# 2017 POLICY BRIEF

## SUPPORT COUNTY PRIORITIES IN ANY NEW INFRASTRUCTURE PACKAGE

### QUICK FACTS

- Counties play a critical role in nation's transportation system
- Counties own and maintain 45 percent of all public roads
- Counties own and maintain 230,690 (or roughly 39 percent) of all public bridges
- Counties own or are part of governing authorities that operate over a third of the nation's transit systems and airports



### **ACTION NEEDED:**

Urge your members of Congress to support county surface transportation priorities in any proposed infrastructure package introduced by the Trump Administration and considered by Congress.

### **BACKGROUND:**

Counties play a critical role in the nation's transportation system, owning 45 percent of all public roads (compared to the 32 percent of public roads owned by cities and townships, 19 percent by states, and 3 percent by the federal government) and 39 percent of the nation's bridge inventory, and are involved with a third of the nation's transit systems and airports that connect residents, communities and businesses.

In November of 2016, then President-elect Trump announced his intent to introduce an up to \$1 trillion infrastructure package designed to create, improve, renovate and repair our nation's aging infrastructure. This package, if realized, could affect counties' ability to prioritize and advocate for specific projects.

While past surface transportation authorizations such as MAP-21 (P.L. 112-141) and the FAST Act (P.L. 114–94) focused on setting policy, this potential infrastructure plan will likely focus on actual project conception and construction. In the latter half of 2017, the president, with Congress, is expected introduce a comprehensive package, which would build upon key principles outlined in the White House's Infrastructure Initiative Fact Sheet, which accompanied the President's FY 2018 budget request. The administration has expressed its intent to work with Congress to improve any legislation offered by the White House as well as find ways to pay for the package.

NACo believes that counties should be recognized as major owners of transportation infrastructure in any potential package presented by the administration. Furthermore, federal funding levels and local authority should adequately reflect the county role in the nation's transportation system. NACo believes that a user-pay approach should continue to be the cornerstone of federal transportation funding and that federal policy should provide counties the flexibility to use additional financing tools. Such policies include:

 Preserving the Tax-Exempt Status of Municipal Bonds: Though legislated as part of the tax code through the Ways and Means Committee, tax-exempt bonds are a critical tool for counties that facilitates the budgeting and financing of longrange investments in the infrastructure and facilities necessary to meet public demand. Without the tax-exemption, counties would pay more to raise capital, a cost that would ultimately be borne by the taxpayers through means such as reduced spending on the roads and bridges that counties are responsible for, decreased economic development, higher taxes or higher user fees.

- Providing an Environment for Innovative Financing: NACo supports innovative financing mechanisms including, but not limited to, qualified tax credit bonds; infrastructure banks; the Transportation Infrastructure Finance and Innovation Act (TIFIA); and public-private partnerships that would allow local governments and transportation authorities, such as counties, to leverage federal financing for capital projects.
- New, Dedicated Federal Funding Must be Part of Any New Infrastructure Package: While NACo supports public-private partnerships (P3's) for project development, it is important that any infrastructure package provide funding to those parts of the country where private investment is not appropriate. A robust rural infrastructure plan must be part of any new legislation with the necessary funds to address their unique needs.

### **KEY TALKING POINTS:**

- NACo believes that counties should be recognized as major owners of transportation infrastructure in any potential package presented by the administration. Key funding and financing measures must include all of the following:
  - Preservation of Tax-Exempt Status of Municipal Bonds.
  - Dedicated Funding for locally owned infrastructure.
  - Policies to Provide an Environment for Innovative Financing.

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