

Local Option Sales Tax for Roads

The Citizens of Northwest Wisconsin Request

The citizens of Northwest Wisconsin request authorization for a local option sales tax for roads in Douglas and Bayfield Counties be placed in the new biennial budget.

Background

Roads are the lifeblood for commerce in Northwest Wisconsin. The worsening conditions of these vital assets cannot be argued. Businesses and citizens recognize it. Our citizens want us to “Just Fix It.” It’s that simple.

For the past four 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 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 released in January 2013 by the Wisconsin Transportation Finance and Policy Commission.

The Superior Douglas County Chamber of Commerce has gone on record supporting a local option sales tax for highway and street projects. A survey of Chamber members found that approximately 80% of those responding to the survey support a ½% sales tax for roads.

The Need

The need for additional sources of revenue to fund local highway and street maintenance projects is well documented. Counties, town, villages and municipalities in Northwestern Wisconsin 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 even a basic quality of life.

Bayfield and Douglas Counties, 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 12 nine (9) miles of highway reconstruction per year. However due to limited resources, the County

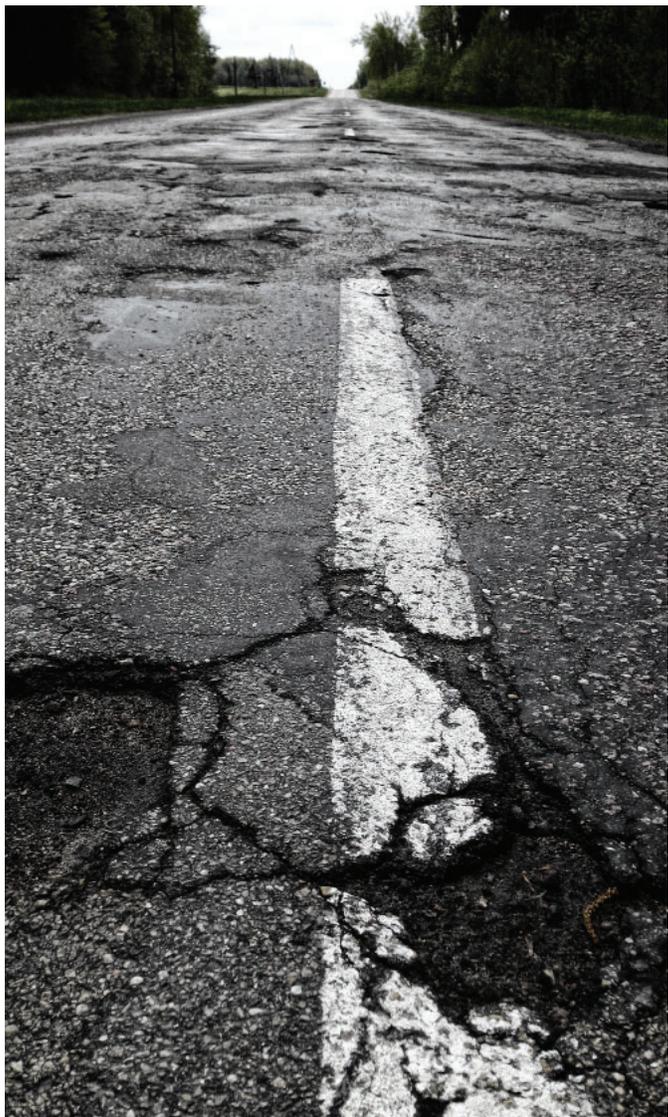
Impact:

Revenue generation (approximately) \$4.95 million annually across two counties if approved.

- Douglas County: \$3.85 million annually
- Bayfield County: \$1.1 million annually

Areas benefiting:

- Douglas County: Douglas County; City of Superior; Villages of Lake Nebagamon, Oliver, Poplar, Solon Springs, and Superior; and 16 towns.
- Bayfield County: Bayfield County, Cities of Bayfield and Washburn, Village of Mason, and 26 towns.



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is borrowing from the general fund now to do six (6) miles per year. However, Bayfield County is struggling to even accomplish this right now because of the decrease in timber sales prices.

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 PASER (Pavement Surface Evaluation Ratings) of Douglas County Highways exceeds \$80 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 \$12 million. Estimated costs 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 successfully obtained federal and state dollars to undertake major highway reconstruction projects. The likelihood of significant state and federal funds for current and future county highway projects is limited.

Douglas County has budgeted \$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.

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.

Summary

The need across Northwestern Wisconsin is great. The extreme weather fluctuations exacerbate and speed road wear and deterioration. Existing funding sources are inadequate. An alternative funding mechanism is critical.



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