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Legislature looks for ways to pay for new highways

By Howard Fischer

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PHOENIX — State lawmakers have started looking for money to build more highways, including such possibilities as letting private firms build toll roads and a statewide hike in sales taxes.

The work by Tuesday by a special legislative panel is needed because the state gasoline tax raises just \$700 million a year. Those dollars, along with vehicle registration fees, have to repairing existing roads and help cities and counties balance their budgets, leaving not enough for new highways in the rapidly growing state.

Potential toll roads include new bypasses around both the Tucson and Phoenix areas, taking long-haul traffic off of the urban sections of interstate highways, as well as new highways connecting Phoenix with Northern Arizona.

Leonard Gilroy, government reform director of the Reason Foundation, a self-described public policy group that pushes libertarian and free-market proposals, told legislators letting private firms finance, operate and maintain roads makes sense when revenues are lagging.

But Rep. Tom Prezelski, D-Tucson, said it won't work.

"We've been trying to sell toll roads to the general public for about 140 years and it ain't worked," he said.

"We built these freeways, we built these highways, we want to hold on to them," he said. "We don't want to sell them to some out-of-state corporation."

He said, though, Arizonans might be willing to accept tolls on entirely new roads.

Karen Rasmussen, president of the Arizona Trucking Association, said her organization would prefer a modest increase in fuel taxes, perhaps 15 cents a gallon, to toll roads.

But Rep. Andy Biggs, R-Gilbert, who chairs the House Transportation Committee, said each penny on the state's 18-cent-a-gallon gasoline tax and 26 cents on diesel fuel raises just \$37 million a year, not enough to meet the needs.

There is another option that raises a lot of money quickly: A penny increase on the state's 5.6 percent sales tax could bring in \$1 billion annually.

Biggs said a sales tax that hits everyone, not just drivers, is justified.

"Everybody in this state, wherever you live, is getting the vast majority of their product from trucked-in products," he said. "So we're all using that, even if you're a shut-in."

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