

# Stakeholder Suggestions

The task force met with a variety of stakeholders who made suggestions. Although these suggestions were not officially adopted as task force recommendations we felt it was necessary to catalogue them for reference to further the conversation of transportation infrastructure investment and ways to fund it.

## ***Advocate to Federal Government***

Advocate to U.S. Congress, U.S. Senate, and president for control over our own state's ability to toll our own highways, interstates, etc. Also, advocate for an increase in federal funding to help subsidize PA transportation system as it is a major economic engine in the country.

As of now, the federal government does not permit tolling of interstate highways such as I-80, nor provide enough funding for transportation initiatives. The steady depletion of funding affects the operating, maintenance of roads as well as contribute to congestion because of poor infrastructure conditions.<sup>55</sup>

Former PennDOT Secretary under the Corbett administration, Barry Schoch, noted that a statewide tolling plan could potentially generate \$3 billion in revenue by the year 2025. Uses for this new revenue could be split among interstate investment, relief of turnpike debt, state police patrol costs, capital investment on public transportation and reduction of the state gas tax.

## ***Fee for Local Use***

Act 89 allowed PennDOT to initiate a Fee for Local Use where a county may charge a \$5 fee to any car being registered in said county.<sup>56</sup> Out of the 67 counties of the Commonwealth, only 23 of them or approximately 34%, (Cumberland, Blair, Allegheny, Bucks, Westmoreland, Philadelphia, Dauphin, Chester, Greene, Cambria, York, Montgomery, Berks, Beaver, Centre, Lycoming, Mifflin, Schuylkill, Pike, Union, Erie, Butler and Luzerne) participate in the Fee for Local Use.<sup>57</sup> The fee is used to collect fees from registrations of cars addressed within those counties. PennDOT would collect those fees and may use them for construction or the repair of roads. Recommendation to encourage the other 44 counties to participate to collect fees from registered vehicles registered in the respective counties. The fees collected would be able to assist in funding road repairs and construction. Any county that does not impose a \$5 fee may not be eligible to apply for state grants involving local road projects or they would need to match the state grant request dollar for dollar.

## **Charge per Vehicle Miles Traveled**

Vehicle mileage tax is another alternative to consider once the technology is able to allow this non gas tax option to be relied upon for transportation revenues. Despite increasing PA Turnpike tolls over the past ten years, gas taxes alone will not be enough for Pennsylvania to

generate revenue needed for project investment. Furthermore, the gas tax has not increased at the federal level since 1993 when it was 18.4 cents per gallon.

### **Utilization of Land-Value Capture**

Tax the land next to railroads because they reap the value of the location in their property value, but the investment was made by taxpayers who should be compensated for that investment. A land value capture is a method to assess compensation for taxpayers in the region.

The Brookings Institution note that the city of Pittsburgh increased their land-value tax in order to improve commercial construction developments, and as a result, Pittsburgh experienced sharp increases in such projects. Brookings also would add that accessibility should be used as a performance metric for transportation funding/projects, because accessibility determines the value of the land, in which the land would be the location of numerous transportation networks or other activities.

### ***Prioritize projects***

Prioritize projects based on economic impact and user demand.

### ***Personal Income Tax (PIT) Increase***

Currently 3.07%; \$430 million for every tenth of a point increase.

### ***Severance Tax***

PA has impact fee, but not severance tax; \$517 million revenue estimated for a 6.5% severance tax.

### ***Sales/Use Tax***

Some products, and most services, are exempted from a sales tax; \$268 million from a tax on Amusement and Entertainment. \$86 million from a tax on candy and gum.

### ***Privatize the Maintenance Force of Turnpike Commission***

The Pennsylvania Turnpike Commission has less than 2300 employees and there is difficulty with contractor access to the highway with weather patterns. Privatizing the maintenance force of the PTC is unrealistic at this time.

### ***Flex Pricing***

This recommendation would allow for the Turnpike to take over the Blue Route, which in turn would allow for the generation of revenue. With revenue being generated, this would enable for projects going towards road expansion feasible and projects regarding new lanes may not be necessary (in some areas).

### ***Switch Zones***

Create certain zones where turnpike switches to another major corridor. Another system could be put into place where I-76 and the Schuylkill meet the turnpike and give authority to the PTC

that they would manage these routes so that instead of adding a third lane onto unnecessary sections of the Turnpike they could work on managing these other major corridors for the state and allow these newly obtained assets to be improved.

***Utilize HOV lanes***

High-occupancy vehicle lanes, or HOV lanes, is a method to reduce congestion during morning and afternoon rush hour times among highways and are executed by the use of carpooling and/or ride sharing vehicles. The I-95 and I-495 Express lanes in the Virginia and Washington DC area and I-279 in the Pittsburgh area. There is an option where the Commonwealth could charge for access to HOV lanes.<sup>5859</sup>

***Malt Beverage Tax***

Lowest among all states; \$40 million for an increase to 20 cents per gallon (national median rate).

***Gaming Fund***

Out of \$1.04 billion in disbursements, PSP receives \$27 million for services directly related to legalized gambling.; \$760 million residual after mandated disbursements are transferred to the Property Tax Relief Fund.

***State Stores Fund***

Net income on sales at State Stores Liquor Taxes; \$742 million after funding LCB, \$30 million to PSP, \$700 million to General Fund.

***Municipal Policing Fee***

\$100 per capita fee on municipalities with no full-time police would generate up to \$250 million if assessed on all, or \$138 million if assessed only on municipalities with population > 3,000.