

Spring 2019 Industry Messaging

Topline Messaging

The Motor License Fund (MLF) should be used as intended – for the construction, reconstruction, maintenance and repair of and safety on public highways and bridges. Unrelated items such as State Police operations and the federally-mandated implementation of REAL ID, divert substantial resources from the MLF.

1. **Accelerate the rollback of Motor License Fund monies to the General Fund that pays for State Police operations.**
 - a. PA Auditor General Eugene DePasquale’s recent audit found that significant funds generated from the state gas tax are not being spent the way they were intended, but instead used to support State Police operations—to the tune of \$4.2 billion since the 2012-13 fiscal year. In his report, he drew attention to the fact that the amount of funds diverted from the MLF could have helped eliminate the list of 2,829 structurally deficient bridges in Pennsylvania.
 - b. Going back even further to 2001, PA has diverted about \$9 billion from the MLF to support State Police operations which would have paid for thousands of highway improvements and bridge replacements. In fact, the diverted amount this year alone would have paid for resurfacing almost 4,000 lane miles of roadway, or to design, replace and maintain almost 500 bridges for the next 25 years.
 - c. Despite the gradual rollback in the amount of revenue diverted from the MLF to support State Police operations, the diverted amount is still nearly \$740 million.
 - d. If PA accelerated the rollback of diverted money and started more quickly using that money as it was intended, we could start meeting our infrastructure needs ***without increasing gasoline taxes.***
 - e. How do we do it? Instead of rolling back the diverted amount by 4 percent per year, roll it back by 10 percent per year. That would make an additional \$65 million available for fixing our highways every year, and in about 12 years, PA would no longer be diverting any highway money at all. It would be the equivalent of a penny per gallon increase each year, except it wouldn’t increase fuel taxes. It would simply be a matter of using revenue for fuel taxes and license and registration fees for what it’s supposed to be used for.

2. **Fund REAL ID out of the General Fund, NOT the Motor License Fund.**
 - a. Starting October 1, 2020, Pennsylvanians will be required to obtain a REAL ID driver’s license, photo ID card or another form of federally-accepted identification such as a passport to board a domestic flight or enter a federal building or military installation.

- b. The cost of implementing REAL ID amounts to about 25 million a year over 6 years, totaling about \$150 million from the MLF. This began in Fiscal Year 2018-19 and we can expect to see these funds pulled from the MLF this year and through the next four years.
- c. The REAL ID Act, passed in response to 9/11 attacks, is a Homeland Security matter, completely unrelated to the maintenance or safety of our highways and bridges. Therefore, the cost of implementing this measure should not be paid through the MLF, but rather the General Fund.

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Highway users should pay their fair share of highway fees, regardless of how they're fueled.

3. Support HB 1392: Electric vehicle registration fees

- a. Whether a vehicle is fueled by gas or electricity, all vehicles cause wear and tear on our transportation system. All vehicles need to share the cost of maintenance.
- b. State taxes used to maintain our roads and bridges – the Liquid Fuels Tax – is collected at the gas pump. Electric vehicles charging up at home, do not pay taxes that maintain our highway system.
- c. As electric vehicle use increases, less and less drivers will pay for our roads, inevitably causing future funding shortfalls.
- d. How do we fix it? Support HB 1392.
- e. HB 1392 addresses the issue through a registration fee for electric vehicles, as many other states have already implemented.
- f. The average yearly amount paid in Liquid Fuels Tax per vehicle is about \$276 and the proposed fee of \$150 per year for non-commercial vehicle is in line with other Electric Vehicle fees across the country.