

# Abbott promises to fix Texas roads without tolls

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Gubernatorial candidate and Texas Attorney General Greg Abbott addressed transportation, among other policy initiatives, in his speech to an enthusiastic crowd at the Republican State Convention Friday. The state's gridlock woes were even the subject of a joke when he quipped "I can wheel faster in my wheelchair than some of us can drive on our Texas roads."

That about sums up both the political and literal reality for Texans in most metropolitan areas of the state. Neither Congress nor the Texas legislature have addressed the structural road funding shortfall for the last decade, both turning to toll roads and massive debt financing to

kick the can down the road. But Texas is now facing a fiscal cliff - it leads the country in road debt and its maxed out its proverbial credit card. The Texas Department of Transportation (TXDOT) says it needs \$4 billion more per year just to keep pace with congestion. Even worse, its \$10 billion annual budget will experience an additional gaping \$2-3 billion hole in 2015 as the borrowing that's been propping up its budget disappears.

Abbott, acutely aware of the problem, promised to fix the state's roads without increasing

taxes and without tolls. The GOP delegates erupted in raucous applause. Toll roads have been a contentious political issue instituted by incumbent Governor **Rick Perry**. Abbott, the favorite to replace Perry despite a strong challenge by Democrat **Wendy Davis**, chose to use his unique knack for garnering support from both the establishment as well as the grassroots to chart a markedly different course from his predecessor on transportation.

Clearly, the easy course would be to continue Perry's policies, and Abbott's big donors wouldn't have batted an eyelash. But the grassroots wouldn't be on board as the overall tax burden has exploded under Perry as Texans face toll lanes on virtually every major highway. Abbott can't afford to further alienate the base of voters he needs or risk throwing the race to Davis due to lackluster turnout. While tolls aren't the only issue voters will consider in November, as the visible floor fight on Saturday confirms immigration is a key issue for the grassroots, toll policy is still a big one that can benefit Abbott as Davis and her law firm are embroiled in an **FBI investigation** of the **North Texas Tollway Authority** (NTTA).

### **Anti-toll rout in GOP platform**

Under Perry, taxpayers haven't fared well in getting key sticking points into the party platform, particularly opposition to public private partnerships. But this year, major toll road and road funding reforms were expanded and sailed to adoption - even a plank opposing public private partnerships. When **Texans Uniting for Reform and Freedom** (TURF) asked the 50-60 delegates in the audience during testimony before the platform committee to stand if they supported their common sense reforms, the entire room stood in support. The platform committee voted unanimously in favor of TURF's language, and the full platform was adopted by the delegates Saturday.

### **The reforms include:**

- 1) **Public Private Partnerships** - We oppose the construction of transportation projects which surrender control or ownership to foreign interests, such as public private partnerships (or P3s). We oppose the use of eminent domain for private gain for toll projects, as well as the construction of a "Trans Texas Corridor" or similar project which would create a federal corridor through Texas.
- 2) **Transportation Fuel Taxes** – We call for all transportation and fuel taxes collected to be used for road construction, improvement and maintenance only. We resolve that tax revenue derived from gasoline taxes and all other taxes/fees on our vehicles (including vehicle sales tax) should only be used for highway construction, and not be diverted to any other use,

including mass transit, rail, and bicycle paths.

3) **Toll roads** - We believe that tolls should come off the road when the debt is retired, and if the debt is ever restructured or refinanced, the pay-off date needs to remain the same or receive voter approval in order to extend the toll tax longer. Maintenance should then revert to the Texas Department of Transportation (TxDOT).

4) **Toll Road Funding** - We oppose the use of taxpayer money to subsidize, guarantee, prop-up, or bail out any toll projects whether public or private, and we call upon both state and federal lawmakers to adequately fund our highways without hidden taxes, tolls, or raiding emergency funds.

5) **Diversion of property taxes** - We oppose the diversion of property taxes to build, subsidize, and/or guarantee the loans of toll projects, which is primarily being done through Transportation Reinvestment Zones. The State needs to properly fund the Texas State Highway System to prevent the use of LOCAL property taxes being diverted to STATE roads.

All of these abuses have degraded good road policy under Perry. Every toll project currently under development, whether public or private, will use taxpayer money to subsidize it, and some will use taxpayer loans and loan guarantees as well. When a road is built with tax money, it should be a free road, not a toll road, otherwise it's double taxation. Perry initially promised the private sector would take all the risk in these P3 toll contracts, but when you read the fine print, it's the taxpayers on the hook for much of the losses.

Transportation Reinvestment Zones (TRZs) have become a favorite among lawmakers since they can raid local property taxes for state highways rather than shore up the funding at the state level, and last session they changed the law to allow property taxes to build toll projects - which is also double taxation. Perry and the legislature outsource the cost of road building to local government through TRZs, just as they outsource the tax increase through tolls in the hands of private corporations via P3s.

The new platform also expanded existing language regarding diversion of gas tax to non-road purposes to include language against diverting gas tax to rail and states that all taxes derived from vehicles, including vehicle sales tax, should also be allocated to roads. Though vehicle sales tax revenues (\$3.3 billion/yr) have never been gone into the State Highway Fund, it's a tax on vehicles and hence road users, and the grassroots want that money to go to roads instead of being taxed to death with tolls. Texas House Speaker **Joe Straus promised a budget** that would end un-constitutional diversions of the gas tax, but he's not taken a public

position on vehicle sales tax.

The GOP grassroots have clearly placed a line in the sand regarding toll roads this week saying 'No more.' Abbott is on board and so is the GOP candidate for Lt. Governor Dan Patrick. The question becomes, if they win in November, will Straus and lawmakers read the tea leaves and protect taxpayers, properly fund the state highway system without debt and new taxes, and stop the reliance on tolling, or will they listen to special interests and continue debt and tolls as the easy way out? A whole lot of angry taxpayers await the answer.