

# 2020 Kentucky General Assembly

# INFRASTRUCTURE INVESTMENT

*Transportation Funding Top Priority*

## OPPORTUNITY TO IMPROVE THE BUSINESS CLIMATE

To further our regional economic development goals to attract and retain a vibrant business community, increased and dedicated funding is needed to maintain current transportation infrastructure, as well as building new assets.

The NKY Chamber has long advocated for strong transportation infrastructure, which includes making adequate appropriations to support infrastructure development.

Our region's network of roads, bridges, railways, airports, and waterway assets supports our position as one of the Commonwealth's fastest-growing regions.

## APPROACH TO TACKLE THE ISSUE

The Commonwealth's fuel consumption fee must be modernized in order to fund ongoing maintenance costs and to address the new projects to support economic growth.

Investment in transportation infrastructure means investing in all modes of infrastructure, so a multi-modal transportation fund should be created.

## WHY DOES IT MATTER TO MY BUSINESS

Without additional state gas tax revenues, very few new road projects would be started.

Recent Legislatures have prioritized maintenance on existing assets, particularly bridges and poor pavement and surfaces on roads. Other projects that address safety and mobility will also receive more attention. Therefore, new roads to support economic growth will be at the bottom of the priority list.

Over the last several years, hundreds of billions in new company projects and investments have been announced in NKY. In 2017 Amazon announced a \$1.5bn air hub project at CVG Airport, with an associated 2,000 jobs.

To keep pace with such growth, expanding current roads and building new ones are essential for NKY businesses of all sizes.

Motorists incur an average of \$331 per year in costs from driving on roads in need of repair. Billions of dollars are needed to maintain our current transportation assets.

## WHAT ARE WE ASKING AN ELECTED OFFICIAL TO DO

Raise the state excise tax on gas so infrastructure projects can keep pace with, or even anticipate, our economic growth.

Address the funding allocations that determine what state revenues local cities and counties receive, where statutory formulae favor more rural funding in what is often referred to as the "Formula of Fifths." The more densely populated areas of the state should receive a fairer share of state investment into local roads.

Prioritize looking at other long-term transportation funding models, such as registration fees for hybrid or electric vehicles, etc.