



Please pass this information along to your members, employees, coworkers and friends.

Special Session Agenda Includes Road Funding Shortfall Transfer Bill

Lawmakers are in Charleston this week for a special session of the Legislature. Among the bills that are being taken up is H.B. 104, which will extend from February 2010 to June 2013 the ability to transfer money from the state's General Fund to the State Road Fund when highway revenues come in under estimates. The Legislature approved in June 2008 a bill to transfer up to \$40 million – \$20 million in this fiscal year and \$20 million next fiscal year – if gas tax revenues do not meet estimates. The state Tax Department has transferred about \$12 million to the SRF in the current fiscal year, which expires June 30, 2009 – leaving a balance of about \$28 million. The transfer was approved when lawmakers froze the 2009 wholesale tax at the 2008 level. The freeze cost the WV Division of Highways about \$52 million in calendar 2009.

HB 104 will eliminate the \$20 million-a-year cap to allow the full \$28 million to be used, without regard to the fiscal year that revenues don't meet estimates. The proposed bill also extends the transfers until June 2013, giving the administration and lawmakers the ability to continue providing General Fund transfers when revenues are lagging.

One issue that is not on the Special Session call is a bill that would freeze the 2010 wholesale gas tax at the current rate. S.B. 680 died in the last days of the Regular Session. WVDOH officials predict the wholesale tax may drop as much as 4 cents to 5 cents per gallon, based on the current price of gasoline. (The wholesale tax fluctuates each year based on the price of gasoline.) The wholesale gas tax generates about \$14 million per penny, so a 5 cent reduction could result in a \$70 million loss in state highway revenues in 2010.

The wholesale gas tax is not adjusted until January 1, 2010, so the DOH will closely monitor gasoline prices in the coming months to determine what impact prices will have on the highway revenues.

Any reduction in funding for the state-funded road program (about 26,000 miles of roads) will further limit the WV DOH's ability to maintain the current system. "Basically, all we're going to be able to do at that point is to patch potholes, do a little bit of ditching and a little bit of shoulder stone and cutting the brush and the grass," Deputy Transportation Secretary Paul Turman said earlier this spring on the MetroNews *Talkline* radio show.

In other transportation news, Governor Manchin has indicated the state will tap the state's Rainy Day Fund to pay for emergency repair projects due to the recent severe flooding in southern West Virginia counties. In the past, WVDOH funds were used to repair roads and bridges damaged by flooding, but then the state would have to wait on reimbursement from the federal

government – which could take years – to repay the highway fund. Paying for highway repairs out of the Rainy Day Fund won't generate any additional funding for the highway program but it will prevent a further erosion of state funding.

Welcome – New WVBT Supporters

The number of companies, organizations, groups and governmental entities now supporting WVBT's mission is more than 250 and growing.

Here are some recent additions to the WVBT partner list:

Aegis Communications Group
Alan Stone Balance Consulting
Colonial Printing
Columbia Forest Products
CRW Resources
Eight Treasures of KY, LLC
Green River Group
Kokosing Construction
Savage Heavy Highway Corp.
Victorian Developments LLC
W.Va. Public Transit Association

Help Maintain, Provide Funds For WVBT's Ongoing Efforts

To support its ongoing efforts, please consider providing or maintaining financial support in 2009 to West Virginians for Better Transportation. Financial support is the investment that is producing results such as these:

- WVBT provided support to congressional passage of a federal stimulus package that likely will provide \$240 million in added transportation funding.
- WVBT's efforts have helped to preserve or increase more than \$180 million in state funding for our transportation infrastructure.

Even with these successes, West Virginia still has massive unmet needs (\$2 billion) for bridge, roadway and highway maintenance and construction.

Need A Speaker For Your Summer Meeting?

If you would like to have a speaker come talk about transportation to your group or organization, please complete this request form:

http://www.keepwvmoving.org/getactive/request_a_wvbt_speaker.aspx

For more information about West Virginians for Better Transportation, please go to www.keepwvmoving.org.