect the bill to be thoroughly vetted as it goes through the legislative process. We welcome constructive discussion and debate. But the time to begin the process is now."

"There has been a need for legislation to address our state's transportation needs for several years now, and we can no longer ignore it," said Rep. Roberts. "Throughout 2014 my colleagues and I who served on the Joint Study Committee on Critical Transportation Infrastructure Funding traveled to all areas of the state to get feedback on local and regional transportation needs. We have studied how to fund transportation in our state going forward, and I believe that this bill provides the best solution. I am proud to introduce this plan that does not involve a tax increase for our citizens. This is the beginning of a process and we are listening to any and all suggestions."

The Transportation Funding Act of 2015 is a comprehensive package of measures. Rep. Roberts explained the provisions of the bill as follows:

- The act will convert the sales tax on motor fuel to an excise tax. This excise tax will be set at 29.2 cents per gallon which approximates the sales tax rate which has been imposed on gasoline using a weighted average of the price of gasoline over the previous four years (\$3.39 per gallon total price at pump). This excise tax will be indexed to Corporate Average Fuel Economy (CAFE) standards as well as CPI and adjusted annually to ensure that it keeps pace with the ever-increasing fuel efficiency of vehicles. This provides a reliable, predictable funding source dedicated to transportation.
- Converting the sales tax on motor fuel to an excise tax adjusts Georgia's participation in, and advantage of, the International Fuel Tax Agreement (IFTA). Doing so will result in an

additional \$60 million to the state.

- Converting to an excise tax dedicated to transportation will have the effect of moving the “fourth penny” revenue previously collected on motor fuel from the state’s general fund to funding for transportation needs. This will result in an additional \$175 million in transportation funding per year.
- Any special purpose local option sales taxes on motor fuel currently authorized by the voters will be honored. Those SPLOST collections, which would be over and above the state’s excise tax, would cease after their expiration dates as originally approved by local voters. Motor fuel would be exempt from any future SPLOST.
- Local governments will be able to charge an additional excise tax of up to 6 cents per gallon (up to 3 cents for counties and up to 3 cents for cities) for local transportation projects by a vote of their county commission and/or city council. Any additional excise taxes local governments wish to levy on motor fuel beyond the limit would require a referendum offered to the residents of that jurisdiction.
- Alternative fueled vehicles will pay a user fee of \$200 for non-commercial and \$300 for commercial vehicles each year. As these vehicles do not use gasoline, their owners do not currently pay their share of taxes devoted to the maintenance of the roads they use. This will provide equity among those who drive on our roads and ensure everyone pays their fair share. This fee will not be imposed on hybrid vehicles which require purchase of gasoline. This revenue is intended to be used for transit systems.
- Recapitalize the Georgia Transportation Infrastructure Bank so that a revolving, self-sustaining, loan/grant fund is created to incentivize governments, authorities, CIDs and other entities to provide matching funds for local construction of projects. The Transportation Infrastructure Bank will be directed to assist tier 1 and tier 2 counties and encourage investment in every region of our state.
- A significant bond package will provide for critical bridge maintenance, transit system funding and other transportation projects across the state. This is a prudent way to provide more immediate funding for our transportation needs while leveraging the state’s high credit-rating to borrow at little cost to the state.
- Increase funding for Local Maintenance and Improvement Grants (LMIG).

**The legislation is expected to be filed on Thursday, Jan. 29. The bill will then go through the committee process and may be amended prior to reaching the House floor for a vote. If approved, it would then go to the State Senate for consideration.**