

Testimony to House Taxation Committee

3/23/2017

Marynell Popst

Mr. Chairman and Honorable members of the House Taxation Committee:

Thank you for allowing me to come back to speak to you today. I am grateful for your willingness to hear testimony from the people directly impacted by your decisions. I am the Vice President of Reece Construction Co., which has offices in Salina and Scandia, and I personally live in Wichita. We have been building bridges and concrete structures here in Kansas since 1926. I am here today to speak in favor of House Bill 2382, an 11-cent increase in the motor fuels tax.

I can stand before you and talk to you about what it is like to be a highway contractor in the state of Kansas: to tell you that we hesitate to purchase new equipment or hire new crews because we are uncertain that there will be enough jobs in the next few years to justify the expense. I can tell you that we are actively pursuing contracts in neighboring states like Oklahoma and Nebraska because we don't want to lay off our current crews. This also means those crews will be staying in hotels and purchasing food and fuel in those neighboring states. It also means we, as a company, will be purchasing concrete, steel, rock and other materials from vendors in those states—because the vast majority of materials on any certain project are locally sourced. I can tell you that by essentially eliminating the highway program in the state of Kansas some of the contractors, and especially small subcontractors, will not survive the leaner years. This means when this legislature does decide to spend the necessary money to maintain and improve our roads, there will be less experience and less competition, leading to higher prices. I could expound on any one of these things for my testimony because they are all very true and applicable to the decision before you.

But what I think is more important is this: 600,000 Kansans drive over structurally deficient bridges every day. 2,151 bridges in Kansas are classified as deficient. We have the 5th most deficient rural roads in the country. Those are the bridges that farmers drive their crops across, school buses ferry children across, and your constituents use to go to work each day. They are the roads that lead to businesses that provide access to grocery stores, gas stations and hospitals. When those bridges aren't maintained or replaced in a timely manner, they end up costing the people who drive over them more and more in maintenance.

I like numbers, so let's run them: the average American drives around 15,000 miles per year* and if we estimate that their car gets 20 miles per gallon**, they will spend an additional \$82 dollars per year with this 11-cent tax increase. That 82 dollars is far less than the cost to replace a windshield or a flat tire from driving on poorly maintained roads.

I realize that raising taxes on hard working Kansans is never an easy decision, but the reasons I support this specific bill is two-fold. First, I believe that it is a moderate and reasonable increase that in the long run will save both the taxpayers and the state money by preventing costlier repairs from lack of maintenance. And secondly because this increase is constitutionally protected to go towards highway funding and not be swept into the general fund, it will allow contractors such as myself to have a steady and predictable source of revenue in future years, giving us the chance to continue working in the state we love.

*From the FHWA the actual yearly average is 13,476 in 2016.

**based on a conservative estimate taken by reviewing fueleconomy.gov