



Katherine Stout: More roads, not rail

Only promise transit brings is expense, says MARY KATHERINE STOUT

12:00 AM CST on Monday, February 4, 2008

Public transit backers failed last Tuesday to gain corporate support for legislation that would increase sales taxes for expanded public transit – otherwise understood to be an "ambitious" regional rail network.

It's hard to tell whether the transit tax champions are giddy at the prospect of new taxes in general or at their plan's premise to get people out of their cars.

Either way, taxpayers should grab their wallets and run.

Were such a plan to pass the Legislature in 2009, local voters would be asked to add a penny to their sales tax rate for expanded transit. Once the 8.25-cent sales tax cap is breached for the first time, what is to stop the spread of such special, local-option tax increases across the state? Higher sales taxes will affect businesses to be sure, but it is the consumer who will foot this bill and bear the heftier tab.

As *The Dallas Morning News* recently editorialized, the local-option sales tax increase seems the best option to build out the existing rail nontransit cities, earning the newspaper's support as the "most reliable way to build and sustain a truly regional rail network." Yet harsh reality calls such high-flown visions into question.

Less than two months ago, Dallas Area Rapid Transit announced that it would be \$1 billion short of what is needed to meet existing building obligations. Assuming local taxpayers are hip to the notion of paying more on every purchase so they can cruise around – or subsidize others cruising around – in trains, it might be wise to consider how well this expanded rail network can be sustained in the future. Taxpayers should ask whether the apparently cash-strapped rail system fleecing them today will get better as it gets bigger.

Over the last five years, the Texas Legislature has wrestled with reducing property taxes in the face of a brewing taxpayer revolt. The message has been clear: Set priorities, limit spending and let taxpayers keep more of their hard-earned money. Many, including the Texas Public Policy Foundation, have recommended shifting from property taxes to consumption taxes as a part of overall tax reform. Only the usual suspects, those indifferent to the taxpayers' protests, have suggested outright increases in taxes.

Texas already has the eighth-highest sales tax rate in the country. The local-option increase would catapult the Dallas-Fort Worth area even higher and reduce the region's economic competitiveness.

Of course, those who are concerned about how the state can continue to be competitive amid the pressures of a growing population and worsening traffic congestion are right to worry. But the answer will not be found in costly rail expansions that satisfy only the planners' fantasies.

As urban growth and transportation expert Randal O'Toole notes in his recent book *The Best Laid Plans*, the New York City subway is the only rail transit line in the country that carries as many people as a single freeway lane.

Combine inflated ridership projections and enormous cost overruns that have plagued rail projects like this across the country with the reality that people have not given up their cars en masse despite the construction of fancy rail lines, and the only promise taxpayers can count on is that this will require their continued and growing financial obligation for decades to come.

Keeping Texas moving is a high priority, and the inescapable fact is that Texas needs more roads, not more rail cars.

Mary Katherine Stout is vice president for policy at the Texas Public Policy Foundation, a nonprofit, free-market research institute based in Austin. Her e-mail address is mkstout@texaspolicy.com.