of storm damaged roads. New Jersey gives aid for lighting of local roads.

A form of State aid which facilitates local road construction is aid for debt service, given by six States, although in two States, Mississippi and Missouri, such aid is given only for specific bridges.

CRITERIA FOR ALLOCATION OF SHARED TAXES AND GRANTS

The States have employed a multitude of formulas for distributing the shared taxes and/or the grants among local governments. Most States divide the amount to be distributed into two, three, or four parts, each to be allocated according to a different criterion. The combinations of criteria used differ from State to State.

Most States employ some concept of need or road use to allocate part of State aid funds. Four States employ some measure of road use: Colorado and Nevada use vehicle mileage, while Arizona and Louisiana use motor fuel sales. This latter measure conforms less closely to road use but approximates the return of a portion of the gasoline tax to county or city of origin. Five States distribute funds according to motor vehicle registrations, and four, according to motor vehicle license revenue, which is a slightly different measure of number and kind of vehicle in use. Eighteen States use road mileage, an uncomplicated measure of need, to allocate funds and States use (county or city) area as a criterion for aid.

A second portion of aid funds may be distributed according to criteria other than road use or need for roads. In 11 States part of State aid is distributed equaly among the counties or cities and in 15 States some aid is distributed according to population.

In addition, particularly in allocating aid funds, States have taken into account the local contribution to the project and local ability to finance roads. Four States distribute grant funds in fixed ratio to local expenditure, while Illinois and Massachusetts require a minimum local effort. Kansas, Massachusetts, and Missouri allocate a portion of aid according to assessed valuation. Louisiana and Minnesota give aid for approved projects according to need.

Finally, Massachusetts and New Jersey leave some aid to be distributed at the discretion of the State highway authority, and Georgia and Nebraska leave the distribution of some kinds of aid to special statute.

STATE BONDS FOR LOCAL ROADS

In eight States [2] the proceeds of highway bonds issued by the State have been distributed to participating local governments to finance the construction of local roads. Typically the State then withholds from the local government's share of highway user taxes an amount sufficient to pay the annual debt service on the bonds. This method of financing is necessary due to restrictions on debt incursion by counties in Hawaii and Maryland; it is also a notably useful aid to local units in other States which have come close to their debt limits for purposes of road construction.

[2] Georgia, Hawaii, Maryland, Massachusetts, New Jersey, Tennessee, Vermont, and Washington.