

Greater Dalton Chamber of Commerce

The Greater Dalton Chamber of Commerce Legislative Action Committee has studied the facts regarding the Transportation Act of 2010 and they have recommended the Chamber take a neutral position and post the fact sheet on the Chamber's website. This recommendation was accepted by the Greater Dalton Chamber of Commerce Executive Board on March 29, 2012.

Transportation Act of 2010 Fact Sheet

The Georgia General Assembly's Transportation Act of 2010 is a historic and complex piece of legislation. The Greater Dalton Chamber of Commerce encourages its members to educate themselves as fully as possible on this legislation and to vote on the related referendum (a 1% TSPLOST) which will be included on the ballot during Georgia's primary scheduled for July 31, 2012. After much study, your Chamber has developed this fact sheet for its members so that they might enhance their understanding of the Transportation Act of 2010.

The Fundamentals

In response to the overall declining state of Georgia's transportation system and with the realization that the primary funding source for transportation, gas tax revenue, continues to decline, the Georgia General Assembly passed the Transportation Investment Act of 2010 (TIA). TIA authorized a vote on a 1% regional sales tax in 12 separate special tax districts that, in total, encompasses the entire State. The TIA vote is scheduled for July 31, 2012, which is the date of the primary in Georgia. As authorized by TIA, local representatives in each of Georgia's 12 regions developed a list of transportation projects, meeting certain Department of Transportation guidelines, which would be funded by the 1% sales tax. Dalton and Whitfield County are included in the Northwest Georgia special tax district along with the counties of Bartow, Catoosa, Chattooga, Dade, Fannin, Floyd, Gilmer, Gordon, Haralson, Murray, Paulding, Pickens, Polk, and Walker. Our region's transportation project list can be found at the following website <http://www.nwgrc.org/NorthwestFinalInvestmentList-Report.pdf>.

The total anticipated cost of the projects included in the Northwest Georgia tax district is \$1.1 billion. Whitfield County has 16 projects on the list with a total anticipated cost of \$136,074,419.

Revenue Allocation

The TIA legislation includes several key factors related to distribution of the funds that would be generated by the tax. Importantly, all revenue collected from each separate region will be returned to that region only. 75% of each region's total collection would go directly to that region's project list. The remaining 25% percent of the region's collection (15% for Atlanta region) would be returned to that region for local projects chosen by city and county officials. Cities and counties would receive this share of the regional funds in proportion to their population and road miles within the region (formula can be found at DOT website). Because the revenue would be split in this manner, the \$1.1 billion total projected costs of the projects within the Northwest Georgia region roughly equals 75% of the total expected collections of the tax over its 10 year time horizon.

Impact of Local Maintenance Improvement Grants

Currently, any funds distributed by the DOT in the form of Local Maintenance Improvement Grants to cities and counties in Georgia must be matched with a 10% local funds contribution. Any of the 12 regions that approve the 1% TIA sales tax will continue to match any future grants of this type at a 10% level. Any of the 12 regions that do not approve the 1% TIA sale tax, however, must match any future grants of this type at a 30% level.

The state added a “carrot and stick” approach to the legislation. Without the list of projects, the vote being taken for local projects would have been 50%. Even if the vote fails, it will save the state some funds by requiring a higher match at the local level (30% vs. today’s 10%). If the vote is successful, the county will continue with the present match level of 10%.

Accountability

TIA calls for the State Revenue Commissioner to annually report the amounts expended on all projects as well as update each project’s current and estimated cost. The Commissioner is also to recommend corrective actions on any projects that are behind or over budget. TIA also requires the formation of a five-person Citizen Review Panel for each region. This panel is to review the administration of the projects, make recommendations to the DOT and decide if public benefit has been achieved by the projects on the list. Citizen Review Panel members are appointed by the Speaker of the House (3) and the Lt. Governor (2).

The Ballot Question

The language expected to be placed on the July 31, 2012 ballot reads as follows:

Yes or No – Shall Whitfield County’s transportation system and the transportation network in this region and the State be improved by providing for a 1 percent special district transportation sales and use tax for the purpose of transportation projects and programs for a period of 10 years.

Advantages and Disadvantages

As with any legislation, there are impacts that could be both potentially positive and potentially negative for our State, our region and Dalton/Whitfield County. Your Chamber has attempted to list a few of the more common issues and thoughts that came up during our research.

Reasons to vote “Yes” on TIA:

- Our State, region and locality are in need of increased funds to maintain and improve our transportation system. Approval would mean the largest single investment in the transportation system of our State in its history.
- TIA would create jobs, enhance public safety and increase competitiveness due to the improved long term quality of its transportation system.
- TIA would free other state and DOT funds for use elsewhere and address the issue of declining gas tax revenue, which is currently the primary source of transportation funding.
- If approved, TIA would continue the lower (10%) matching funds requirement on Local Maintenance Improvement Grants that may be allocated in the future to Dalton and Whitfield County.
- Disapproval of the TIA by our region would mean Local Maintenance Improvement Grants must be matched at a higher level (30%) with local funds from Dalton and Whitfield County.
- TIA is a comprehensive plan addressing Georgia’s long term transportation needs. TIA represents the first time many years the Georgia General Assembly has been able to establish a consensus to put forward a longer range statewide plan.
- Our region’s project list includes many projects that are important to our area and Dalton/Whitfield specifically. This list was compiled and extensively vetted by local officials over the past year.

- If declined, negative impact on competitiveness of the State and area due to general transportation needs going unaddressed.

Reasons to vote “No” on TIA:

- Approval of the TIA would enact the largest single tax increase in the State’s history at a time when our economy, locally, regionally and nationally is fragile.
- If approved, the 1% sales tax increase would have a negative impact to the competitiveness of the State, region and locality and would increase sales tax disparities in surrounding jurisdictions.
- Approving TIA would not reduce any other state taxes. Transportation related gas taxes would remain in place.
- If TIA is approved, other potential sales tax initiatives put forward (i.e. by our local schools, Dalton or Whitfield County) would be disadvantaged as voters would be less likely to continue to increase the overall level of sales taxes.
- Approving TIA would mean a 10 year commitment to a 1% sales tax. This time frame is longer than is typical for a sales tax referendum.
- Whitfield County is expected to be a net “donor” county. Tax revenue collected in Whitfield County is projected to equal 14.3% of our region’s total revenue, yet Whitfield County’s transportation projects will account for only 12.2% of the region’s total project costs.
- Once the funding formula for the 25% of the TIA proceeds that would be sent back to our region for local projects is applied, Dalton and Whitfield County is expected receive an apportionment closer to 17% rather than the full 25% returned to our region as a whole.

Helpful Sites:

Links for project lists, revenue projections, FAQ’s, Carl Vincent video

Transportation Investment Act video produced by the Carl Vincent Institute of Government:

<http://www.cviog.uga.edu/video/tia2010>

Connect Georgia: <http://www.connectgeorgia2012.com/moreinfo.php>

Georgia Department of Transportation Referendum Information includes project lists, revenue projections, frequently asked questions, etc.:

<http://www.dot.ga.gov/localgovernment/FundingPrograms/transreferendum/Pages/default.aspx>