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Texas Approves New Road Funding Plan.

Voters approved a way to increase transportation funding without raising taxes or tolls. But some say it's a bad approach.

Texas voters approved a measure Tuesday to provide more money for roads without raising taxes, adding debt or adding toll roads. The measure could add as much as \$2.5 billion a year for the next decade toward building and repairing the state's congested roads, and even more after 2019.

The voters' approval is a major victory for Republican Gov. Greg Abbott, who vowed in his campaign last year to address the traffic problems that have come along with the state's recent population surge. Legislators ultimately crafted the measure that went to the voters, which was called Proposition 7.

When it became clear that Prop. 7 and six other ballot measures passed Tuesday night, the governor expressed his gratitude on Twitter. "THANKS Texans for making Texas freer & stronger with lower taxes & better roads. Texas remains best state in U.S.," he wrote.

The measure is the latest effort by Texas leaders to cope with the stresses more residents put on the state's transportation networks without raising taxes. After all, part of the reason to move to Texas is that the state has low taxes. Texas hasn't raised its gas tax since 1991.

But more than 1,000 new people a day mean bigger traffic jams in the Austin, Dallas and Houston regions. The additional taxes they pay don't cover the cost of expanding and maintaining roads. The recent increase in oil production, which began with widespread adaption of fracking technologies, also strained roads that connect oil fields to the rest of the state.

Texans have turned increasingly to toll roads to handle the increase in traffic. But toll roads are unpopular. Voters may not want to pay higher taxes, but they also don't want to have to pay just to drive on their roads (which explains a prohibition on Prop. 7 money going toward toll roads). Last year, the state used its flush rainy day fund to direct up to \$1.7 billion more a year toward transportation. But that still fell short of the \$5 billion a year that state transportation officials say is needed to maintain current levels of congestion. And the gap grew even bigger after oil prices fell this year, because oil tax revenues fund the rainy day fund.

So rather than adding new taxes, Prop. 7 will pull new money from certain existing taxes and direct it toward transportation. So, for example, once the sales tax — the state's main source of tax revenue — brings in more than \$28 billion a year, the next \$2.5 billion will be devoted exclusively for transportation every year for the next 10 years. A similar mechanism will apply to the vehicle sales tax starting in 2019: Once collections reach \$5 billion a year, 35 percent of the receipts beyond that will go toward roads.

It's a more complicated solution than simply raising the gas tax or increasing vehicle registration fees, acknowledged Jack Ladd, the president of Move Texas Forward and the treasurer of a related political action committee backing Prop. 7. "There is no political will in Austin to do that" among

Democrats or Republicans, he said. Conservatives don't want to increase taxes at all, while liberals worry that gas taxes and registration fees hurt poor people.

"It's also a question of priority: How big of a priority is transportation funding in Texas?" Ladd said. "You have to say, if you know the facts, it's a really big problem and it should be addressed." Prop. 7 puts transportation funding ahead of other priorities, like health care and education. But Ladd said those areas would also benefit from better roads.

"You can't get to a hospital, you can't get to a school without roads," he said. "It's not just a quality of life issue, it's also a jobs issue." There was little organized opposition to the measure, but critics worried that the measure will be too strict, because it puts roads ahead of schools, health care and even other kinds of transportation for new state money.

Jay Crossley was one of those who expressed doubts. Crossley, executive director of Houston Tomorrow, which promotes urban issues such as walkable neighborhoods, worried the ballot measure would promote bad transportation policy for a decade, because Prop. 7 specifies that the designated money could only be spent on roads — not on public transportation, bike paths or sidewalks.

The Texas Department of Transportation "has made it very clear that, if they could have a decade of guaranteed funding, it makes all the finances work better to build a lot of unnecessary roads," Crossley said before the vote. According to Crossley, supporters of the measure essentially said, "We don't want people to be able to change their mind."

We don't want the people of Texas to be able to say, 'Maybe we want transit. Maybe we would rather have safe streets. Maybe we want a transportation system that doesn't subsidize sprawl.'"

(Crossley stressed that he was speaking for himself; Houston Tomorrow did not take a position on Prop. 7.)

But Ladd, the proponent of Prop. 7, said lawmakers made sure the measure would expire after 10 years, so lawmakers will review the approach later. "Future legislators who may not have been around when Prop. 7 passed ... could look at it and say we want to raise taxes instead, we want to do something else, we don't want to do this anymore," he said. "There are other ways to solve this problem, but we have to fix it now."

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