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## ADOT projects suffer from declining gas tax revenue

**By Cindy Barks**

The Daily Courier

**Friday, October 17, 2008**

PRESCOTT - Even as gasoline prices have skyrocketed over the past year, the revenue that state and federal governments are generating from gas taxes has plummeted.

And that is bad news for local road projects.

[Arizona Department of Transportation](#) officials attended a meeting of the [Central Yavapai Metropolitan Planning Organization](#) in Prescott Wednesday night to caution local officials about the plight of future state highway projects.

Apologizing in advance for the "gloom and doom" report he was about to give, Rakesh Tripathi, ADOT's director of the multimodal planning division, noted that higher gas prices have not led to higher tax revenues.

Rather, he said, "People are not driving as much because of gasoline prices. Revenues are down drastically."

That is because the state and federal governments charge their gas taxes on a per-gallon basis. So, as drivers trim their gallon usage, they are paying less in gas taxes.

That, in turn, "is impacting tremendously what we are doing," Tripathi said.

In fact, he estimated that after the five-year planning that is currently under way for the year 2014, ADOT would have little or no revenue for new road projects.

"By 2015, we are running out of money," Tripathi said. "We may not even have a programming process in about two years."

Compounding the state's money crunch is an expected corresponding impact to federal transportation dollars. Like the state, Tripathi said the federal government is anticipating major reductions in gas tax dollars, and ultimately, in the amount of money its passes on to the states.

"If the federal funds stop, there will be tremendous repercussions," Tripathi added. "A lot of (road) planning is done by federal funds."

Even for the 2014 year, the outlook does not look good.

Tripathi pointed out that ADOT has about \$30 million to split among the 13 rural counties for the year.

That will not go far, considering that just one of the recommended projects from the Prescott area is the \$7 million Highway 89A/Viewpoint interchange.

ADOT's Prescott District Engineer Dallas Hammit told the CYMPO executive board that, along with Viewpoint,

he is recommending a \$15 million widening of Fain Road.

The project, which would increase the existing two-lane road to four lanes, would start at Robert Road and would run for about a mile and a half toward Yavapai County's portion of the road, which ties in with Highway 69, Hammit said.

Because of the dwindling tax revenues, he allowed, however, that the Fain project probably is not realistic for the 2014 capital improvement plan. While he is submitting the project to get it under consideration, Hammit said the Viewpoint project is the number-one priority.

When Prescott Valley Town Councilman Mike Flannery, a member of the CYMPO board, asked what the state could do to shore up the falling revenues, Tripathi said, "I don't see any answers. We are in uncharted territory with respect to the economic times."

ADOT officials currently are working to rank the recommended projects for the 2014 capital improvement plan.

Donald Mauller, ADOT's manager of air quality and priority programming, said staff recommendations on which projects should make it into the plan should be ready to go to the Arizona Transportation Board by about February, with a final board decision expected by June 2009.

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