

Support for AB210

The Citizens of Northwest Wisconsin Request

The citizens of Northwest Wisconsin request passage and adoption of Assembly Bill 210 relating to an additional ½% sales and use tax for local highway and street maintenance projects.

Background

Our roads are the lifeblood for commerce in Northwest Wisconsin. The worsening conditions of these vital assets cannot be argued. Our businesses recognize it and our citizens recognize it. We need to stop talking around the problem. Our citizens want us to “Just Fix It.” It's that simple.

For the past two years, Douglas County has led the effort for the passage of legislation that would allow Wisconsin counties, after referendum, to adopt a ½% local option sales tax to be used for local highway and street maintenance projects. The local option sales tax idea was a recommendation posited in the “Keep Wisconsin Moving –Smart Investments, Measurable Results” report that was released in January 2013 by the Wisconsin Transportation Finance and Policy Commission. The Commission was chaired by Wisconsin Department of Transportation Secretary Mark Gottlieb.

In Douglas County, the Superior Douglas County Chamber of Commerce has gone on record supporting a local option sales tax for highway and street projects. A 2013 survey of Superior- Chamber members found that approximately 80% of those responding to the survey support the concept.

Issue Summary:

Request support for AB 210, which allows counties to seek a referendum for a ½% local option sales tax for road construction and repair.

In December 2015, Assembly Bill 210, co-authored by Representative Knudson and Senator Tiffany and co-sponsored by Representatives Kitchens, Knodl, Krug, Kulp, T. Larson, Nygren, Quinn, Ripp, Spiros, Milroy, Kolste, Heaton, Weatherston, Sanfelippo and Petryk, was recommended for passage by the Assembly Committee on Transportation.

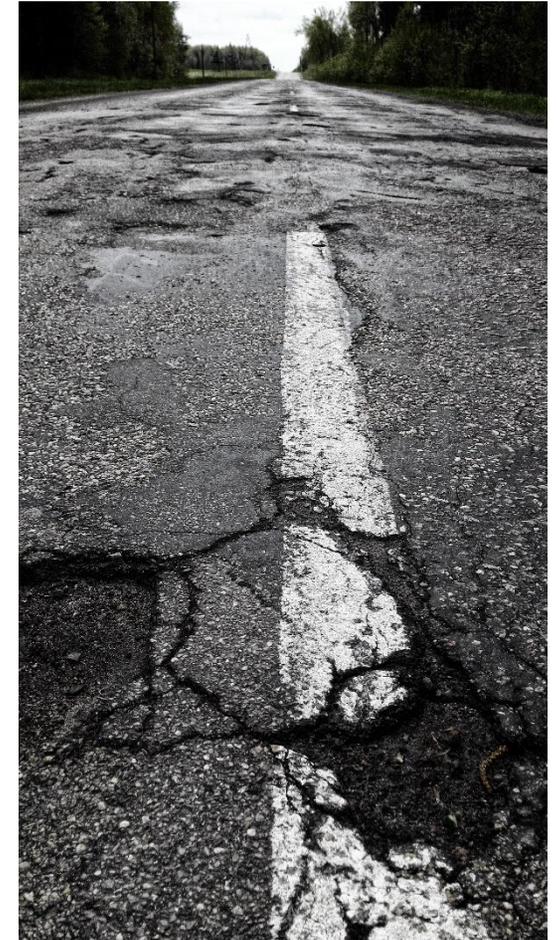
Douglas County has over 337 miles of county roads, and Bayfield 180 miles. If approved, this funding would assist both counties with accelerating repair and rebuilding timelines.

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AB210 would allow counties, after a voter referendum, to implement a ½% local option sales tax to be used for highway and street maintenance projects. The funds raised would be allocated to the sponsoring county and to the towns, villages and cities within it using an equitable formula based on road miles and population. The local option sales tax would expire after four years unless reapproved by referendum.

The Need

The need for additional sources of revenue to fund local highway and street maintenance projects has been well documented. Counties, town, villages and municipalities, especially those in Northwestern Wisconsin, simply do not have the resources at their disposal to address the daunting need of maintaining a safe, reliable and efficient transportation system-- a system that is vital for economic development and a high quality of life.



The Need (Continued)

Bayfield County, Douglas County and the City of Superior provide three examples of the funding challenges local units of government face when attempting to address transportation infrastructure needs.

Bayfield County

Bayfield County has approximately 180 miles of county highways. Many of the County's roads were built 20-50 years ago and are unable to withstand today's truck weights without major reconstruction. Using a twenty year replacement schedule, Bayfield County should be completing nine (9) miles of highway reconstruction per year. However due to limited resources, the County is borrowing from the general fund now to do six (6) miles per year. But the County is only able to do even this limited number of miles for the next 3 years.

Douglas County

Douglas County has over 337 miles of county highways. Many of Douglas County's highways and bridges are in need of significant repair and/or reconstruction. According to the Douglas County Highway Department, the total cost to significantly improve the average PASER (Pavement Surface Evaluation Ratings) of Douglas County Highways exceeds \$100 million. Two projects alone, the reconstruction of a 1.6 mile segment of County Highway Z and a 10 mile segment of County Highway C (both highways are heavily used by the timber and logging industry) have an estimated total cost in excess of \$22 million. This need far outstrips the resources the County has at its disposal.

Douglas County is diligent in pursuing all potential sources of funding for highway projects. In the past, the County had been successful in obtaining federal and state dollars to undertake major highway reconstruction projects. However, the likelihood of significant state and federal funds for current and future County highway projects is limited due to budget issues at the federal and state level.

Douglas County has budgeted approximately \$2.0 million in each of the past several years for highway projects as part of the County's annual operating budget. This funding has allowed the County to pulverize and pave approximately 6.5 miles of highway per year. At this pace, it will take over 50 years to complete the highway projects identified as necessary while segments of the County's highway system will continue to deteriorate at an ever increasing rate.

To try to close the funding gap for highway projects, the Executive Committee of the Douglas County Board of Supervisors approved, in concept, a long term highway bonding schedule that would provide \$2.0 million to \$4.0 million per year in additional funding for county highway projects starting in 2015. With anticipated

inflation, and assuming that this bonding approach is continued beyond 2019, it will still take the County over 30 years to adequately address its highway needs.

Douglas County has considered imposing a county vehicle registration fee or "wheels tax" as a means of funding highway projects. If applied in Douglas County, a wheels tax (of between \$10 and \$20) could generate between \$360,000 and \$730,000 of revenue per year. The amount raised would fall far short of the amount necessary to adequately address county highway funding needs and would place an additional tax burden solely on Douglas County residents who own vehicles.

City of Superior

Similar to Douglas and Bayfield Counties, the City of Superior is also experiencing street repair costs that exceed revenue sources. The City of Superior maintains approximately 190 miles of streets, most of which have not been reconstructed in over fifty years. The reconstruction costs for the oldest 70 percent of streets is estimated at \$100 million. The City bonds about \$1.5 million annually for year-round maintenance activities on its streets, with the most popular "fix" being a mill and overlay. Reconstruction of a roadway only occurs when entitlement funds, such as STP-Urban or LRIP funding are secured. On average, the City is able to reconstruct only 1/4 mile of street per year. At this pace, it would take literally hundreds of years to reconstruct all 190 miles of streets. While the City pursues discretionary funding, these funding sources have gotten smaller and become much more competitive.

