

# NAR Issue Summaries

## Livable Communities / Transportation

### **NAR Committee:**

State and Local Issues Policy Committee

### **What is the fundamental issue?**

State and local governments have a long history of relying on federal funds for building and maintaining roads and bridges. In some cases, states rely on the federal government for over fifty percent of their transportation budget on the federal government. Since 2008 the Highway Trust Fund (HTF) has become insolvent. Fees generated from gasoline and diesel taxes have not generated enough income to fully fund the HTF. Ever since the HTF became insolvent, the federal government has transferred funds from the general fund to the HTF to maintain the existing levels of funding at the state and local level.

Roads and bridges are critical investments in every community. This type of infrastructure provides the basic fabric of economic competitiveness cities and states throughout America rely on; particularly roads that transfer goods and services across state lines. Additionally, traffic congestion and safety measures contribute to the quality of life residents have in their communities.

An important element considered during the decision making process of either purchasing a home or determining the best location for a business, is the type of transportation options available to a property. NAR has been involved with the National Complete Streets Coalition since 2008. The purpose of the Coalition is to ensure that transportation planners consider all users of the road during the design, construction and implementation phases of a transportation project.

### **I am a real estate professional. What does this mean for my business?**

Improvements to infrastructure enhance property values. Traffic congestion imposes costs throughout the economy. Further constraints on funding for transportation projects of all types, particularly those that contribute to walkable, stable, and vibrant neighborhoods, may negatively affect property values and inhibit development.

### **NAR Policy:**

NAR believes more needs to be done to level the playing field with respect to funding highways versus transit and other modes. Transportation plans should reflect a broad community vision, considering the needs of all transportation users, and should emphasize repair and maintenance over development of new capacity. In addition, NAR supports a modest increase in the federal motor fuel tax and annual adjustments for inflation.

### **Opposition Arguments:**

Opponents of NAR policy claim that an increase in fuel tax will unduly burden drivers in areas without additional public transportation options. Further, opponents will claim that a fuel tax will not generate enough revenue to sustain the Highway Trust Fund because new vehicles are being produced to be more fuel efficient; therefore, the fuel tax will be inadequate funding for transportation programs throughout the U.S.

## Legislative/Regulatory Status/Outlook

In December 2015, Fixing America's Surface Transportation Act (FAST Act) was signed into law as a multi-year package for transportation planning. The FAST Act was viewed as a victory for two reasons: (i) guarantee fees or g-fees collected by Fannie Mae and Freddie Mac will not be used as a pay-for of transportation and (ii) there were federal Complete Street standards established something that has never been done before.

Although a multi-year transportation package remains in effect until 2020, every year Congress must appropriate funding amounts for federal programs. There are two programs within the Department of Transportation that are at risk of losing funding: TIGER grants and the Small Starts and New Starts. Both of these programs provide local governments an opportunity to implement transportation plans that are best suited for the community and future transportation options.

On September 14, 2017 the U.S. House of Representatives passed H.R. 3354 "Make America Secure and Prosperous Appropriations Act of 2018." This bill did not include TIGER grants or Small Starts and New Starts, which means transportation planners across the country are uncertain about federal funding opportunities beginning in 2018. Uncertainty in federal funding may delay projects or cancel any plans for improvement.

The future of TIGER grants and Small Starts is uncertain. NAR has signed onto letters asking Congress to retain these critical programs.

## Current Legislation/Regulation (bill number or regulation)

House Bill H.R. 3354

## Legislative Contact(s):

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