OpEd - Sunlight for gas tax expenditures

By Richard Eckstrom S.C. Comptroller  Mar 12, 2018

Toward the middle of each March, open-government advocates observe "Sunshine Week." It's used to raise awareness of the dangers of closed-door government and the importance of so-called "sunshine laws."
Sunshine laws, such as the S.C. Freedom of Information Act, require meetings of public bodies to be open to citizens and grant people access to information in government records. They're important because they help keep government honest. Your public officials are more likely to put your interests first when they know you're watching.

I typically use Sunshine Week as an opportunity to promote the value of online fiscal transparency - the itemized, checkbook-level posting of government spending details on the web. The idea is that taxpayers deserve access to specific details about how their money is being used. As a CPA, I can tell you there's no better antidote to the age-old problems of fraud and spending abuse than opening up the books for all to see.

My own push to make spending details publicly available online began a decade ago when my staff and I created the state's transparency website, an "online check register" showing itemized, monthly expenditures by state agencies. Since then, public colleges, school districts and dozens of cities, towns and counties have since begun publishing online check registers to join our transparency campaign.

Last month, I launched in earnest the latest component of this effort: Online gas tax transparency.

A new law which took effect last year raises transportation-related taxes and fees - including a 12-cents-a-gallon fuel tax hike, to be phased in by 2-cent increases annually for six years - to repair and maintain our deteriorating roads and bridges. The debate over the law was heated, with strong feelings both for and against. Those against it thought the needed maintenance should be handled with existing funds rather than with more new taxes. Because of the immense public interest, I decided to add to the transparency website a separate report showing how these funds are being collected and spent.

The gas tax spending reports are now online - visit cg.sc.gov, click the "Fiscal Transparency" tab, then click "New Taxes and Fees for Road Maintenance" - although there are no expenditures yet to show. When the Department of Transportation begins disbursing the new money on projects, the reports will show that information, as well as the specific sources of the money collected and the state agency that's collecting it.
Right now, visitors to the site can see that the new taxes and fees have so far generated $131,963,632. About $94 million of that is from new fees being collected when a vehicle is registered, while about $37 million has come from the new fuel tax.

In pushing the tax hike, which is expected to haul in more than $600 million per year, lawmakers promised that all of that money – not most of it or part of it, but all of it – would be spent to improve the state's existing roads as opposed to new projects. Many people worried, justifiably, that the legislation lacked sufficient oversight controls to ensure the funds were properly spent. The gas tax spending reports aim to provide the needed scrutiny - and, hopefully, peace of mind that the money is being used only as intended.

More broadly, this is another step in a continuous effort to equip citizens with access to useful information.

Openness matters. Unfortunately, it's a never-ending battle. Even as government is becoming more transparent, there will always be public officials who resist change or who try to pull the curtains back shut.

As always, I'd encourage every reader to make this fight your own. After all, it affects you. Ask the tough questions of local leaders: Does your city or county publish its check register on its website? How about vendor contracts? Does it comply with records requests in a timely manner? Does it try to charge citizens for information requests?

Challenge your local leaders to find ways to become more transparent. They want you to trust them with your money. They should trust you to know how it's spent.

Richard Eckstrom is a CPA and the state's Comptroller.