



MEMO

To: NCRA Board of Directors

From: Executive Director Stogner

Date: October 10, 2018

Subject: **Agenda Item F.2 – Proposition 6 – Repeal of SB 1 Transportation Funding**

Proposition 6 repeals transportation taxes approved by the legislature in 2017 (SB1) that pay for repairs and improvements to local roads, state highways, and public transportation. These taxes include a 12¢ per gallon increase on gasoline and a 4% increase in the sales tax on diesel fuel, as well as a transportation improvement fee to be applied as part of annual vehicle registration payments. These tax increases are expected to raise 5 bil. Per year for transportation improvements statewide.

Proposition 6 also amends the State Constitution to require the legislature to get voter approval for new or increased excise taxes or sales taxes on motor vehicle fuels as well as vehicle license fees.

According to opponents, Proposition 6 eliminates \$5 bil annually in existing transportation funding and will jeopardize more than 6,500 local transportation projects currently underway throughout California.

SMART, for example, would lose \$21 mil. for its extension of commuter rail service from Airport Blvd. to Windsor if Proposition 6 is approved and SB1 is repealed.

Staff Recommendation:

Oppose Proposition 6, the repeal of SB1 transportation taxes that would generate 5 bil. annually for statewide transportation improvements.