These new revenues collected from adjustments to the CPI shall be exclusively appropriated to, and expended by, the Department of Transportation.

Both the state and municipalities are currently unable to keep up with their infrastructure needs. This bill would allow more funding for both the state and municipalities demands, and would address a number of roads and bridges that continue to deteriorate. This legislation is expected to have a revenue increase of $31,883,783 in FY 2015, and will continue every year thereafter.

One of the problems with all of these one-time solutions is that they have led us to a projected deficit of $48 million-$52 million for the 2016-2017 fiscal years respectively.

It will be important for local municipalities who receive 12% of the highway fund, which amounts to $3.8 million, to let your elected officials know how important this issue is to our communities. The road toll is the fairest system we have to properly build the highway fund, as those who use the roads more will pay more, and those who use the roads less will pay less. Everyone is accountable for the roads they travel.

We encourage those who support this legislation to attend the hearing and to contact your senator, encouraging them to support as well.

We anticipate the hearing for Senate Bill 367 to be held during the week of February 18th in the State House before the House Ways and Means Committee. The official date of the hearing will be published upon its announcement on the Safer Roads website at http://www.saferoadsnh.com/.

To find and contact your senator, visit New Hampshire’s General Court State Senate page at http://gencourt.state.nh.us/Senate/members/wml.aspx.

To view a copy of Senate Bill 367, visit http://gencourt.state.nh.us/bill_status/Results.aspx?q=1&txtsessionyear=2014.
The New Hampshire Department of Transportations’ Final Report of the 2013 Advertising Schedule only confirms what the construction industry has been trying to articulate for years: companies are beginning to feel the heat of the poor highway business fund.

The 2013 Fiscal Year was approximately $199 million down from the previous fiscal year (FY 2012 had $307 million), which shows that highway construction projects have declined 35% in year.

The chart shows an 8-year span beginning in 2006 (one year after the recession began). Columns show the total amount awarded for each fiscal year. Overall, there was a 13% average growth per year until 2013. The current advertising schedule for 2014 predicts $176 million – down another 10%.

Safer Roads has compared the percentages of deficient bridges by state. This chart defines the total number of municipal structurally deficient or functionally obsolete bridges in 2012 as compared to 1993.

You’ll notice that in 1993, 62% of municipal New Hampshire bridges fell under the SD/FO status, ranking 46th overall. In 2012, the percentage of SD/FO municipal bridges did change to 41%, however, New Hampshire was still ranked 46th.

Over the course of time, Maine, Massachusetts and New Hampshire have all shown improvement with the status of their total SD/FO bridges, though New Hampshire still ranks in the top ten worst in the country.

Source: NH Department of Transportation

Municipal Bridge Inventory Ranking

<table>
<thead>
<tr>
<th>State</th>
<th>2012 Municipal Rank</th>
<th>1993 Municipal Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>#2 (11%)</td>
<td>#1 (12%)</td>
</tr>
<tr>
<td>Nevada</td>
<td>#1 (5%)</td>
<td>#3 (19%)</td>
</tr>
<tr>
<td>Maine</td>
<td>#46 (41%)</td>
<td>#50 (76%)</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>#46 (41%)</td>
<td>#46 (62%)</td>
</tr>
<tr>
<td>Vermont</td>
<td>#35 (33%)</td>
<td>#34 (46%)</td>
</tr>
<tr>
<td>West Virginia</td>
<td>#50 (68%)</td>
<td>#51 (81%)</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>#39 (35%)</td>
<td>#47 (63%)</td>
</tr>
<tr>
<td>Connecticut</td>
<td>#37 (34%)</td>
<td>#4 (20%)</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>#48 (49%)</td>
<td>#48 (64%)</td>
</tr>
</tbody>
</table>

* District of Columbia was not ranked in 2012.

Source: Better Bridges Magazine- November issue of each respective year.
NHMA Members Support Increased Highway Funding

New Hampshire Municipal Association uses a member-driven process to establish its legislative policies. For many years, NHMA members have adopted policies to preserve existing funding and identify additional sources of funding for roads and bridges. NHMA’s current policy regarding increased highway funding, adopted at its legislative policy conference in the fall of 2012, is as follows:

Highway Funding: Increase in Road Toll (Gas Tax) and Registration Fees

NHMA Supports an increase in any state revenue source dedicated to highway improvements, including the road toll (gas tax) under RSA 260:32, a motor vehicle registration surcharge, or any other source, so long as all additional revenues are used for highway purposes, and provided that the proportionate share of such additional revenues is distributed to cities and towns as required by existing law.

Municipalities own and maintain 1,685 bridges and 11,865 miles of roadways in New Hampshire. The Department of Transportation has “red listed” 353 of these bridges as in need of replacement or significant repair.

Cities and towns have only two significant sources of revenue to maintain and improve road infrastructure – state aid from the highway fund and local property taxes. Unfortunately, due to declining federal and state support, municipalities are forced to rely increasingly on the local property tax to address local transportation needs. As a result, they continue to fall further behind in basic road and bridge maintenance, pushing higher costs onto future taxpayers. It is estimated that deferring maintenance due to lack of funds increases the cost to taxpayers by as much as five times the original project cost.

Municipalities have a statutory duty to ensure that the roads and bridges in their towns are in adequate and safe condition. Municipalities share 12% of the amount of annual revenues raised through the state Highway Fund, which includes revenues generated by the gas tax and motor vehicle registration fees. Currently, the only way for municipalities to obtain increased state aid is to receive more state aid from the Highway Fund. The only statutory options available to increase the revenues in the Highway Fund are to raise the state gas tax and/or increase state-levied motor vehicle fees. Otherwise, cities and towns are left to rely on the local property tax to support highway construction and maintenance.

NH Chapter of Americans for Prosperity opposes Highway Funding for State Troopers Even Though Constitutionally Allowed

The New Hampshire chapter of Americans for Prosperity has expressed their opposition to increasing the motor fuel tax. They state that infrastructure projects only get 12 cents from the tax, with the rest legally diverted to highway-related expenditures such as paying state troopers and highway enforcers working in the Department of Safety. The NH chapter of Americans for Prosperity has made a statement that all of the current levy of 18 cents per gallon should go to road and bridge work.

Gary Abbott of Associated General Contractors of New Hampshire disagrees with Director Greg Moore and NH Americans for Prosperity: “The Constitution states that ‘all revenue… shall be appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within the state, including the supervision of traffic thereon.’ I’m not sure whom else the constitution could be referring to when it states ‘supervision of traffic.’ The state troopers have been funded by the highway fund revenue since 1938,” says Abbott.

The following is a copy of the Constitution Article 6-a, which entails specifics of the highway fund directive.

Article 6-a: [Use of Certain Revenues Restricted to Highways.] All revenue in excess of the necessary cost of collection and administration accruing to the state from registration fees, operators’ licenses, gasoline road tolls or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels shall be appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within this state, including the supervision of traffic thereon and payment of the interest and principal of obligations incurred for said purposes; and no part of such revenues shall, by transfer of funds or otherwise, be diverted to any other purpose whatsoever. November 29, 1938
Since its founding ten years ago, Safer Roads has taken on the task of being the number one source for highway and infrastructure information in New Hampshire.

To help you with your outreach endeavors, we have provided Safer Roads’ It's Complicated: Understanding the Highway Fund booklet, which can also be found on the Safer Roads website at http://www.saferoadsnh.com/Media/Reports/SaferRoadsProduced/.

Here are some of the facts provided by Safer Roads’ It's Complicated:

- The booklet begins with a chart titled Understanding the Highway Fund, which, as the title suggests, breaks down what exactly the Highway Fund is comprised of. It also includes what the Highway Fund expenditures are, which include the Municipal Bridge Aid Program, Maintenance, the NHDOT, and other services.

- A chart is provided, titled Highway Fund Revenues, which discusses the sources of revenue available to the NH Highway Fund. Did you know that federal gas tax funds, NH gas tax collections, motor vehicle fees, and the Betterment Fund make up 72% of the total available highway revenue?

- The Costs of Car Ownership chart compares the price of owning a car in New Hampshire compared to owning a car in Massachusetts or Maine, and compared to the national average. Based on the data, it is cheaper to own a car in NH than either MA or ME, and New Hampshire sits $375 below the national average.

- The booklet also breaks up the federal and state motor fuel taxes by state by www.api.org. As of July 1st, 2013, New Hampshire has the tenth lowest fuel tax in the country.

- A Bridge Inventory Ranking is provided, showing the percentage of different bridges in each state. Highlighted are the New England states as well as the states ranked the highest – Arizona and Nevada – and the state ranked the lowest – West Virginia.