

Bond Case Briefs

Municipal Finance Law Since 1971

Texas Residents Question State's Reliance on Tolling.

The rapid expansion of tolling to pay for transportation projects in Texas has stirred a backlash from residents weary of paying for the privilege to drive on one of the country's most extensive networks of toll roads.

Texas has built more than 500 miles of toll roads with much of the growth coming in the past 10 years, reports the Wall Street Journal. The state plans to build nearly 300 miles of additional toll roads as part of two dozen projects in the near future.

"It's almost impossible to get around without paying a toll now," said Bobby Tillman, a 63-year-old Texas resident, who spoke against a toll on U.S. Highway 75, a major north south artery in the state, at a public hearing last month. "We pay taxes for roads and bridges... if you can't afford it, don't build it."

State and local governments have taken a new interest in P3s in part because gas taxes, which are the primary source of funding for highways at both the federal and state level, have remained stagnant since the early 1990s.

With a drop in gas tax revenue available to finance highway construction, states see P3s as a new tool to fund much-needed expansions of their road systems.

"Often the public has not had a full understanding of the real costs [of building and maintaining highway infrastructure]," Todd Herberghs, executive director of the NCPPP told the WSJ's Risk & Compliance Journal.

While Texas lawmakers continue to back P3s for narrowing a \$5 billion transportation-funding gap, even the state Republican Party is reconsidering the use of tolls to finance highway construction. The party amended its platform with anti-tolling language at a state political party convention in July.

"The truth is that most people are using and liking these toll roads," said John Crew, the majority owner of Texas Turnpike Corp. "If we don't build these things, it's not going to be pretty in a few decades."

NCPPP

By Editor

October 23, 2014