

Resolution #2020-5

INVEST IN LOCAL GOVERNMENT INFRASTRUCTURE

BACKGROUND

Montana has experienced significant growth impacts related to infrastructure and affecting the public health, safety, and general welfare of Montana's communities. Most Montanans welcome the economic opportunities connected to development, but some Montana municipalities that have had no or slow growth in the past do not have the resources and support necessary to proactively plan for and address the infrastructure and public health, safety, and general welfare of the growing population. Also, the infrastructure belonging to Montana municipalities – water and wastewater systems, streets, and other public facilities – is aging and in many cases has outlived its useful and functional life.

For Montana cities and towns to attract healthy, responsible economic growth, the ability to provide quality essential services means the infrastructure should be in good condition and using modern technology. At no time is our critical infrastructure more important than during the ongoing national COVID-19 crisis. Montana's local governments must maintain the critical health and safety services that all Montanans need to weather this disaster: clean water, good multi-modal transportation systems, including streets, roads, transit, paths, bikeways, sidewalks, and trails, effective law enforcement and fire protection, broadband, and responsive emergency systems. While Montana has been able to withstand immediate shocks to its economy, we expect long-term reductions in the ability of our residents to pay local property taxes and assessments.

Further, infrastructure is a critical factor in the health and wealth of Montana's economy, enabling private businesses and individuals to produce goods and services more efficiently. Montana's cities, towns, and counties have millions in road, water, wastewater, and other infrastructure projects that can jump start the COVID-19-impacted economy and increase long-term business productivity in every corner of Montana.

The MLCT will continue to work with the Montana Infrastructure Coalition ("MIC") to establish infrastructure priorities on a multi-session approach. We will continue to work to change the structure of the way infrastructure financing occurs in Montana on into the future.

In 2017, the Legislature passed a \$.06 graduated increase in the state gas tax to temporarily shore up the highway account and increase the gas tax allocation for local road projects for the first time in over two decades. In 2019, the Legislature passed a comprehensive infrastructure bill funding local projects through one-time-only grants and loans as well as university buildings and other state projects. Nevertheless, the highway account will continue to fall short of the amount needed to match federal dollars. Permanent and increased funding for a local infrastructure grant or loan program or other financial support for local infrastructure is needed.

ACTION

MLCT will support bills or policies that:

1. Promote investment in local governmental infrastructure, including new or increased financing options, grant and loan programs, and other resources and support necessary to proactively plan for and address infrastructure, protect the public health, safety, and general welfare of municipal residents, and stimulate the economy.
2. Streamline the process for obtaining new gas tax dollars or provide for automatic distribution of new gas tax dollars together with old gas tax dollars.
3. Streamline the process for obtaining state infrastructure dollars through improvements to existing state grant and loan programs.

MLCT will oppose bills or policies that:

1. Seek to diminish or eliminate any existing source of local infrastructure funding, including funding for existing grant or loan programs, existing gas taxes or allocations thereof, financing options, or other limits on constructing, maintaining, improving, or increasing local infrastructure facilities and capacity.