2019 POLICY BRIEF

SUPPORT COUNTY PRIORITIES IN ANY NEW INFRASTRUCTURE PACKAGE

QUICK FACTS

- Owning more roads and bridges than any other government entity, counties play a critical role in our nation's transportation system
- Counties own and maintain 46 percent of all public roads and maintain 38 percent of all public bridges
- Counties own or are part of governing authorities that operate over a third of the nation's transit systems and airports

ACTION NEEDED:

Urge your members of Congress to support county transportation and infrastructure priorities in any new infrastructure bill presented by Congress.

BACKGROUND:

Counties play a critical role in the nation's transportation system, owning 46 percent of all public roads (compared to the 32 percent of public roads owned by cities and townships, 19 percent by states, and 3 percent by the federal government) and 38 percent of the nation's bridge inventory, and are involved with a third of the nation's transit systems and airports that connect residents, communities and businesses.

In the 116th Congress, there is renewed interest on Capitol Hill to pass a bipartisan, comprehensive infrastructure package. The U.S. House Committee on Transportation and Infrastructure intends to unveil an infrastructure policy measure as early as summer 2019. Chairman Peter DeFazio (D-Ore.) has outlined several priorities he plans to address in a final package, including sustainable funding for large-scale construction and maintenance projects, alternative revenue sources for highways and transit, harbors and airports, funding for freight corridors and an emphasis on infrastructure resilience to withstand severe weather.

In February 2018, President Donald Trump introduced the administration's plan for an infrastructure package, which totaled $1.5 trillion. While this plan primarily included grant funding and regulatory reform, the White House is expected to submit a new infrastructure plan in the coming months that contains an increased federal investment.

While past surface transportation authorizations such as MAP-21 (P.L. 112-141) and the FAST Act (P.L. 114–94) focused on setting policy, this potential infrastructure plan will likely focus on actual project conception and construction. The administration has expressed its intent to work with Congress as they craft legislation.

NACo believes that counties should be recognized as major owners of transportation infrastructure in any potential package presented by Congress or the administration. Furthermore, federal funding levels and local authority should adequately reflect the county role in the nation's transportation system. NACo believes that a user-pay approach should continue to be the cornerstone of federal transportation funding and that federal policy should provide counties the flexibility to use additional financing tools. Such policies include:

- **New, dedicated federal funding must be part of any new infrastructure package:** While NACo supports public-private partnerships (P3's) for project

  development, it is important that any infrastructure package provide funding to those parts of the country where private investment is not appropriate. A robust rural infrastructure plan must be part of any new legislation with the necessary funds to address their unique needs.

- **Preserving the tax-exempt status of municipal bonds:** Though legislated as part of the tax code through the U.S. House Ways and Means Committee, tax-exempt bonds are a critical tool for counties that facilitate the budgeting and financing of long-range investments in the infrastructure and facilities necessary to meet public demand. Without the tax-exemption, counties would pay more to raise capital, a cost that would ultimately be borne by the taxpayers through means such as reduced spending on the roads and bridges that counties are responsible for, decreased economic development, higher taxes or higher user fees.
- **Promote long-term solvency of the highway trust fund:** In order to maintain a robust infrastructure network, the Highway Trust Fund must remain solvent. NACo advocates for an "all tools in the toolbox" approach to accomplishing this, including increased usage of user-fees for infrastructure.
- **Providing an environment for innovative financing:** NACo supports innovative financing mechanisms including, but not limited to, qualified tax credit bonds; infrastructure banks; the Transportation Infrastructure Finance and Innovation Act (TIFIA); and public-private partnerships that would allow local governments and transportation authorities, such as counties, to leverage federal financing for capital projects.
- **Streamlining of the federal permit process:** NACo supports a streamlining of the federal permitting process, which can help reduce project delays resulting from duplicative reviews and procedures.

KEY TALKING POINTS

- NACo believes that counties should be recognized as major owners of transportation infrastructure in any potential package presented by the administration. **Key funding and financing measures must include all of the following:**
  - Dedicated funding for locally-owned infrastructure.
  - Preservation of tax-exempt status of municipal bonds.
  - Streamlining of the federal permit process.
  - Policies to provide an environment for innovative financing.
  - Bringing long-term certainty and solvency to the federal Highway Trust Fund.

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