



MEMORANDUM

Date: May 22, 2009

To: House Members

From: Texas Public Policy Foundation

Re: SJR 52 – Authorizing new transportation taxes and fees

SJR 52 on today's calendar, if adopted, would create a mechanism for unchecked growth in taxes and fees. This proposed constitutional amendment presents significant threats to taxpayers at a time when they can least afford to divert money from their family budgets.

As we wrote in our letter yesterday ([linked here](#)) about SB 855, while transportation congestion is an important concern and needs to be addressed, taxpayers expect the Legislature to make tough decisions and solve problems the same way they must do – by prioritizing existing revenue, removing wasteful spending, and funding the most essential concerns.

We have published several pieces of research that provide alternative methods that the Legislature and local communities can implement to address our transportation challenges *without raising taxes*. Currently, the Legislature, local city councils and commissioners courts have few, if any, examples that demonstrate to taxpayers that difficult decisions were made to avoid asking for tax and fee increases.

Alternatives to a tax increase include:

- Ending state transportation funding diversions, which continue in the proposed budget
 - Link to [Legislature Should End Transportation Funding Diversions, May 2009](#)
- Cities re-prioritizing their local option sales taxes to fund transportation
 - Link to [The Existing Local Option for Transportation, April 2009](#)
- Cities and counties re-prioritizing their overspending
 - Link to [Local Governments Can Prioritize Spending to Address Transportation Crisis](#)

Additionally, below are two resource publications regarding the mechanics and impacts from two proposed tax increases:

- [The Effect of Higher Gas Taxes on Texas Motorists, May 2009](#)
- [Indexing the Gas Tax to Inflation, May 2009](#)

Earlier this week, the *Fort Worth Star-Telegram* uncovered how the Arlington City Council – one of the most vocal proponents for new taxes and fees – just shelved plans to use existing sales tax capacity for transportation improvements, instead waiting to see if the legislature will raise and create new taxes that can be used for these projects. This action should be loudly condemned. The article is attached to this email, and here is a link: http://www.star-telegram.com/arlington_news/story/1382534.html.

While some local elected officials are asking the Legislature to take the easy way out and raise taxes by just “letting the people vote,” they need to answer very tough questions about their overspending and lack of setting priorities. Their decision to place this burden before the state is misplaced.