Follow ups from Pew's 4/15 Presentation to The Committee on Transportation Asset Management and Funding.

1. **States with annual "state of good repair (SOGR)" reporting**: Some states pair asset condition data with regular, transparent reporting to inform budget decisions, including:
    - **Connecticut** - publishes annual asset condition factsheets and maintains a statewide asset management program.
    - **Delaware** - publishes annual SOGR summaries tied to pavement conditions and investment needs.
2. **Approaches to providing technical assistance and capacity to local government**
    - **Iowa** offers multiple ways for county engineers to connect with each other, pool technical and planning resources, and interface with the state. These include the Iowa County Engineers' Association, the Iowa County Engineer Service Bureau, the Iowa Highway Research Board, and the Office of Local Systems at the Iowa DOT. Information on their work is available here: https://www.legis.iowa.gov/docs/publications/DF/1444645.pdf.

3. **Taxing electricity used for EV charging:** Several states have implemented taxes on electricity used for EV charging. A a few examples include:

o **Kentucky**: An excise tax with an initial base rate of $0.03 per kWh is imposed on EV power distributed by an EV power dealer, effective January 1, 2024. The rate is adjusted annual based on the National Highway Construction Cost Index, within certain limits. (KRS §138.477; 2022 HB 8; 2024 HB 122)

o **Montana:** $0.03/kWh tax on public charging (effective 2023; applies to all stations by 2025). The charging station owner may retain $0.0025 per kWh for costs associated with administering the tax. (MCA §15-70-802)

§ The HB 55 Fact Sheet shows that initial revenues were limited, while the original fiscal note estimated implementation costs exceeding $2 million.

§ Similar proposals were also vetoed in both 2017 (HB 205) and 2021 (HB 188) before this policy was enacted. A Montana Legislative Services Division brief provides useful background on the fiscal history of these proposals and some of the concerns raised.

o **Utah**: 12.5% tax on EV charging (kWh or subscription), alongside a flat fee or optional road usage charge (RUC) program (2023 HB 301; U.C.A. 1953 §59-30-102).

o As detailed in some of the background on Montana's approach above, there can be significant implementation challenges with this approach, including:

§ **Utility regulation constraints:** Per-kWh charging can trigger public utility regulation in some states, requiring statutory exemptions or regulatory coordination (NCSL; KPMG).

§ **Administrative complexity:** Requires metering, billing, and tax collection systems aligned with utility frameworks, increasing compliance costs.

§ **Policy inconsistency:** Variation across states in how electricity sales are defined and taxed (kWh vs. subscription/time-based) complicates uniform implementation

4. **Adjusting to climate-related challenges: Alaska** incorporates permafrost risk into asset management and capital planning by identifying roads built on unstable or thawing

permafrost, which deteriorate more quickly. For these roads, the state's TAMP notes that major repairs are generally not recommended unless the underlying ground is stabilized. In practice, this leads to more frequent, smaller repairs rather than full reconstruction in high-risk areas. From the TAMP (Appendix F: Lifecycle Planning, pg. 84).

- *Considering Extreme Weather and Resilience in Pavement LCP Analysis DOT&PF has identified thawing permafrost as a significant risk in that it compromises the stability of the pavement subgrade. DOT&PF accounts for this risk in pavement lifecycle planning by including subgrade stability in PMS decision trees. Where the subgrade stability indicates the presence of unstable permafrost, the PMS will not recommend a treatment beyond minor rehabilitation. This is because even a major rehabilitation or reconstruction project may not be able to cost effectively address the underlying subgrade. It may remain more cost effective to resurface the road at a more frequent interval or allow M&O crews to place temporary surfacing (high floats, chip seals, etc.) through these areas. The regions evaluate these areas on a project-by-project basis to determine if they are able to address the unstable subgrade issues, and if they are, they may choose to initiate a major rehabilitation or reconstruction project to stabilize the embankment.*

5. **Paying for infrastructure resilience:** in 2025 **Hawaii** enacted a climate impact "green fee" (effective 2026) to support resilience investments through:
   - An increase to the state's Transient Accommodations Tax (TAT) by 0.75 percentage points and an extension of the tax to cruise ship passengers.
   - The fee is projected to generate approximately $87 to $100 million annually, and the Governor has recently proposed funding $126M in resilience and environmental projects using a combination of green fee revenues and bond financing.
     - For reference, an earlier Hawai'i Tax Research & Planning Office memo modeled two revenue scenarios, including a 1% TAT increase and a $50 flat fee.
   - Funds are directed toward climate and hazard resilience, including wildfire mitigation, shoreline protection, invasive species control, and infrastructure resilience investments.
6. **Aligning project funding with planned investments:** Like Vermont, **Maine's** 2022 TAMP did not include information on expected conditions compared to a *State of Good Repair* target, so our assessment of whether the state was facing a gap for maintaining and preserving state roads and bridges was determined using their funding forecasts.
   - The state's projections show the needed funds to meet the state's investment strategies are anticipated to be available from expected revenues. For example, in 2026, $197 million was available from the National Highway Performance Program, state bonds, congressionally directed spending, and other grants and matching funds. Meanwhile, meeting the investment strategy for preventive maintenance, preservation, rehabilitation, reconstruction, and replacement would require $129 million, leaving $67.3 million in reserve — See financial summary on pg. 40 in Maine's 2022 TAMP