

RESOLUTION NO. 549

A RESOLUTION SUPPORTING THE IMPROVE ACT AS PROPOSED BY THE GOVERNOR OF TENNESSEE TO CREATE BALANCED TRANSPORTATION FUNDING PLAN FOR THE CURRENT AND FUTURE NEEDS OF OUR CITIZENS.

WHEREAS; The Transportation network in the Kingsport MTPO region is continually growing and in need of expansion and maintenance; and

WHEREAS; The IMPROVE Act: Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy is a comprehensive and strategic plan to cut taxes on food and manufacturing while updating how the state provides Tennesseans the safe and reliable transportation network needed to support future job growth; and

WHEREAS; the funding sources of to maintain and grow the transpiration network to support the business, citizens and visitors to our region have not continued to grow at the same pace; and

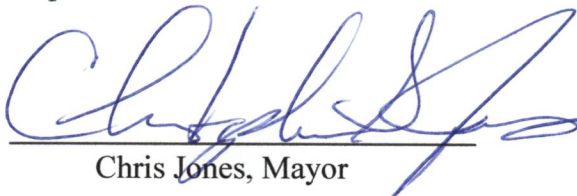
WHEREAS; we strongly support efforts to enhance funding sources available for the maintenance of state and local roadways and bridges. Over the past decade, resurfacing costs have more than doubled, with the cost of asphalt skyrocketing, while per gallon taxes available for maintenance and construction have declined as vehicles become far more fuel efficient.

WHEREAS; The IMPROVE Act offers a balanced, equitable transportation plan that keeps Tennessee a pay-as-you-go state for the next generation and our roads debt free; and

WHEREAS; The Kingsport Metropolitan Transportation Planning Organization feels it is important to support the actions of the Governor and show support for this new transportation plan to meet Tennessee's Needs; and

WHEREAS; The IMPROVE Act also creates an additional 40% increase to local cities and counties for the funding of the local transportation network in addition to the state projects.

NOW THEREFORE, BE IT RESOLVED on February 28, 2017, the Town of Mount Carmel, Tennessee does hereby approve and endorse the IMPROVE Act as presented by Governor Bill Haslam and the Tennessee Department of Transportation.

A handwritten signature in blue ink, appearing to read "Chris Jones", is written over a horizontal line.

Chris Jones, Mayor

Motion: Alderman Eugene Christian

Second: Alderman Jennifer Williams

FIRST READING	AYES	NAYS	OTHER
Alderman Diane Adams			absent
Alderman Eugene Christian	✓		
Alderman Margaret Christian	✓		
Alderman Wanda Davidson	✓		
Alderman Jennifer Williams	✓		
Vice-Mayor Carl Wolfe	✓		
Mayor Chris Jones	✓		
TOTALS	6	0	1

Passed : February 28, 2017

IMPROVE Act: Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy

A comprehensive and strategic plan to cut taxes on food and manufacturing while updating how the state provides Tennesseans the safe and reliable transportation network needed to support future job growth.

KEY TAKEAWAYS:

- ✓ Cuts \$270 million annually in taxes, bringing the total number of cuts made and proposed since 2011 to \$540 million annually, roughly nine times more than any other administration.
- ✓ Keeps the state's transportation network debt-free for the next generation at a cost to the average Tennessee road user of \$4.17 a month while delivering 962 projects across all 95 counties.
- ✓ Cities receive an additional \$39 million, and counties receive an additional \$78 million for local projects, allowing them to keep property and other local taxes low.

Tax Cuts

The IMPROVE Act cuts taxes by an estimated \$270 million annually, bringing the total number of cuts made and proposed since 2011 to \$540 million annually, roughly nine times more than any other administration.

- ✓ Cuts business taxes for manufacturers (\$113 million) by allowing them to go to "single weighted sales factor." Tennessee is currently at a competitive disadvantage for manufacturers, losing several candidates recently because of it. This helps create an even better environment for job creation because of manufacturing's multiplier effect with the suppliers they bring in.
- ✓ Cuts the sales tax on groceries by another half percent (\$55 million), bringing the total cut of this tax under the Haslam administration to \$101 million.
- ✓ Cuts the Hall income tax 1.5 percent this year with a commitment to cut it another 1.5 percent next year (3 percent, \$102 million).

A New Transportation Plan to Meet Tennessee's Needs

Tennessee's flat state gas tax of 21.4 cents per gallon hasn't been updated since 1989. Due to inflation, increases in construction costs and the cost of land and better gas mileage, the state comptroller estimates that 21.4 cents in 1989 is now worth approximately 11 cents a gallon. The money goes half as far as it once did. Without additional funding, it would take the state 50 years to complete its current list of projects, and many cities and counties will be forced to raise property taxes to pay for transportation. Good roads lead to good jobs. One of Tennessee's most desirable attributes in recruiting jobs is our location on the map. If you want to distribute product around the country, there's no better location. But it's hard to sell job creators on Tennessee if we don't have the roads and bridges to get product where it needs to go. A poor transportation system also costs citizens in time and vehicle maintenance.

The IMPROVE Act offers a balanced, equitable transportation plan that keeps Tennessee a pay-as-you-go state for the next generation and our roads debt free:

- ✓ Increases the road user fee by 7 cents a gallon for gas and 12 cents a gallon for diesel.
- ✓ Increases car registration fees by \$5 for the average passenger vehicle.
- ✓ Places a \$100 annual fee on electric vehicles and increases charges on vehicles using alternative fuels.
- ✓ Includes a 3 percent charge on rental cars.
- ✓ Changes open container law to allow TDOT flexibility to use \$18 million in existing federal funds on roads.
- ✓ Indexes (but caps) fuel taxes to the Consumer Price Index to keep up with the rate of inflation.
- ✓ Brings in \$278 million in new dollars to fund 962 transportation projects across all 95 counties, with 52 percent of the projects going to urban areas and 48 percent to rural areas. These projects include safety and interstate improvements, congestion reduction, economic corridors and 536 bridges repaired.
- ✓ Provides an additional \$39 million for cities and \$78 million for counties for local transportation projects.
- ✓ Allows municipalities, only if approved by local voters through referendum, to impose a surcharge on their sales tax rate that would be solely dedicated to public transit projects.