

MINUTES
SENATE INTERIM COMMITTEE ON TRANSPORTATION, TECHNOLOGY
AND LEGISLATIVE AFFAIRS
HOUSE INTERIM COMMITTEE ON PUBLIC TRANSPORTATION

Monday, August 10, 2015

The Senate Interim Committee on Transportation, Technology & Legislative Affairs and the House Interim Committee on Public Transportation met jointly on Monday, August 10, 2015, at 9:30 a.m., in Room B of the MAC Building, in Little Rock, Arkansas.

Committee members in attendance: Senators Bill Sample, Senate Chair; Ronald Caldwell, Jim Hendren, Jimmy Hickey, Bryan King, and Greg Standridge. Representatives Mary P. “Prissy” Hickerson, House Chair; Charles Blake, Karilyn Brown, Jana Della Rosa, Dan M. Douglas, David Hillman, Bob Johnson, Julie Mayberry, Ron McNair, Mathew Pitsch, Marcus Richmond, Brandt Smith, James J. Sorvillo, James Sturch, and Dave Wallace.

Other legislators in attendance: Representatives Scott Baltz, Jim Dotson, Micah S. Neal, John Payton, and Marshall Wright.

The meeting was called to order by Representative Hickerson.

Representative Hickerson introduced committee staff attorney, Diane Torres-Porter.

Consideration to Approve Minutes of December 17, 2014 [Exhibit C]

Representative Pitsch made a motion to approve the December 17, 2014, meeting minutes and Representative Douglas seconded the motion. The motion passed without objection.

Governor’s Working Group on Highway Funding and Highway Department Information

Representative Hickerson referenced the Governor’s Working Group on Highway Funding and its desire to address the needs of the Arkansas Highway and Transportation Department (AHTD) and its existing funding issues. She advised that questions regarding the Working Group should be directed to AHTD officials Scott Bennett, Director, Randy Ort or Gill Rogers; and Robert Morey of the Governor’s office.

Mr. Bennett gave an update on the Working Group stating the first few meetings were for the purpose of information gathering and discussion about revenue received by AHTD, which remains relatively flat and declining both at state and federal levels. Construction cost has increased 181% over the last 20 years. The Working Group discussed what other states are doing; some are increasing fuel taxes, Georgia added a \$5 per night hotel tax generating an additional \$1 billion for highway improvements and Texas is looking at the transfer of sales tax for new and used vehicles that could potentially generate \$2.5 billion.

In response to a question from Representative Brown regarding toll roads, Mr. Bennett stated a recent study was completed on I-40 between North Little Rock and West Memphis to widen it to six lanes, three lanes traveling in each direction, with tolls covering the cost of construction. He stated federal regulations prohibit tolling of the interstate. In general, the cost is too high and the traffic is too low to make tolling a viable source of revenue. There have been over 50 studies on tolling completed in the last 50 years. The pilot program would allow tolls on the interstate in some cases. There are three spots open for three different states; Missouri, Virginia and North Carolina and they have not made a lot of progress.

Mr. Bennett mentioned the Federal Highway Trust Fund and the delayed and reduced reimbursements from the federal government, resulting in \$400 million in projects being pulled. It will take \$85 million in additional state revenue to match federal revenue. In moving forward, federal aid must be matched with targets over \$100 million the first couple of years with \$250

million in a mid-range target in order to match federal aid and a \$400 million long-term goal to continue the efforts to build out the system to make capital improvements for economic developments.

The Working Group will meet August 20 during which time toll roads will be discussed. Many states are participating in Public Private Partnerships (PPP). Arkansas has authority for PPP but it will not generate much money in Arkansas. December 15 is the deadline for target goals, which means progress must be made very soon.

Mr. Bennett responded to several questions from members. He stated that standards for state highways are higher than for county roads and it is difficult to use federal aid even on those that have been highways for years. Some of the 5,500 highway miles built as county roads are difficult to work on. It takes about 3,000 vehicles a day to generate enough revenue from the motor fuel tax to cover the cost of routine maintenance on a stretch of highway.

Mr. Bennett addressed the advantages and disadvantages of using chipseal and how it would alleviate the degrading of state highways and county roads. Chipseal is a proven pavement preservation, especially on lower volume roads. More money has gone into maintenance in the last few years. To chipseal a two-lane mile stretch of highway costs \$18,000-\$30,000. To overlay that same amount of highway would cost \$200,000. The disadvantage of chipseal is that it does not last as long as overlay.

Summary of Legislation approved by the Senate and House Transportation Committees of the 90th General Assembly [Exhibit D]

Representative Hickerson cited the summary as a great resource to use for talking points when speaking to various groups and organizations.

Consideration to Adopt Interim Study Proposals (ISP) [Exhibits E-1 – E-3]

ISP 2015–031 – TO PROHIBIT THE USE OF HANDHELD WIRELESS DEVICES WHILE DRIVING A MOTOR VEHICLE; AND TO MAKE TECHNICAL CORRECTIONS - Representative David Fielding, Sponsor **[Exhibit E-1]**

Senator Hickey voiced his lack of support for the study. As no motion was made to adopt ISP 2015-031, the ISP failed to be adopted for interim study.

ISP 2015–079 – TO REDUCE THE SIZE OF THE STATE HIGHWAY SYSTEM - Representative Mary “Prissy” Hickerson, Sponsor **[Exhibit E-2]**

Representative Hickerson advised this bill was not pursued during the session. Arkansas has the 12th largest highway system in the nation comparable to California, Illinois, and other large states. Converting highway miles back to the counties would be ideal but funding is an issue. More information needs to be gathered from AHTD as well as the Bureau of Legislative Research on finding solutions.

Representative Sorvillo made a motion to adopt ISP 2015-079. Representative Brown seconded the motion. The ISP was adopted without objection.

ISP 2015-110 – TO DEVELOP AND IMPLEMENT AN ONLINE MOTOR VEHICLE LIABILITY INSURANCE VERIFICATION SYSTEM; AND TO ENHANCE COMPLIANCE WITH THE ENFORCEMENT OF MOTOR VEHICLE LIABILITY INSURANCE REQUIREMENTS - Representative Bob Johnson, Sponsor **[Exhibit E-3]**

Representative Johnson spoke on a conference call regarding a program implemented by the University of Alabama and used in several states. Information is submitted and entered into a database and, within a matter of seconds, you are able to ping State Farm and receive an immediate

response that allows full use of their database to have lifetime verification of insurance. A national State Farm representative has agreed to gather additional language from other states and draft a different bill with new language.

Representative Brown made a motion to adopt ISP 2015-110. Representative Smith seconded the motion. The ISP was adopted without objection.

Highway Turnback Reporting from Cities and Counties Receiving Total Highway Revenues and Highway Severance Turnback of \$2 Million or More [Exhibits F-1 – F-2]

During review of the report there were questions regarding a legislative audit of the funds that go to counties. It was stated that Legislative Audit is unable to conduct an audit because cities and counties do not keep the state turnback money separate from their money. Therefore, there is no way to determine whose dollar is spent on what.

A message was received from Representative Davis stating he will follow up with Senator Hickey regarding these concerns.

Other Business

Representative Douglas shared data received at NCSL in Seattle on highway funding and infrastructure problems. Many other states are experiencing similar problems as Arkansas with too many roads and not enough money. He shared what other states are doing:

- Gas tax increase – 12 states
- Alternative fuel vehicle tax fees – 7 states
- Vehicle registration and use fees – 4 states
- Wholesale gas tax increase – 2 states
- Toll increase – 2 states
- Sales tax on transportation – 2 states
- Sales tax on gas increase – 2 states
- General sales tax increase – 2 states
- Heavy vehicle fees – 1 state
- Hotel tax – 1 state
- Sin tax – 1 state

Without no further business, the meeting adjourned at 10:30 a.m.