

Memorandum

From: Rep. Jeff Essmann

To: Members Revenue and Transportation Interim Committee

Survey Results HD 54

At the November 30 – December 2 meeting of the committee I mentioned to the committee that I was planning on surveying the constituents of my House District on a number of matters that the committee is studying this interim, namely issues related to funding highway infrastructure funding and the adequacy of local government revenue. A number of committee members expressed interest in seeing the results of my survey so I have prepared this memo for you to distribute to the committee and public since I will be unable to attend the March meeting of the committee.

Approximately 4500 surveys were mailed to households within the district in early December. My district is a district containing a mix of primarily middle class homes, some upper income homes, some retirement apartment communities, and some apartments for young adults and families, located in Southwest Billings. It contains both urban and suburban subdivisions and decreasing amounts of farmland due to rapid growth.

Text that proceeded the survey provided background information on which funds receive money from the state gas tax, the fact that the gas tax provides matching funds for federal funds and concluded with following sentence, "Right now Montana is spending more money than is coming in from fuel taxes and the construction account is forecast to be broke by 2017."

A total of 111 individual responses were returned and tallied. I have no way of knowing if these results are scientifically representative, but I suspect they may be.

Funding Transportation Infrastructure

1. Condition of Highways. On a scale of 1 to 10 with 10 being the highest, please rate the condition of Montana highways that you use. Cumulative Rating: 7.6
2. Condition of Local Roads. On a scale of 1 to 10 with 10 being the highest, please rate the condition of local roads maintained by cities and counties that you use. Cumulative Rating: 6.3
3. Do you think the pace of construction activity on highways and bridges in Montana should be more, less, or about the same? More: 28% Less: 3% Same: 69%
4. Do you favor an INCREASE in the gas tax to insure that the construction of highways and bridges in Montana continues about the same or increases? Yes: 39% No: 61%

5. Do you think the pace of construction activity on local CITY AND COUNTY roads due to growing population should be more, less, or about the same?

More: 44% Less: 5% Same: 51%

6. Do you favor an INCREASE in the gas tax to insure that the construction and maintenance of local roads by CITIES AND COUNTIES continues about the same or increases? Yes: 42% No: 58%

7. Would you favor a SLOWING of the pace of highway construction in Montana to match available funds so that a gas tax increase is not necessary? Yes: 38% No: 62%

8. Would you favor not funding the Highway Patrol and Motor Vehicle Division with gas tax funds so that those funds can be used for highway and local road construction?

Yes: 41% No: 59%

9. Would you favor increasing the share of the gas tax going to roads maintained by cities and counties since that is where most of the miles are driven in Montana?

Yes: 71% No: 29%

10. Would you favor allowing cities to collect an additional LOCAL GAS TAX in order to fund their construction and maintenance of local roads used by visitors as well as their residents? Yes: 36% No: 64%

Conclusions: The majority of respondents wished the pace of highway and local road construction to remain about the same but are unwilling to pay additional gas taxes to make sure that can happen. The only strong support for legislative change was to direct more of the gas tax to cities and counties instead of highway construction due to the perception that local roads are in worse shape than the highway system.

Local Government Revenue Adequacy

The text prior to the questions below discussed the increasing strain from property taxes on both the taxpayers and local governments, the success of the local option tax in Montana's smaller tourist communities, and the support of the Montana League of Cities and Towns for a local option sales tax.

1. Do you favor allowing all Montana cities and towns to collect a local option sales tax approved by the voters? Yes: 44% No: 56%
2. Do you favor allowing all Montana cities and towns to collect a local option sales tax approved by the voters, knowing that the tax would be paid by the residents, visitors, and tourists using local services? Yes: 43% No: 57%
3. Do you favor allowing all Montana cities and towns to collect a local option sales tax approved by the voters in order to collect some taxes from visitors without a reduction in any other taxes you pay? Yes: 26% No: 74%
4. Do you favor allowing all Montana cities and towns to collect a local option sales tax approved by the voters in order to collect some taxes ONLY if your property taxes were reduced MORE than the new sales taxes you would pay? Yes: 58% No: 42%

Conclusions: Respondents indicated a desire to keep pretty tight reins on their local governments with respect to permitted tax policy. The only situation in which a majority of respondents indicated they would favor granting local governments authority is if it were voter approved AND they would have a net tax reduction by shifting the burden to visitors.