

## **TOLL ROADS FAQs**

### **Why do we need toll roads?**

More people, in more vehicles, traveling more miles means more congestion. Motorists are spending more time in traffic and businesses are factoring in the cost of congestion before relocating or expanding operations.

If communities want solutions to their transportation challenges, toll roads are an option. If Texans want to keep moving then toll roads should be considered because they offer what the state's primary source of transportation funding (gas tax) can't:

- fast relief to congested roads
- new funding for other local transportation projects

### **Instead of tolling, why not raise the state gas tax?**

Changing the gas tax is not under the purview of TxDOT. It is a legislative issue. To address the state's mobility crisis, the legislature has given TxDOT several funding options that will stretch the limited transportation funding. We are putting these options to work so we can do more with the funds we currently have. The focus needs to be on maximizing the tools we do have rather than traveling down the road of "what if".

### **Don't toll roads amount to double taxation?**

Not when you look at a region's overall transportation system. Tolls enhance the existing "collect taxes-as-you-go" method of financing transportation projects which is not keeping pace with the growing travel demand in Texas.

Tolls will be collected for three basic reasons: (1) pay for a road that can't be built soon enough with available resources, (2) pay for the continued maintenance and operation of a roadway, and (3) pay for other needed transportation improvements in the area.

### **Who will make the decision to toll a road way? Local government or TxDOT?**

Determining to toll a roadway is a joint decision between local officials and TxDOT and is based on how best to improve mobility now and provide for future transportation improvements.

### **What options do locals have if they don't want toll roads?**

Texas has more options than ever for building transportation improvements faster. Because they generate revenue to pay for projects now, toll roads are the fastest way to quickly improve mobility and safety.

If a community chooses the traditional pay-as-you-go mechanism it means that needed road improvements will come but it will be one mile and one bridge at a time. Constructing road projects that way has an impact on economic development, traffic safety and quality of life. It is a local decision to toll a project or wait for state highway funds.

**Is it more costly to develop toll roads?**

The true cost of a project is what you pay for in construction and maintenance. Initially, construction costs are more expensive for a toll road as compared to a tax-supported road. But a toll road is an investment that results in a new, ongoing revenue stream to help cover maintenance costs.

Other reasons to develop toll roads include economic, quality of life, and safety benefits delivered to the public years in advance of other funding methods. Also, paying for construction today allows the Commission to avoid inflation for materials, labor and land.

**What about the impact of toll roads on neighborhood streets?**

Public input and the impact on neighborhood streets will be considered as decisions are made on which roads should become toll roads.

In general, motorists want to get to their destination in the safest, most convenient way possible. To be successful, toll roads must offer a travel alternative that provides benefits that motorists are willing to pay for – such as time saved and increased safety versus traveling through stop-and-go traffic.

**Can Interstates be tolled?**

Interstates can only be tolled with federal legislation.

**Aren't toll roads best suited for metro or urban areas? Can they work in rural areas?**

With the right financial package, toll roads can offer congestion relief anywhere – metro or rural. Typically, toll roads are most feasible where congestion already exists. With the state's increasing population, especially in metro areas, it is likely that more toll projects will be located in major population centers.

**Instead of building toll roads why not encourage people to take public transit?**

Public transportation is a key component in addressing the mobility and environmental challenges facing Texas. It provides about 277 million rides a year. But public transit alone will not solve our transportation problems. More roads are part of the equation.

**What is pass-through tolling and how does it differ from toll roads?**

A pass-through toll agreement allows a local government or private entity to pay for building a transportation improvement and then be reimbursed later by the state through a fee based on the number of vehicles using the highway. A pass-through toll agreement can be used on a toll road, but it can also be applied to a project without tolls. As a result, locals get the benefit of improved transportation sooner, while the state does not have to pay for it up front.

**Is it really a local decision to form an RMA if TxDOT/Commission is encouraging it?**

To meet today's growing transportation demand and prepare for the future, the commission is encouraging that all new financing options be considered and used to their fullest potential. An RMA is one option that could be used with other tools for a maximum impact on transportation.

Local officials can consider the potential benefits of forming an RMA: quicker mobility improvements, improved safety, more local control on transportation decisions and a way to generate revenue for additional transportation improvements.

It's up to county officials to decide if they want to pursue forming an RMA as a way to complete transportation improvements sooner. They also decide which project they work on. The entire process starts at the local level.

**By stressing RMAs, isn't TxDOT relegating its responsibility to local governments?**

TxDOT is simply trying to provide local officials information on all the options they have to accelerate transportation improvements. RMAs are one option. RMAs are developed at the local level and give local government greater ability to provide mobility and safety benefits to citizens sooner.

**What is the impact on a county if it doesn't form an RMA?**

If local officials don't want to form an RMA, they have one less option available to relieve congestion in the area. With limited state funding, TxDOT will assist local officials in evaluating options are best for their region. TxDOT will continue to construct road improvements but it will likely be done one mile, one bridge at a time.

## SUMMARY OF FINANCING TOOLS

- State Highway Fund Bonds (Prop 14): Allows up to \$3 billion in bonds, which are repaid by future revenues deposited to the State Highway Fund. According to the law, up to \$1 billion a year in bonds may be issued. Of the total bonds, \$600 million issued must be used on safety improvement projects.  
(HB 3588, 78<sup>th</sup> Legislature; Sept.13, 2003 – Proposition 14 was approved by 61% of the voters.)
- Texas Mobility Fund – Allows bonds to be issued for highway projects that are on the state highway system, publicly-owned toll roads or other public transportation projects. These bonds are secured by transportation-related fees that were redirected to the mobility fund.  
(Nov. 6, 2001 – Proposition 15 was approved by 68% of the voters; 78<sup>th</sup> Legislature, HB 3588 - redirected transportation fees to TMF)
- Pass-Through Toll Agreement – An agreement between TxDOT and a public or private entity in which the entity funds the needed roadway project and the state reimburses the entity based on the number of vehicles using the roadway. This agreement can be used on a non-tolled or tolled roadway.  
(HB 3588, 78<sup>th</sup> Legislature)
- Toll Equity - Allows TxDOT to combine state highway funds with other public or private funds to build a toll road, without requiring repayment of state highway funds. TxDOT is limited to spending no more than \$800 million per year.  
(Nov. 6, 2001 – Proposition 15 was approved by 68% of the voters; 78<sup>th</sup> Legislature, HB 3588 - redirected transportation fees to TMF)
- Toll Conversion – allows the commission to convert a segment of state highway system from a non-tolled to a toll road. These toll roads may be transferred to a county or regional mobility authority for operation and maintenance.  
(Conversion/transfer to RMA or county – HB 3588, 78<sup>th</sup> Legislature)
- Comprehensive Development Agreement – Innovative project delivery method that rolls the design and construction of a toll road project into one contract. The traditional method is having individual contracts for separate phases of a project.