

The Republic - Shrinking Indiana gas tax revenue forces communities to scale back road projects

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FRANKLIN, Ind. — Cash-conscious Indiana motorists are driving less and buying more fuel-efficient vehicles, cutting gas tax revenue to the state and forcing many Indiana communities that rely on a portion of the money to defer road repairs.

Indiana gas tax and vehicle fee revenue fell to \$539 million in the last year, the lowest amount since 2003 and down from \$624 million in 2005. The state distributes about 45 percent of that money to cities, towns and counties for road repairs.

But with less money to go around, communities are having to scale back road projects, the Daily Journal of Franklin reported.

New Whiteland asked for about \$250,000 this year but only received about \$200,000, forcing it to pave fewer streets than planned. Clerk-Treasurer Maribeth Alspach said the town expects to get \$15,000 less in gas taxes than requested next year as well.

Greenwood spent about \$500,000 less on contractors to maintain city streets because of the drop in state money.

Franklin Mayor Fred Paris said his town might also have to scale back.

"We've been getting less and less, and it's going to get to the point where we might have to cut back," he said. "We're talking basic maintenance like new asphalt that ensures the roads are safe and usable. That's something that's important to people."

Some communities that don't have a wheel tax are boosting their road funds with impact fees charged to developers of new neighborhoods.

Developers in Fishers pay \$237 per resident trip, or about \$2,275 per home, for new subdivisions. Zionsville charges \$864 per home, while Noblesville impact fees can run as much as \$1,920 per house.

The money is used to upgrade or maintain streets the new homeowners will use, said Fishers Clerk-Treasurer Linda Gaye Cordell.

"Over the years the impact fee has been in place, we have collected a few million and as a result have funded many, many road improvements," Cordell said. "It is truly an innovative funding source for new residents to pay for the needed expansion of road service."

Greenwood charges homebuilders similar fees to raise money for parks that would serve residents in new subdivisions, but it does not charge for roads. Instead, it requires developers, who often can do the work at a lower cost, to add turn lanes or improve roads near new neighborhoods or businesses, director of operations Norm Gabehart said.

Paris said he won't consider a road impact fee in Franklin right now because it would increase the cost of new subdivisions and raise home prices at a time the market can't support an increase. That could force developers to pass on some projects, which could affect the number of residents — and ultimately the city's share of gas tax revenue, which is distributed based on population.

"In this climate, it wouldn't be the right time for any new tax or fee," he said. "If you raise the cost of doing business,

you might be driving business away."

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Information from: Daily Journal, <http://www.thejournalnet.com>

