

# GOVERNOR'S LONG TERM HIGHWAY FUNDING PLAN

RENEW **AR** HIGHWAYS

Continuing the Progress  
in the Natural State





## HISTORY OF FUNDING TRANSPORTATION INFRASTRUCTURE IN ARKANSAS

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Arkansas has the 12th largest State Highway System in the nation, with over 16,400 miles. This is more than California, New York, and Florida. But we are near the bottom when it comes to being able to fund that system. This is due to our tax structure that generates revenue for roads. It is a flat per gallon tax on motor fuels and has remained relatively flat for decades. This combined with the rise in cost for highway construction due to inflation during the same period has resulted in a shortfall of over \$400 million annually. This shortfall in funding needed to keep our highway system in a state of good repair was verified by Arkansas Legislative Audit in 2017.

## GOVERNOR'S LONG TERM HIGHWAY FUNDING PLAN

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The Governor's Long Term Highway Funding Plan was presented to the Legislature during the 2019 Legislative Session to address the funding shortfall. It is a combination of two components – **Act 416** and **Issue 1** – that will fund state highway, county road and city street improvements.

- **Act 416** was enacted in early 2019 by the State Legislature and provided immediate funding that is dedicated to system preservation (taking care of the roads and bridges we already have with overlays, patching potholes, bridge replacement/rehabilitation). It generates an investment of \$95 million annually for state highways and \$26 million annually for county roads and city streets.
- **Issue 1** is a proposed constitutional amendment that will appear on the November 3, 2020 General Election ballot. It will allow voters to decide whether to continue the ½-cent sales tax for road improvements that has been in place since 2013 and is set to expire in 2023. A yes vote will make it a permanent revenue source for roads. **Issue 1 does not increase taxes.**

	STATE HIGHWAYS	COUNTY ROADS	CITY STREETS
Act 416	\$95 million	\$13 million	\$13 million
Issue 1	\$205 million	\$44 million	\$44 million
<b>Total</b>	<b>\$300 million</b>	<b>\$57 million</b>	<b>\$57 million</b>

- **If voters decide for Issue 1**, the ½-cent funding will remain in place as a permanent source of revenue for roads. It will continue to generate approximately \$205 million annually for state highways and \$44 million annually each for city streets and county roads. **Citizens will not experience a raise in their current tax rate if Issue 1 passes.**
- The Plan dedicates 76 percent of state highway funds to system preservation. This level of funding will result in a much better maintained and improved state highway system. The Plan dedicates the other 24 percent for congestion relief, safety improvements and capital improvements to Arkansas' state highways.
- **If voters decide against Issue 1, the ½-cent funding will end in June 2023.** In July of 2023, cities and counties will see a 30 percent reduction in their road and bridge budgets. Road and bridge funding will be reduced by \$44 million annually for cities and \$44 million annually for counties. State highways will not receive the additional funding needed to keep them in a state of good repair. The Arkansas Department of Transportation will continue to manage the decline of the State Highway System, which includes delaying much needed improvements, increasing congestion, the addition of weight restrictions, and possibly allowing some paved roads to revert to gravel.

## WHAT ARE THE POSITIVE RESULTS OF AN ADDITIONAL \$300 MILLION PER YEAR INVESTMENT IN STATE HIGHWAYS?

- Stimulate \$8.2 billion in economic activity over 10 years
- Support 3,596 jobs annually
- Continue to maintain and improve our Interstates
- Improve almost 7,000 miles of non-Interstate highways over 10 years
- Repair/replace poor condition bridges over 10 years
- Continue an emphasis on safety improvements
- Address capital and capacity needs across Arkansas



**Adequate transportation infrastructure is vital to Arkansas' ability to attract and keep industry here.**

RANDY ZOOK  
Arkansas State Chamber of Commerce  
President and CEO



## WHY IS INVESTMENT IN ARKANSAS' TRANSPORTATION SYSTEM IMPORTANT?

### ECONOMIC BENEFITS

- Increased property values
- Attraction to businesses
  - Higher wages
  - More job opportunities
- Less expense on vehicle wear and tear resulting in more expendable income
- Safety benefits
  - Reduced fatalities
  - Reduced property damage

### EVERYDAY BENEFITS

Reliable access to:

- Housing, family, friends, community functions
- Employment
- School
- Health care
- Recreation/entertainment
- Consumer goods
- Consumer services



## IN SUMMARY – IT IS YOUR TRANSPORTATION SYSTEM – ON NOVEMBER 3, 2020 YOU DECIDE

Transportation is the backbone of a strong economy. Arkansas' roadways are one of the public's largest and most important investments. Our transportation system touches and impacts almost every aspect of our lives every day. Together, the Governor, the legislature and voters are all partners in determining how to fund maintenance and improvements of Arkansas' state highways, county roads and city streets, keep our investment in a state of good repair and "Renew Arkansas Highways."



The ability to meet the public's expectation for safe and well maintained roads and bridges has steadily decreased over the last few decades. Without a solution, this trend will only continue to get worse in the future. We can either pay a little now, or pay a whole lot later.

LORIE TUDOR  
Arkansas Department of Transportation  
Director



Hopefully, this brochure has provided information to help you make an informed decision. If additional information is needed, please email [info@ardot.gov](mailto:info@ardot.gov) with your questions. An Arkansas Department of Transportation employee will respond to your questions as soon as possible.

You may also visit [ardot.gov/renew](http://ardot.gov/renew).

