



NEWS

Wisconsin Department of Transportation

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Transportation Commission advances recommendations

Funding and policy proposals would help maintain existing conditions over 10 years

MADISON – The Wisconsin Transportation Finance and Policy Commission today gave unanimous approval to its final report on the needs of Wisconsin’s transportation system over the next decade, including a set of recommendations for how those needs can be funded.

The Commission report titled, ***Keep Wisconsin Moving – Smart Investments, Measurable Results***, calls for additional annual investments of nearly \$480 million through 2023 across all modes, including state and local roads and bridges, airports, railroads, harbors, transit, bicycle and pedestrian facilities. The recommended investments would provide the minimum amount needed to maintain existing road and bridge conditions, improve safety, provide limited highway modernization and facilitate some multimodal improvements. According to data compiled by the Commission, continuing the status quo level of investment will result in serious worsening in the condition and safety of state highways, increased urban highway congestion and reduced service levels for public transit.

Some of the Commission’s recommendations to generate the revenue necessary to fund needed investments include:

- raising the state gas tax by five cents per gallon (the first increase since 2006);
- creating a new mileage-based registration fee for passenger vehicles;
- increasing heavy truck registration fees;
- increasing the fee for the state’s eight-year drivers’ license by \$20; and
- eliminating the sales tax exemption on the trade-in value of vehicles.

The Commission's funding plan would counteract the trend of declining revenue and the loss of purchasing power of the current transportation funding stream. Over the next 10 years, state gas taxes and vehicle registration fees, which comprise almost 90 percent of all state transportation revenues, are projected to remain flat as vehicles become more fuel efficient and fuel consumption drops. At the same time, borrowing has increased, resulting in higher principal and debt service payments. The Commission found that if current trends continue, debt service will consume almost one-quarter of all state transportation revenues by 2023.

Commission members noted the funding plan reflects a balanced approach with a continued emphasis on a "user pays" transportation system, where taxes and fees are proportional to use of the highway system.

If the Commission's recommendations are adopted, the impact on the average vehicle owner would be 33 cents per day or about \$120 a year, and Wisconsin's transportation taxes and fees would remain lower than those in the neighboring states of Minnesota and Iowa.

While the Commission reviewed tolling, it found that current federal regulations on tolling create an obstacle to implementation in Wisconsin. The Commission encourages the Wisconsin Congressional Delegation to support federal legislation that would allow states more flexibility to toll on the National Highway System.

The Commission also advanced various transportation policy changes, including those to limit bonding, support a state constitutional amendment to protect the integrity of the transportation fund, address the impact of inflation on future needs and permit the creation of regional transportation authorities to assist local governments with their funding challenges.

The 10-member citizen commission was created in the 2011-13 state budget. The recommendations are advisory in nature and would require further action before being implemented.

The Commission's complete report is on the web at www.dot.wisconsin.gov/about/tfp/index.htm. The web site also includes a summary brochure and narrated video on the recommendations.

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