

**MARCH 1, 2021**



# **FISCAL OPPORTUNITIES FOR TRANSPORTATION IN A SHIFTING ENERGY LANDSCAPE: THE ROLE OF STATE LEGISLATORS**

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Energy Institute Project Update

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# Research Questions

- How do state legislatures shape the prospects for energy transition and transportation investment through fuel tax policy?
- How do state lawmakers perceive the conundrum of shifting transportation energy sources and traditional reliance on petroleum-based fuel taxes?
- What political costs do legislators incur for pursuing increases in state transportation taxes or other legislative opportunities in this domain?

# Team

- Gian-Claudia Sciara (SoA) - PI
- Andrew Waxman (LBJ) – PI
- Michael Walton (CAEE) – co-PI
- Bryan Jones (Gov't) – co-PI

# Team

- James Henson & Joshua Blank (Texas Politics Project)  
– Methodological & Facilitation Team
- Douglas Shinkle (Transportation Director, National Conference of State Legislatures) – Key Project Partner
- Students: Ross Buchannan (Gov't), Andrew Robison (LBJ), Alyssa Hedge (LBJ), Shreya Ashok (McCombs), Olivia Richert (EnvSci,Geo), Branch Archer (CAEE)

# Project Structure

## Year I

Several inquiries prepare the foundation for a national survey.

1. Gas tax penalty analysis
2. Legislative inventory
3. Legislator focus groups

## Year II

Administer a national survey of state legislators working with the National Conference of State Legislators (NCSL)

# SUMMARY OF FINDINGS

# I. GAS TAX PENALTY

# Research Questions

- Do voters punish state legislators who raise gas taxes?
- Is punishment conditioned on the quality of the roads gas taxes pay for?



# Highlights

- There are significant electoral costs associated with raising gas taxes.
- The electoral cost of raising gas taxes does not appear to be conditioned on road conditions.
  - Robustness: economic controls, interactions with infrastructure quality

## DV: Incumbent Party Vote Share

Gas tax (t-1)	-0.002***	-0.002***
Deficient overpass bridges (t-1)		0.020
Candidate Experience – Incumbent	0.003***	0.002***
Candidate Experience – Challenger	-0.005***	-0.005***

# Next Steps

- Need to advance identification strategy using instrumental variables & border discontinuity approaches
- Explore evolution of the penalty over time and connection to other frontline or environment policies (e.g., employment, renewables)

# II. INVENTORY OF STATE GAS TAX CHANGES

- Objective: policy descriptives – how have legislated changes in state gasoline taxes evolved over the past 20 years
- Approach: collected all gas tax legislation across 50 states, currently tabulating legislator votes



# Preliminary Findings

- Wide variation in whether tax is indexed, type of indexing, number of times tax has been changed and use of sales vs. excise taxes

# III. STATE LEGISLATOR FOCUS GROUPS

# Approach

## Goals:

1. Define the framing that would be useful in terms of language and scope for a national survey
2. Characterize how lawmakers talk about agenda setting with respect to transportation funding and energy



# Approach

1. Focus group of TX house staffers and 3 TX legislators working in transportation
2. 5 focus groups of 23 state legislators working in transportation from around the nation

State	Party	Body	Urban Pop	Gas Tax Changes	Innov. Policy	State	Party	Body	Urban Pop	Gas Tax	Inno. Pol.
Vermont	D	House	Red	Red	Yellow	Oregon	D	House	Yellow	Yellow	Green
West Virginia	R	Senate	Red	Red	Red	Colorado	D	Senate	Yellow	Red	Green
Mississippi	R	House	Red	Red	Red						
Florida	R	Senate	Green	Green	Yellow	Virginia	D	House	Yellow	Red	Green
Georgia	R	Senate	Yellow	Green	Red	Connecticut	D	House	Green	Red	Yellow
Tennessee	R	Senate	Yellow	Yellow	Yellow						
Kansas	R	House	Yellow	Yellow	Yellow	Rhode Island	D	House	Green	Red	Yellow
Indiana	R	Senate	Yellow	Green	Yellow						
Missouri	R	House	Yellow	Red	Yellow						
Wisconsin	R	House	Yellow	Yellow	Green						
South Dakota	R	House	Red	Yellow	Red						
Utah (2)	R	Both	Green	Yellow	Green						
Washington (2)	D	Both	Yellow	Green	Green						
Hawaii (2)	D	Both	Yellow	Red	Yellow						

# General Findings

- Consensus that fuel tax isn't viable going forward.
- Funding for roads is a perennial problem and focus on protecting funds for this can prevent political bandwidth for new policies.
- Any long-term solution must tax electric vehicles in some way.
- Potential solutions discussed include:
  - Vehicle usage charges
  - Toll roads
  - Express lanes
  - EV fees
  - Taxing electric charging stations

# Themes

- Policymakers' information sources
- Issue prioritization
- Issue framing
- Solution availability
- Sources of Information

# Highlights of Innovative Policies

- Utah
  - Pilot program for vehicle usage charges
- Georgia
  - Business community supported tax increases to better fund roads.
  - Those taxes were implemented.
  - Backlash against those tax increases was minimal.
- Mississippi
  - Some business support for tax increases to better fund roads.
  - No tax increases since 1987.
- Florida
  - Has a wide range road usage fees and options (various tiers of expressways with different charges).
  - Road usage fees appear path dependent—Florida has a long history of toll roads.
    - It's unclear why Florida initially started on this path (i.e., aggressively tolling roads in the mid-20<sup>th</sup> century).