

THE ARIZONA REPUBLIC
April 6, 2007

■ NEWS online print edition



Big tax hike for roads argued

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The Arizona Republic

Apr. 6, 2007 12:00 AM

Three years after Maricopa County voters OK'd a 20-year, \$14 billion tax extension for road projects, another even bigger transportation tax hike is in the works.

This time, though, the scope would be statewide and the dollar figures potentially several times larger.

Details are few at this point, with the project list and funding mix yet to be determined. But discussions have begun among key players in the business community, Legislature and Governor's Office. A package could be headed to the state ballot as quickly as next year, with supporters eyeing a spring special election or the November general election.

"We've never had a comprehensive, statewide plan," said Martin Shultz, an Arizona Public Service lobbyist and member of the coalition leading the transportation push. "We've got to do this. We cannot afford not to invest."

The price tag could be \$20 billion to \$40 billion or more over 20 years, with a share of that potentially paid with an increase in the state's gas or sales taxes. Among other options on the table are toll roads and HOT lanes, which act as carpool lanes that solo drivers can use if they pay a fee.

The possibility of raising taxes already is rankling some state lawmakers who would prefer that the state look to its existing budget for extra funding, rather than to taxpayers.

Nonetheless, Shultz's group has an ambitious schedule: By this time next year, it hopes that the Legislature will have referred the transportation proposal to the ballot.

Taxes and TIME

The reason, advocates say, is as apparent as the congestion that motorists face each day. They warn that what now is an annoyance will worsen into outright gridlock in the Valley and other urban areas of Arizona if the state doesn't move in a big way to bring its transportation system up to speed. That could cripple commerce, and that worry is evidenced by the business groups carrying the banner for the ballot push.

They call their group the TIME Coalition, an acronym for Transportation & Infrastructure Moving AZ's Economy.

"We're at the point now where we're really straining to keep up with the growth," said Todd Sanders, a lobbyist for the Phoenix Chamber of Commerce. "We need to start now. It's obvious."

And that means money. Lots of it.

How much? That's hard to say. Estimates are fuzzy, and definitive statewide studies have not yet been completed.

But the most recent statewide analysis, completed in 2001, said \$61 billion was needed for transportation over 20 years. Of that, \$20 billion was unfunded.

Based on its current funding formula, the Arizona Department of Transportation, excluding local funds, expects to have \$6 billion to spend over the next five years.

Opponents of the new funding effort are throwing up stop signs at the notion of increasing taxes. None is bigger than the one put up by Ron Gould, a Lake Havasu City Republican and chairman of the Senate Transportation Committee.

"Not now, nor will I ever forward (to voters) a tax proposal," Gould told *The Arizona Republic* this week, noting that he is among lawmakers who have signed a no-tax pledge.

About a dozen lawmakers in the Senate and 15 in the House have signed a pledge not to increase or initiate a new tax, said Barry Aarons of Americans for Tax Reform. Aarons said he doesn't believe that referring a tax measure to voters would violate that pledge.

Growing problem

Why is more transportation funding needed so soon after county voters approved 2004's Proposition 400?

Growth is a big piece of the problem. It has exceeded projections, and the Census Bureau has classified Arizona as the fastest-growing state in the nation. With that growth have come more motorists traveling an increasing number of miles. By 2030, more than 10 million people are projected to call Arizona home, and the Maricopa Association of Governments estimates that 1.5 million housing units are in the planning/development process in Maricopa and Pinal counties already.

That's as many as homes, condos and the like as are now on the ground.

Roadway-construction costs, meanwhile, have soared, with increased prices for concrete, asphalt and steel. A road, in other words, costs more than it did just a few years ago.

The transportation deficit only grows over time as development impact fees fail to account for the full costs

of new roads and other infrastructure.

"We're in this position because we're one of the fastest-growing states in the nation," said Rep. Bob Robson, a Chandler Republican. "We're always trying to catch up from being 15 to 20 years behind as a state."

So although voters gave the go-ahead to \$14 billion in transportation upgrades with their extension of the county's half-cent sales tax, some officials now are saying it was just a start.

'Political suicide'

The state's transportation funding woes are nothing new. Joe Lane, chairman of the state Transportation Board and former lawmaker, has been wrestling with it since he joined the board in 2002.

"We don't have an answer," he said. "It just requires such a vast amount of money."

Extending the state's bonding for roads to 30 years from 20, as the governor has recommended, would raise roughly \$500 million. It would take a 22-cent hike in the state's 18-cent gas tax to generate a billion dollars a year, said Andy Biggs, a Gilbert Republican and chairman of the House Transportation Committee.

Gould called it "political suicide" for any lawmaker to refer a tax increase to the ballot, especially in a year when all 90 face re-election. Even if it got to the ballot, he scoffed at its chances.

"You've got \$3-a-gallon gas. You think the public wants higher taxes on gas?" Gould asked incredulously.

But Shultz is steadfast. He helped lead the Proposition 400 effort and recounted all the times he was told it, too, would go down in flames at the ballot box.

Residents already know the need, he argued, and pay for it every day in lost time behind the wheel.

"This is a long-term, absolutely necessary investment," Shultz said.

"Is there any driver who's not going to know we have needs in terms of road widening?"

The trick will be to translate that frustration into votes, both in the Legislature and at the polls.

What do you think?

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Your comments

they want more money, but everything keeps going up,, gas,electric,water,etc. i dont think we're rich,but the gov. do's. i have 2 jobs now to pay my bills(DON7191, April 6, 2007 06:30AM)

"Stop allowing builders to build huge developments in the middle of nowhere and passing on the bill for infrastructure to the rest of us."

Fred, Think about what you posted you silly man. If the developers aren't allowed to build, the politicians don't get their pockets lined with cash. What is wrong with you? Not thinking clearly today?(**Otis1070**, April 6, 2007 06:12AM)

Absolutely ridiculous!!!! Az DOT, don't you wish you had the money spent on light rail that no one will use? Light rail will be of no use to people coming in from the new developments at Anthem, Fountain Hills, Buckeye and Casa Grande, to name a few. The more money we give DOT, the more they will waste. The legislators and lobbyists that want this new tax on the people should fund these projects with their own money!!!(**cor9929**, April 6, 2007 06:00AM)

Add a \$5000 tax to new home permits to help pay for infrastructure. Lower or waive the tax for infill projects. I'm for light rail but it is a waste unless you increase housing density.

Stop allowing builders to build huge developments in the middle of nowhere and passing on the bill for infrastructure to the rest of us.(**Fred3027**, April 6, 2007 03:38AM)

I CAN;T BELIEVE LAWMAKERS WOULD CONSIDER PUTTING A HIGHER TAX ON GAS. THE PEOPLE OF AZ ARE ALREADY MAD ABOUT THE GOV;T NOT DOING ANYTHING TO CONTROL GAS PRICES. WHAT AZ NEEDS TO DO IS CONTROL THE GROWTH OF AZ. YOU CAN;T EXPECT THE PEOPLE TO KEEP GIVING MONEY THEY DON;T HAVE.(**Ron1712**, April 6, 2007 03:26AM)

When the 14 BILLION dollar tax hike was approved just a few years ago, most folks knew then that it wouldn't be long before two things happened.

One, ridiculous amounts of money would be wasted on light rail (and not only has that come to pass but the light rail folks now want even more) and two, no matter how much money you give them the state's transportation folks want even more.

I guess they won't be happy until no one can afford to drive anywhere. What ever happened to living within your means and your budget?(**County2483**, April 6, 2007 01:14AM)

I do not understand why highway 93 is not a higher priority? There are still many miles which is still a two lane road. The feds have declared this route between Phoenix and Las Vegas as part of the CanaMex transportation corridor but they don't seem very interested in funding the whole project and our state leaders aren't very assertive in pushing for federal funding. (**wm7736**, April 6, 2007 01:05AM)
