

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
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Re: Prop 6 Fact of the Week: Responding to the "Citizens' Lockbox" Initiative

The proponents of Proposition 6 recently filed another proposed initiative with the Secretary of State's Office intended to serve as a replacement to SB 1 should Prop 6 be successful. The proposal, titled the Citizens' Lockbox for Road Repairs and Infrastructure Improvements, is not as simple as it appears. In short, the measure would defund local public safety and health and human services and divert those revenues to roads. At the same time, counties and cities would be given maintenance responsibility for highways within their jurisdictions.

Setting aside the policy concerns further outlined below, the proposal faces a number of hurdles including raising \$2-3 million to gather signatures to qualify the initiative. Moreover, the soonest the proposed initiative could appear before voters is November 2020 – two full years from now. There are no guarantees the proponents would even fund or pursue the measure if Prop 6 passes—leaving California to face a worsening transportation shortfall with no remedy in sight. From the CSAC perspective, the proposed initiative is primarily meant to serve as a distraction from the debate about the negative impacts Prop 6 would have on our transportation infrastructure.

CSAC staff have identified the following significant policy concerns with the proposed initiative that counties need to be aware of (CSAC staff is still working on a full analysis of the proposal, so this is not a comprehensive list):

- The proposal is based on a fundamentally flawed premise that existing gas tax resources are not currently dedicated to transportation. To be clear, as outlined in our [August 31 Fact of the Week](#), all existing gas tax revenues do fund transportation infrastructure.
 - Roughly 2/3rds of the base gas tax fund state highway improvements and 1/3rd is sent directly to cities and counties for local street and road improvements.
 - Approximately 56% of the price-based gas tax revenues (replacement to the sales tax on gas) goes to state highway maintenance and capital improvements and 44% goes to cities and counties in the form of direct subventions.
 - Lastly, the gas tax increase from SB 1 is dedicated to state highway and local street and road improvements (\$1.5 billion annually respectively).
- The proposed initiative does not generate new revenue for transportation, ignoring the root causes of the transportation funding crisis as outlined in the [August 24 Fact of the Week](#).
- The proposed initiative would redirect existing revenues away from important state and county programs, including the 1991 and 2011 Realignments. For instance, the proposal would:

- Redirect all vehicle sales taxes, all revenues from Vehicle License Fee (VLF) law, and all taxes on insurance for motor vehicles from the state and 1991 and 2011 Realignment to the new Lock Box Account for transportation purposes. Revenues from these sources are currently funding critical health and safety programs. The CSAC Health and Human Services and Administration of Justice teams report that the elimination of VLF funding and some sales tax funding under the proposed initiative would dismantle local criminal justice, social services, health services, and behavioral health services in all 58 counties.
- Redirect all fines and penalties for traffic violations into the new Lock Box Account for transportation purposes. The CSAC Administration of Justice policy unit reports that this would take funding away from crime victims, emergency medical services and children’s trauma services.
- Redirect all licensing fees and state-imposed fees (registration) for use of vehicles. These fees support the administration of the California Highway Patrol and Department of Motor Vehicles and enforcement of laws related to motor vehicles.
- The 2020 proposed initiative would give cities and counties responsibility for the state highway system within their jurisdictions. Aside from the inefficiency of dividing highway maintenance responsibility among 540 local jurisdictions, the measure doesn’t ensure individual cities and counties would receive adequate funding for the new responsibility.

The Bottom Line: The maintenance, repair and preservation of our vast state and local transportation infrastructure requires a dedicated, robust and ongoing source of funding. Giving local government responsibility for state highways and defunding other vital services, such as public safety, social services, and behavioral health programs that all Californians rely on is not the answer.

Sample Social Media

#California’s roads & bridges are in critical need of repair – NOW! #SB1 created the dedicated, robust, and ongoing funding we need to assure our state infrastructure is safe and efficient. #RebuildingCA

#SB1 funds are critical and necessary to repair #California’s roads & bridges. Eliminating transportation funding means numerous local projects may not move ahead, such as [insert city/county projects currently underway].

One hundred percent of CA’s gas tax revenue is dedicated to improving our roads & bridges. The longer we wait to fix our roads, the more it cost motorists and taxpayers. #RebuildingCA

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