

From: Ed DeVilbiss
Sent: 1/27/2016 1:22:01 PM
To:
Cc:
Subject: The Gas Tax in summary

Friends in SC,

In trying to catch up on where the gas tax is in South Carolina I received this today from SCPC (The Nerve) and thought you might like to see where we are. Thank goodness we have Senator Tom Davis on our side. If you are not in Tom's district you might want to talk to your State Senator to find out where he stands.
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Tempers Flare on Road-Fix Plans

by Ron Aiken <<http://thenerve.org/reporters/ronaiken/>>
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<http://thenerve.org/media/cache/72/1f/721f961d4bc1a54239a09b345d7bca45.jpg>

'The solution is staring us in the face'

In a tedious two-and-a-half-hour meeting punctuated by brief moments of passion, politics and, of all things, paternity, the Senate Finance Committee met Tuesday afternoon to discuss a proposal by Sens. Joel Lourie (D-Richland) and Ray Cleary (R-Georgetown) aimed to build a consensus around fixing South Carolina's crumbling roads.

The result?

They'll meet again Wednesday to do it all again.

The divide is huge. On one hand, a majority of Republicans and a few moderate Democrats are eager for a gas-tax increase and income-tax decrease as a mechanism to pay for road repair. Opposing them is an equally unlikely combination of pro-DOT reform, anti-tax Republicans and liberal Democrats united against new taxes that adversely impact the poor.

Both want roads fixed. Both have specific ways in mind to do it that right now do

not meet in the middle.

Sen. Tom Davis (R-Beaufort), an advocate of DOT reform and for using existing new revenue to pay for road repair, questioned the figures used by the Department of Transportation and many legislators estimating that one-third of new gas tax revenue would come from out-of-state motorists.

"What verification do we have that one-third of those fees are generated by out-of-staters other than anecdotal?" Davis asked. Senate Finance Chairman Hugh Leatherman asked staff to get a clarification on that point for Wednesday's meeting."

Leatherman and Davis also sparred over the meaning of the word 'recurring.' Davis said the state is projected to take in an estimated \$1.3 billion in new revenue alone this year, with \$750 million of it being recurring revenue. When he asked why none of that money was being considered for road repair versus raising a gas tax and lowering income taxes, Leatherman said the state shouldn't depend on funding that isn't recurring. Davis reiterated that \$750 million of that was recurring, meaning it would be coming in year after year, not once. Leatherman said the two had differences in how they defined "recurring."

"Recurring means projected to continue into the future," Davis told *The Nerve*. "Either (Leatherman) doesn't understand that or he doesn't expect people to look into it.

"I mean, that was bizarre. There may be a lot of reasons not to use general fund revenue to pay for roads, but calling something not recurring that is recurring sure isn't one of them."

"It's revealing, though, that they're building their argument against using new general fund money on such a weak position. It's not just a weak position, it's a non-existent position. Recurring money is used to meet recurring needs, needs into the future, like road repair. It's as basic as you get, and yet they'd sooner look at complicated tax increases, swaps and cuts rather than simply take new money from the general fund and use it to pay for what the public expects us to pay for."

With only the last 10 minutes of the meeting featuring anything resembling debate, Davis said he doesn't expect the Senate Finance meeting Wednesday to look any different.

"(Using new money) hasn't been talked about before today, it hasn't been talked about today and it won't be talked about tomorrow," Davis said. "They want to spend that money on other things; that's what they won't say.

"We're collecting \$1.3 billion in new revenue, \$750 million, and it's not even

discussed as an option? Here you have both sides of the aisle saying it's a priority, we have 15 percent more financial resources than we did last year and we don't want to use it?"

A sticking point in Tuesday's debate was the desire on both sides to see three things done – increase the nation's third-lowest gas tax, reduce income taxes and reform the Department of Transportation. Accomplishing that, said Sen. Harvey Peeler, would be like giving birth to a baby.

"Only it's a triplet," Peeler said, because it has to have those three elements to get broad support.

"This is going to be the ugliest set of triplets you've ever seen," joked Lourie, co-author of the amendment.

"That's because you're the daddy," Peeler said.

The bill, H.3759, currently is on the Senate calendar. Whatever recommendation comes from Wednesday's consensus-building effort in the Senate Finance Meeting will be joined with whatever recommendations for DOT restructuring come out of the Senate Transportation Committee (Sen. Larry Grooms, R-Berkeley, chair) scheduled for 9:45 a.m. The Senate Finance Committee will reconvene at 1:30 p.m. in Gressette Room 308.

"I'm still trying to figure out why we're even here today," Davis said. "To raise the gas tax to fix roads, you have to be able to tell people that DOT already spends what it has wisely. It doesn't. And you have to tell them that the money is needed. It isn't.

"It's very simple, and the solution is staring us in the face. We'll see what happens tomorrow; if we can't even agree on what 'recurring' means, it really leaves me scratching my head."

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