

UTILIZATION OF ADDITIONAL HIGHWAY FUNDS PROVIDED BY 1969 LEGISLATURE

(Panel Discussion—Part III)

Comments by a City Mayor

JOHN W. MILLER

Mayor

City of Kokomo

CITIES AND TOWNS SHARE OF ARTERIAL ROAD AND STREET FUNDS ARE NOT SUFFICIENT

It is with some measured reluctance that I say that the work of the Arterial Road and Street Board has helped in the construction of roads and streets in Indiana.

The additional two-cent gasoline tax imposed by the 1969 session of the General Assembly as well as the additional fees collected from commercial and truck registrations, of course, are distributed on a basis of 55 percent to the State Highway Commission and 45 percent to units of local government. The 45 percent share to local government amounts to towns approximately \$30,000,000 a year and of this amount the incorporated cities and towns receive about \$13,000,000. I believe I speak for the majority of mayors and other officials of cities and towns when I say that \$13,000,000 out of \$30,000,000 is not sufficient when one considers the fact that out of the Motor Vehicle Highway Account cities and towns receive a little over \$26,000,000 compared to \$57,000,000 received by County Highway departments.

RESTRICTIONS SHOULD NOT BE IMPOSED ON ROAD AND STREET FUNDS

Indiana's municipalities have, I believe, demonstrated, especially in the recent past, a willingness and an ability to utilize funds made available for the purpose of building and maintaining streets in as responsible a fashion as can be performed by any unit of government. Because of our demonstrated ability and because municipal officials answer directly to a very active electorate, we feel it inappropriate and unnecessary for the General Assembly to impose restrictions upon the use of funds dedicated for use in the cities.

It is a lame excuse to say that the General Assembly is responsible for the disposition of state-collected taxes. Gas taxes are considered to

be user fees and as such, when returned to a unit of government responsible for the care of the roads and streets, they are not in the same category as broad-based, state-collected taxes. Consequently, the unit of government responsible for caring for the roads and streets has just as much jurisdiction over the disposition of these funds as does the General Assembly.

DISTRIBUTION SHOULD BE BASED ON POPULATION

We reiterate our opposition to any formula which is not based upon the actual need of a community or in some other way related to the usage given roads and streets. From the Needs Study commissioned by the 1965 session of the General Assembly, as well as from experts wherever found, we know that population provides the single most reliable relationship to the needs of a community. We have long held that the Motor Vehicle Highway formula should be based upon population alone. During the 1969 session of the General Assembly the Indiana Association of Cities and Towns proposed a formula for the new monies which was based upon population alone.

Of course, we all know that the old Motor Vehicle Highway formula established in 1949 bears some relationship to the inspired word of God and, consequently, cannot be changed under pain of punishment as heresy. Although I personally believe that it needs changing and that eventually it must be changed because it is bad and inequitable, for the time being we will dismiss the 1949 formula from our minds and concentrate on the new Arterial Road and Street Account.

The Arterial Road and Street Account is a two-formula formula which discriminates against a community merely because it happens to be within a county which has less than 50,000 population. I am referring to the two-level distribution basis which provides that in counties of 50,000 or more the distribution of funds to that county is based 60 percent on population and 40 percent on road or street mileage, while in counties of less than 50,000 only 20 percent of the money distributed within a county is based upon population and 80 percent on road and street mileage. Consequently, we find situations where towns of equal size, having many of the same problems, receive vastly different amounts of money to cope with the problem. As mayor of a city which is in a county of greater than 50,000 population, my community is not particularly injured by this double standard, but I have been able to observe from my position on the Arterial Road and Street Board that this formula does not work to the benefit of the majority of our smaller communities since most of them are in counties of less

than 50,000 population. For your further information, only 18 counties have populations in excess of 50,000.

SUMMARY

I guess, in summary, what we have observed is a double paradox. On the one hand we have a General Assembly who claims a right over the use of monies collected locally and designed to be used locally. On the other hand, this same General Assembly has devised a formula which, as in the past, bears no relationship to the need but instead reflects the political weaknesses of a General Assembly which is still oriented to rural demands.

Incidentally, I have been informed that these rural demands need not even be voiced. Some influential agrarian leaders in our state recognize the sufficiency of the old Motor Vehicle Highway formula and were quite satisfied to have all the new monies split between the State Highway Commission and cities and towns. It is quite apparent that old customs and inertia are hard to overcome, but we are quite certain that with over 70 percent of Indiana's people living in cities and towns, the time will shortly be upon us when the General Assembly will truly reflect what is needed and demanded by the people of Indiana.

So long as the Arterial Road and Street Board is required by the General Assembly, I, along with the rest of the Board, will, I am certain, do what is necessary to get the money out onto the streets and roads, but I believe it is unnecessary for such a Board to be convened. I have faith in the responsible disposition of funds by duly elected local governmental officials and I am sure you do too.