



## *Memorandum*

TO: Legislation Committee

DATE: February 2, 2018

FR: Executive Director

RE: Proposition 69: Constitutional Amendment Protecting SB 1 Revenue

### **Background**

California's State Constitution dedicates fuel tax revenue, most of the sales tax on diesel fuel, and registration fees to transportation purposes. While fuel tax and certain diesel sales tax revenues are restricted to roadway and public transit improvements, registration fees may also be spent on state administration and enforcement of laws regulating the use, operation, or registration of vehicles. As part of last year's negotiations over SB 1, the Legislature enacted ACA 5 (Frazier) to expand constitutional protection to revenue generated by the new Transportation Improvement Fee assessed on vehicles and *all* of the diesel sales tax so that 100 percent of SB 1 revenue will be protected against loans or diversions for non-transportation purposes. As a constitutional amendment, the measure is subject to a statewide, majority vote and was designated Proposition 69 by the Secretary of State. It will appear on the June 2018 ballot.

**Recommendation:** Support Proposition 69

### **Discussion**

ACA 5 was an important companion bill to SB 1, providing long-term certainty that the new revenue from that bill will be spent reinvesting in California's aging local roads and state highways, restoring the state's transit system to a state of good repair, providing high quality public transit service, improving congested corridors, and enhancing active transportation infrastructure. California voters have shown overwhelming support for constitutionally protecting transportation funding sources. Voter approval of Proposition 69 will also provide an important defense against the SB 1 repeal effort, should it qualify for the November 2018 ballot. For these reasons, staff recommends endorsement of Proposition 69.

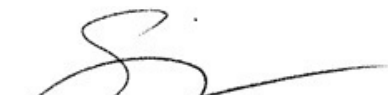
### **Known Positions**

#### **Support**

See attached

#### **Oppose**

None

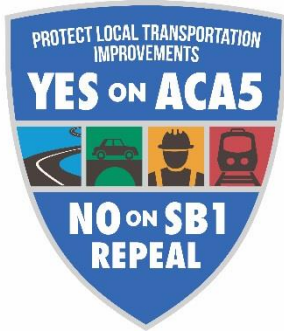


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Steve Heminger

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## **We Support Safer Roads and Protecting Local Transportation Improvements**

**We Support ACA 5 and Oppose the SB 1 Repeal**

California Alliance for Jobs  
California State Association of Counties (CSAC)  
League of California Cities  
Alameda Corridor – East Construction Authority (ACE)  
American Council of Engineering Companies – California  
Associated General Contractors – California  
Associated General Contractors – San Diego  
California Asphalt Pavement Association (CalAPA)  
California Association of Councils of Governments (CALCOG)  
California State Council of Laborers  
California Transit Association  
Los Angeles Area Chamber of Commerce  
Orange County Business Council  
San Gabriel Valley Economic Partnership  
Silicon Valley Leadership Group  
Southern California Partnership for Jobs  
Transportation California  
United Contractors

Paid for by the Coalition to Protect Local Transportation Improvements, sponsored by business, labor, local governments, transportation advocates and taxpayers  
Committee Major Funding from  
California Alliance for Jobs

Funding details at [www.fppc.ca.gov](http://www.fppc.ca.gov)