Bond Case Briefs

Municipal Finance Law Since 1971

State and Local Lawmakers Pitch How to Pay for a Big Infrastructure Package.

Congress has little time to reach consensus on ideas like increasing the gas tax and phasing in vehicle miles traveled before the 2020 election cycle shuts their window to fix and modernize everything from roads to water pipes.

WASHINGTON — State and local officials continued to lobby federal lawmakers Thursday on hiking the gas tax in order to help close the nation's $2 trillion infrastructure investment gap over the next decade.

That number comes from the American Society of Civil Engineers, with surface infrastructure accounting for more than $1 trillion of the shortfall. The group estimates $249 billion is necessary to shore up water and port-related infrastructure, while airports need about $100 billion in investment.

The bipartisan National Governors Association has not taken an official position on increasing the gas tax from 18.4 cents per gallon, or 24.4 cents per gallon for diesel, for the first time in 26 years. But Minnesota Gov. Tim Walz joined Los Angeles Mayor Eric Garcetti, both Democrats, in appearances Thursday before Congress supported a phased approach to fixing the federal Highway Trust Fund.

The Highway Trust Fund is sustained by the gas tax, which hasn't been increased since 1993. Without an injection of billions in additional dollars annually on top of expected user fee revenue, the fund will be broke by 2022, according to the Congressional Budget Office.

Like many others who have looked at the country's infrastructure needs, Garcetti emphasized that a gas tax increase would just be a first step. Eventually, he said the country would need to transition to what is being called "vehicles miles traveled," or a way of taxing how much a car actually drives on the road.

"I would put in a gas tax, find a formula to get a pilot in for vehicle miles traveled and then wean from the first to the second over time as we electrify every vehicle in this country, which is going to happen," Garcetti told the House Committee on Transportation & Infrastructure.

State and local officials in recent weeks have repeatedly underscored that getting Congress to pass an infrastructure package is their main priority. Despite some support from President Trump—who referred to the country's "crumbling infrastructure" briefly in his State of the Union address this week—it is not yet clear what the path forward for a major plan would be. Trump did not outline a particular agenda during his speech, while deep philosophical differences remain in Congress about how to pay for any package. Republican lawmakers in particular have been resistant over the past two years to calls to increase the gas tax.

Both the U.S. Conference of Mayors and National League of Cities support increasing the gas tax, which Garcetti estimated would be needed another five to 10 years.

Vehicle miles traveled, or VMT, measures a vehicle’s distance traveled on public roads during a set period, in order to charge drivers a user fee for wear and tear on driving infrastructure. The measure would also capture electric vehicles, whose drivers currently avoid paying the gas tax that feeds the Highway Trust Fund.

ROUTE FIFTY

By Dave Nyczepir,
News Editor

FEBRUARY 7, 2019

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com