To: CSAC Board of Directors

County Administrative Officers County Public Works Directors County Legislative Coordinators County Public Information Officers

CSAC Housing, Land Use and Transportation Policy Committee

CEAC Transportation Policy Committee

County Caucus

From: Kiana Valentine, CSAC Senior Legislative Representative

Chris Lee, CSAC Associate Legislative Representative

Re: Prop 6 Fact of the Week:

CA Gas Taxes DO Fund Roads & Bridges

The proponents of Prop 6 claim that if the state had dedicated pre-SB 1 gas tax revenue to roads and bridges then we wouldn't be in a transportation infrastructure funding crisis nor would we have needed SB 1. This is verifiably untrue. Here are the facts about how California spends all of its gas tax revenues and the substantial deficit our state was facing in transportation funding prior to the passage of SB 1.

- The base gas tax (18-cents) is dedicated to transportation purposes and guaranteed by Article XIX to be spent on transportation infrastructure projects. The state receives approximately 11.54-cents (\$1.7 billion annually) and invests it in state highway maintenance. Counties and cities receive approximately 6.46-cents (\$969 million annually) and local governments invest their share into local street and road system maintenance, repairs and improvements.
- The price-based gas tax (adjusted annually to be revenue neutral with what the sales tax would have otherwise generated and has ranged from 9.8-cents which generates approximately \$1.47 billion to 21.5-cents which generates approximately \$3.2 billion) is also dedicated to transportation purposes and is guaranteed by Article XIX to be spent on transportation infrastructure projects. This portion of the gas tax is allocated 56% to the state and 44% to counties and cities. The state uses this revenue for state highway improvements and local governments again invest this revenue into the local transportation network.
- The 12-cent increment per SB 1 is, again, dedicated to transportation purposes and guaranteed by Article XIX to be spent on transportation infrastructure projects. The revenue from this increment is deposited into the Road Maintenance and Rehabilitation Account and then allocated to the state and counties and cities for transportation safety, maintenance, repair, and other improvement projects.

California State Association of Counties Prop 6 - Fact of the Week August 31, 2018

The real culprit behind California's transportation funding deficit – approximately \$130 billion for just state highways and local streets and roads over the next ten years – is the significant loss of purchasing power from our existing gas taxes due to inflation, gains in fuel efficiency, population growth and therefore more people driving more miles doing more damage to the roads, increased costs of construction materials, etc.

The bottom line is that 100% of the revenue from gas taxes that drivers pay have always gone and will continue to go towards state highway and bridge and local street, road and bridge safety, maintenance, repair and improvement projects.

Sample Social Media

100% of revenue that drivers pay in California's gas taxes are dedicated and constitutionally protected for transportation infrastructure. #RebuildingCA

California's gas taxes fund safety improvements and other critical repairs on our local and state roads & bridges. #RebuildingCA

SB 1 is critical and necessary to fund statewide infrastructure improvements and road safety projects. #RebuildingCA