

Resolution No. 3-0818

Local Transportation Improvement Funding for Use of Previously Uncollected Internet Sales Tax Revenues

WHEREAS, previously internet sales made by a company out of the state were not required to report, collect, or provide sales tax to the State of Wisconsin or local governments; and

WHEREAS, the Supreme Court ruled in the South Dakota versus Wayfair decision the physical presence standard is not required for the collection of certain internet sales taxes; and

WHEREAS, it is estimated the collection of internet sales tax on purchases made in Wisconsin will net approximately 120 million in previously uncollected funds; and

WHEREAS, local government in Wisconsin is responsible for about 90% of the road miles in the state; and

WHEREAS, Wisconsin's diverse economy is dependent upon access to the last mile, which includes county and town roads as well as city and village street systems across the state; and

WHEREAS, according to "Filling Potholes: A New Look at Funding Local Transportation in Wisconsin," commissioned by the Local Government Institute of Wisconsin (LGI) the condition of Wisconsin's highways is now in the bottom third of the country; and

WHEREAS, state funding for local roads in Wisconsin has failed to keep up with costs over the past several decades which has adversely affected local transportation finances. According to "Filling Potholes," municipal transportation spending has declined from \$275 per capita in 2000 to \$227 in 2012; and

WHEREAS, in Iowa County 18% of the rural (County and Township) system bridges are load posted and it is estimated another 25% of all roadway culverts are in a state of eminent failure being in a need of replacement; and

WHEREAS, Iowa County performs pavement replacement at a ratio of one mile once every 120 years and has a current backlog of 52.2 miles of highway in need of improvements which exceeds \$38 million estimated in 2016 dollars; and

WHEREAS, levy limits do not allow local government to make up for the deterioration of state funding; and

WHEREAS, Iowa County has adopted other methods to generate funding to assist with projects such as a local vehicle registration fee tax which collects at the rate of \$20 per vehicle and provides \$400,000/year; the amount collected funds less than 50 percent of the current improvement program which is less than half of what the annual system needs are; and

WHEREAS, Wisconsin's over-reliance on borrowing eats away at the state's segregated funding sources — the state gas tax and vehicle registration fees — which increasingly pay debt

service rather than fund transportation needs; and

WHEREAS, safety is a primary concern and responsibility of local governments across Wisconsin. Unfortunately, according to TRIP, a national non-profit transportation research group, Wisconsin had 347 non-interstate, rural road fatalities in 2013; and

WHEREAS, from a competitive standpoint Wisconsin motorists overall pay significantly less than any of our neighbors when you combine the annual cost of the state gas tax and vehicle registration fees; and

WHEREAS, the Transportation Finance and Policy Commission, appointed by the Governor and Legislature clearly found that if Wisconsin does not adjust its user fees, the condition of both our state and local roads will deteriorate significantly over the next decade.

NOW, THEREFORE, BE IT RESOLVED by the Iowa County Board of Supervisors to urge the Governor and Legislature to provide alternative funding mechanisms **for improving the condition of our rural road network and agree upon a sustainable solution which includes the use of previously uncollected internet sales taxes to be utilized to create and provide for a local road improvement fund** which designates dollars to local government for pavement replacement / construction improvement projects on their systems to provide a source for sustainable funding for rural roads. Furthermore, the County Board of Supervisors directs the Clerk to send a copy of this resolution to the Wisconsin County Highways Association, the Governor of the State, and the legislators for the districts within Iowa County.

Respectfully Submitted by the Iowa County Public Works Committee.

Adopted by the Iowa County Board of Supervisors this 21ST day of August, 2018.