



Contra
Costa
County

To: Board of Supervisors
From: TRANSPORTATION, WATER & INFRASTRUCTURE COMMITTEE
Date: April 10, 2018

Subject: SUPPORT: Prop 69 Constitutional Protection For Transportation Funds and OPPOSE: Potential November Ballot proposition repealing SB 1(trans. funds)

RECOMMENDATION(S):

ADOPT Resolution No. 2018/130, which establishes SUPPORT for Proposition 69, a constitutional amendment (Assembly Constitutional Amendment 5) to prevent new transportation funds from being diverted for non-transportation purposes, and OPPOSITION to the proposed November ballot proposition (Proposed Initiative 17-0033) that would repeal the new Senate Bill 1 (2017) transportation funds and make it more difficult to raise state and local transportation funds in the future.

FISCAL IMPACT:

Taking these positions (Prop 69:Support, SB 1 Repeal: Oppose) will not have any *direct* fiscal impact. *Secondary* impacts should the proposed initiative, "California Voter Approval for Gas and Vehicle Taxes Initiative" (Proposal 17-0033) make it on the ballot *and* be approved by the voters include the loss of new revenue detailed in the attached CSAC new SB1 revenue estimates, and in summary would result in an average **annual** Contra Costa loss of \$15.3 million from 2017/18 to 2026/27 (countywide). *Secondary* impacts should Proposition 69 pass are detailed in the attached Assembly Constitutional Amendment 5 Senate Floor Analyses and in summary, incurs one-time State General Fund costs (\$414,000 to \$552,000 for printing and mailing ballot materials), and would protect increased road

☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY ADMINISTRATOR

☒ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **04/10/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

ABSENT: Diane Burgis, District III Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: April 10, 2018

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: John Cunningham (925)
674-7833

cc:

funds (funding amounts detailed in the previous sentence) available to the County due to constitutional gas tax protections from diversions for non-transportation uses, and exempt new revenues from statutory spending limits.

BACKGROUND:

California Proposition 69: "Transportation Taxes and Fees Lockbox and Appropriations Limit Exemption Amendment"

From the Senate Floor Analyses (attached): Digest: This constitutional amendment proposes to amend the California Constitution to prohibit the Legislature from borrowing revenues from fees and taxes imposed on vehicles or their use or operation, and from using those revenues other than as specifically permitted in the Constitution. Also, exempts appropriations of revenues generated as part of the proposed Road Repair and Accountability Act of 2017 (SB 1, Beall) from counting towards the state appropriation limit (Gann Limit).

During the Transportation, Water, and Infrastructure Committees (TWIC) discussion it was acknowledged that the County formally supported Senate Bill 1 in 2017 (see attached: 2-7-17 BOS SB1 letter of support). In 2017, during the Board of Supervisors deliberations on SB 1, some concern was raised that the constitutional protection for the transportation revenue being discussed was not proceeding concurrently with the Bill. The timing of the legislative process and other issues did not allow for that protection to be put in place in 2017. The Proposition 69 effort makes the intent of the original package, revenue generation (Senate Bill 1) and protection (Proposition 69), complete.

TWIC recommends that the full Board of Supervisors support Proposition 69.

"California Voter Approval for Gas and Vehicle Taxes Initiative" (Proposal 17-0033) [At the time this report was submitted to the Board of Supervisors, this proposal had not yet qualified to be on the ballot]

Summary from the California Secretary of State: Eliminates Recently Enacted Road Repair and Transportation Funding by Repealing Revenues Dedicated for those Purposes. Requires any Measure to Enact Certain Vehicle Fuel Taxes and Vehicle Fees be Submitted to and Approved by the Electorate. Repeals a 2017 transportation law's tax and fee provisions that pay for repairs and improvements to local roads, state highways, and public transportation. Requires the Legislature to submit any measure enacting specified taxes or fees on gas or diesel fuel, or on the privilege to operate a vehicle on public highways, to the electorate for approval. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Reduced annual state transportation tax revenues of \$2.9 billion in 2018-19, increasing to \$4.9 billion annually by 2020-21. These revenues would primarily have supported state highway maintenance and rehabilitation, local streets and roads, and mass transit. In addition, potentially lower transportation tax revenues in the future from requiring voter approval of such tax increases, with the impact dependent on future actions by the Legislature and voters.

Citing the County's formal position of support for SB1 in 2017, and the demonstration of critical need provided during the time leading up to that action, TWIC recommends that

the Board of Supervisors oppose Initiative 17-0033.

In addition, the statewide coalition (The Coalition to Protect Local Transportation Improvements) has requested that agencies and organizations taking the positions recommended in this report, sign on to their effort.

The subject of the resolution referenced in the recommendations is:

- 1] support for Proposition 69 (Transportation Taxes and Fees Lockbox and Appropriations Limit Exemption Amendment),
- 2] opposition to Proposed Initiative 17-0033 (California Voter Approval for Gas and Vehicle Taxes Initiative), and
- 3] the Board of Supervisors consent and request to be listed as a member of the "Coalition to Protect Local Transportation Improvements".

CONSEQUENCE OF NEGATIVE ACTION:

The County would not have an official position on Proposition 69 or the effort to repeal Senate Bill 1 (2017) which the Board of Supervisors supported in 2017 and established new transportation revenues.

ATTACHMENTS

Resolution No. 2018/130

2-7-17 BOS SB1 letter of support

Ballotpedia: Prop69 Transportation Taxes and Fees Lockbox and Appropriations Limit Exemption Amendment
AssemblyConstitutionalAmendment5.pdf

ACA5(Prop 5)Senate Floor Analyses.pdf

Ballotpedia: Voter Approval for Gas and Vehicle Taxes Initiative (2018 - Proposal 17-0033)

CSAC_sb_1_ten-yr_estimates_new_revenues

Fix Our Roads Coalition Fact Sheet