

Regional Gas Tax Overview

October 22, 2015

Background

- MTC has the authority to request that counties place a regional gas tax on the ballot in any amount up to 10-cents per gallon for up to 20-years, raising an estimated \$28 million per year/per penny, or up to \$280 million annually.
- The exact rate to place before the voters would be determined by polling.
- While a wide variety of roadway and transit projects are eligible in the statute, we recommend focusing on street rehabilitation, including bike and pedestrian improvements.
- The statute requires that each county receive at least 95% of its population share; the summary below shows the revenue each county would receive in 2017 based on this threshold.

Distribution of 10-Cent Regional Gas Tax by Countyⁱ

County	Annual Revenue	County	Annual Revenue
Alameda	\$56,128,755	San Mateo	\$26,509,895
Contra Costa	\$38,821,008	Santa Clara	\$66,515,171
Marin	\$9,115,802	Solano	\$15,120,211
Napa	\$4,940,736	Sonoma	\$17,468,083
San Francisco	\$29,765,151	Regionwide	\$264,384,812

Process Requirements

- Adopt a Regional Transportation Expenditure Plan (RTEP) in consultation with “cities, counties, transit operators, congestion management agencies, and other interested groups.”
- Other requirements in the measure are related to large projects and are not relevant or needed for a road maintenance-focused measure.

Eligible Projects

The legislation is very broad in terms of project eligibility, including 11 different categories. It would allow MTC to pursue a “pennies for potholes” program focused strictly on roadway maintenance, though it does require that “in prioritizing projects in the expenditure plan, MTC give “additional consideration to projects where local land use policies reduce dependence on single-occupant travel.”

Election Process

- To place measure on the ballot, MTC must make a request of the Board of Supervisors in each of the nine counties. A county can refuse the request only if it submits another countywide transportation measure to the voters at the same election.
- Election costs to be paid out of proceeds from tax or other MTC funds if measure fails.
- Election law requires MTC to submit a measure to each Board of Supervisors 88 days prior to the election — by August 12, 2016 if we want to pursue approval on the November 2016 ballot.

ⁱ Based on 2010 census, pursuant to statute. Revenue is net remainder after deducting 1 percent for Board of Equalization administration of tax (estimate, not capped) and 1 percent for MTC administrative costs (statutory cap).