

'Generational opportunity' or tax concern? A final push before Ivey releases road plan

By John Sharp | jsharp@al.com – 02/26/2019



Views from the Carraway Blvd. off ramp from I-59/20 south. Showing demolition clean up and new ramps under construction. (Joe Songer | songer@al.com).

Supporters of a state infrastructure program and a gas tax increase have been buoyed in recent days over a blistering report about Alabama's roads and bridges.

Research was compiled by a Washington, D.C.-based transportation research group called TRIP, otherwise known as The Road Information Program, and compiled into seven reports detailing how the state's roads and bridges are costing residents \$5.3 billion a year in higher vehicle operating costs, traffic crashes and congestion-related delays.

The release of each report has been met with news conferences involving mayors, county commissioners, economic development specialists and others advocating for a state transportation program on the eve of Alabama Gov. Kay Ivey's unveiling Wednesday of an infrastructure plan.

"The reports by TRIP outline just how much deficient, congested and unsafe roads truly impact Alabama citizens," said Drew Harrell, executive director of the Alliance for Alabama's Infrastructure. "This data only reiterates the dire situation we face as a state when it comes to providing Alabamians with a safe and efficient road and bridge system."

On Tuesday, the TRIP Mobile report was discussed during a news conference at the Mobile Area Chamber of Commerce.

"We understand the residents of Alabama and the Legislature are making an important decision on the future of their transportation system," said Carolyn Bonifas Kelly, associate director of research and communications with TRIP, a non-profit which is not taking an official stance on a gas tax increase. "With that in mind, we want them to have all the available information."

Lines drawn

TRIP's two-day push through Alabama counters push back from state Republican leaders who voted overwhelmingly Saturday in support of a resolution opposing a gasoline

tax increase, which would be a first in Alabama since 1992.

Other state officials are pushing for alternative funding mechanisms to support road and bridge projects. Alabama Auditor Jim Zeigler, for instance, held a town hall meeting Monday in Wetumpka to pitch his "Plan Z" which opposes tax increases and would, instead, support an infrastructure plan by prohibiting budget diversions from state money earmarked for roads and bridges.

The gasoline tax increase ideas are also dominating attention of state lawmakers during recent constituent meetings. In Huntsville Monday, the gas tax increase dominated the topics most talked about during a town hall meeting involving a dozen state lawmakers.

Lawmakers, who will be tasked with voting on Ivey's infrastructure plan, say that there is nothing wrong with the concerns being raised by anti-tax advocates.

But without details about Ivey's proposal, lawmakers warn, there is little feedback they can currently provide.

"There are a lot of lines being drawn already, but if you don't have details about a bill, I don't know if you can stand on it one way or the other," said state Sen. Cam Ward, R-Alabaster.

State Rep. Chris England, D-Tuscaloosa, said the timing is right for Alabama residents to be voicing their concerns about a proposed fuel tax hike, an overall infrastructure program and how the process might work out.

For instance, on Tuesday, social media rumors surfaced that Ivey planned to call a special session of the Legislature to focus specifically on the gasoline tax increase. An Ivey spokesman, however, quieted the talks later in the day by confirming that the governor does not plan to call a special election during Wednesday's announcement in the tiny Chilton County town of Maplesville. Said England, "We need these conversations out there right now that if people are for or against it, you need to let your feelings known. I am sure that as soon as the first day (of the spring legislative session) hits, a bill will be dropped and they will be working on it."

'Generational opportunity'

In Mobile, at the news conference, the attitude was nothing but positive toward whatever Ivey may propose.

Mobile Mayor Sandy Stimpson said that the mayors of Alabama's five largest cities – Mobile, Birmingham, Huntsville, Tuscaloosa and Montgomery – all support the plan even without knowing its details.



Mobile Mayor Sandy Stimpson speaks during a news conference on Tuesday, Feb. 26, 2019, at the Mobile Area Chamber of Commerce in Mobile, Ala., in support of a statewide roads and bridges plan. Stimpson spoke after the release of a report from the advocacy group, TRIP, which detailed that Alabama's roads and bridges are costing the state's motorists \$5.3 billion statewide in vehicle operating costs, congestion, and traffic crashes. (John Sharp/jsharp@al.com).

Stimpson called the approval of an infrastructure program a "generational opportunity" that will allow the state to capture more revenues to better attract federal highway money.

"We don't know what it is, but we realize the importance of getting something done," said Stimpson. "Whatever the outcome is, we'll be getting more than what we are getting today. It's just crucial that we do not miss this opportunity to get an infrastructure package."

His comments came after the TRIP report showed the Mobile area roads costing the average driver \$1,576 annually in extra vehicle operating costs, lost time and fuel due to congestion-related delays, and traffic crashes.

Only Birmingham at \$1,846 and Tuscaloosa at \$1,713, had annual operating costs higher than Mobile in Alabama. Other areas examined by TRIP included Decatur-Huntsville, Florence, Anniston-Oxford-Gadsden, and Montgomery.

In Tuscaloosa Monday, Mayor Walt Maddox – who ran against Ivey in last year's governor's race – publicly backed the governor's plan. In a statement to AL.com, Maddox said Ivey has "made it clear" that she has shown the "courage of her convictions to address this matter."

Tuscaloosa, according to TRIP's data, has some of the deadliest roads in Alabama ranking first among the state's regions in the financial impact of traffic crashes on area drivers -- \$492 annually.

"From Muscle Shoals to Mobile, the data is clear and compelling – We are far behind most states, and if we are going to provide safer highways and bridges, plus be

competitive economically, then we must act," said Maddox.

The TRIP report isn't the only analysis that punches at the state of Alabama's infrastructure. The American Society of Civil Engineering gave Alabama's roads a D-plus and its bridges received a C-minus score.

Said Harrell, "The cost of doing nothing to address our road and bridge needs has risen to \$507 per driver. That's \$187 more per driver than just four years ago. This is an unsustainable course."

Republican opposition

But even as pro-infrastructure forces gather up to support Ivey's plan, a host of conservative Republicans are pushing back against a tax increase.

At the Alabama GOP's executive committee meeting in Birmingham, approximately 400-plus party loyalists voted 61 percent to 39 percent in favor of a resolution opposing a gas tax increase without a reduction in existing tax revenues.

A defection of sorts surfaced on Monday, when the Houston County GOP's executive committee backed a resolution in support of state elected officials like Ivey and "her initiatives she campaigned for related to improving infrastructure" in Alabama.

Ivey, a Republican and considered among the most popular governors in the U.S., easily cruised to election during last year's GOP primary and the general election.

Terry Lathan, the chairwoman of the state GOP, said it's the prerogative of a county party on whether it chooses to make a statement regarding the tax increase.

"In instances where debated subjects arise, we will see and hear many different types of opinions," Lathan said. "The Republican supermajority of elected officials have done great work that often does not grab a headline, yet they are also tasked with difficult responsibilities. It is their job to work through these processes as they share information with the citizens."

Michael Hoyt, chairman of the Baldwin County Republican Party, said there are plenty of needs in coastal Alabama, including the \$2 billion Interstate 10 Mobile River Bridge and Bayway widening project.

But he said that Republicans, overall, have no appetite for a tax increase.

He said the more fiscally responsible approach would be to end diverting money for roads and bridges to other segments of the state's budget, such as approximately \$63.5 million that is moved to fund the Alabama Administrative Office of Courts and the Alabama Law Enforcement Agency.

"People do not want to pay more in taxes only to see that money to be transferred elsewhere or without requisite offsets," said Hoyt. "I think the Legislature is creative and we have a lot of good people up there who will come up with another solution."

Political push

Road and bridge programs are dominating statehouses throughout the U.S. in recent years, largely because of an absence of a federal infrastructure program.

Since 2013, 27 states have raised or reformed their motor fuel tax rate to pay for them. In November, a total of \$24 billion in bond initiatives were endorsed by voters nationwide addressing a swath of public construction projects.

In Ohio and Minnesota, both Republican and Democratic governors recently announced gas tax increases to pay for transportation programs.

Ohio Republican Gov. Mike DeWine is pitching an 18-cents-per-gallon tax increase to help address what he has described as a "deep hole" in transportation funding.

Minnesota Democratic Gov. Tim Walz is advocating for a 20-cent hike of the state's gasoline tax.

According to *Governing Magazine*, in Ohio, a group of experts analyzed the state's transportation's funding woes and released an 89-page report examining options to raise new revenues. Ultimately, though, the only funding solution to generate "broad consensus," was the gas tax, the magazine reported.

Jess Brown, a retired political science professor at Athens State University and a longtime observer of Alabama state politics, predicts a gas tax increase being approved in Alabama for the first time since George H.W. Bush was president, and Guy Hunt was governor.

He said the support of the gas tax from the Business Council of Alabama and pro-industry groups like the chamber of commerce, could prove too powerful for the newly-elected Legislature.

"I think the actions and words of Auditor Jim Zeigler and the resolutions of the state executive committee of the GOP make for interesting press, and it will generate some friction," said Brown. "But in the final analysis, the infrastructure plan is the primary agenda item for the Business Council of Alabama and they hold the power and will get what they want."

Said Brown, "I'm also looking for the well-financed and influential and organized opposition (to a gas tax increase) and I just don't see it."