

SB1 – Road Repair and Accountability Act and Proposition 6

by Dave Fleisch



Proposition 6, which will be on the November ballot, proposes that any tax on the sale, storage, use or consumption of motor vehicle gasoline or diesel fuel, or on the privilege of operating a vehicle on public highways, must be submitted to the electorate for approval, even if approved by the legislature.

This proposition specifically targets Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017 passed by a two-thirds majority of the legislature and signed into law on April 28, 2017. Prior to the passage of SB1, the fixed portion of the gasoline tax in the state of California had remained at 18 cents per gallon since the early 1990's.

With the passage of proposition 69 in June 2018, one hundred percent of these funds are constitutionally protected, which guarantees that these funds will only be used for transportation purposes.

SB1 invests \$54 billion over 10 years to fix roads, freeways and bridges in communities across California and puts more dollars toward transit and road safety. These funds will be split equally between state and local investments.

SB1 emphasizes accountability and transparency by holding Caltrans and local governments accountable for the efficient investment of public funds to maintain the public highways, streets, and roads. This is done through the California Transportation Commission which annually receives plans from all local agencies and Caltrans for the coming year's funds, and also a report of where the funds from the previous year were spent. SB1 also created an Independent Office of Audits and Investigations to maintain a full scope, independent, and objective audit and investigation program. This includes an annual report to the Governor, the Legislature, and the California Transportation Commission with a summary of investigation and audit findings, recommendations, and implementation status of previous recommendations.

In order to provide a clear idea of what SB1 does and does not provide, here are some questions and factual answers:

- How will the tax funds be spent?

SB 1 invests more than \$5 billion annually directly for maintenance, repair, and safety improvements on state highways, local streets and roads, and bridges. In total, SB 1 will provide:



- \$1.5 billion for the Caltrans State Highway Operations and Protection Program
- \$1.5 billion for local streets and roads
- \$400 million for bridge maintenance and repairs
- \$300 million for goods movement and freight projects
- \$275 million for congested corridors and relief management
- \$200 million for the Local Partnership Program to match locally generated transportation funds
- \$100 million for the Active Transportation Program to improve safety and expand access for bicyclists and pedestrians.
- \$750 million for mass transit

- Will any of the SB 1 funding go into the State's General Fund?

No funding from SB 1 goes into the General Fund. Revenues go directly into transportation accounts. With the passage of proposition 69 in June 2018, one hundred percent of these funds are constitutionally protected, guaranteeing that these funds will only be used for transportation purposes.

- Will SB 1 fund High-Speed Rail?

No funds raised from SB 1 will be used to fund High-Speed Rail.

- How much will SB 1 cost California families each year?

The California Department of Finance calculated that the average cost to motorists is roughly \$120/year (\$70 in fuel costs and \$50 in increased registration fees) which budgets out to \$10/month. Note that California motorists currently pay \$763 per year, on average, in extra vehicle repair costs due to wear and tear because of the poor condition of our roads.



- Other than \$120/year costs for families, will SB1 have any impact on the California economy?

Yes. SB1 is a job creator. The White House Council of Economic Advisors found that every \$1billion invested in transportation infrastructure supports 13,000 jobs a year. With the \$5 billion annually planned from SB1, this measure will put 65,000 people to work.

- Will any of the SB 1 Funds go to parks and agriculture infrastructure?

As has always been the case, a percentage of gas tax revenue related to fuel sales for boats, agricultural equipment, and other off-highway vehicles (quads, dirt bikes) goes toward supporting infrastructure related to these economic and recreational activities. The percent of gas tax revenues collected from these sources is two percent (2%).

The County of Ventura received \$2.98M in Road Maintenance and Rehabilitation funds in Fiscal Year (FY) 17/18 and expects to receive \$10.74M in FY 18/19. For FY 17/18 the Ventura County Public Works Agency (VCPWA) completed \$2.3M of paving rehabilitation in the Oxnard Plain and \$680K of pedestrian and bike lane improvements. In FY18/19 the VCPWA plans to complete \$8.5M in pavement rehabilitation in the Yerba Buena (Malibu Mountains), Santa Susanna, La Conchita, Las Posas Estates, Moorpark and Oak Park areas; \$1.5M to repair or replace bridges on county roads; and \$80K for bike lane improvements. Without these funds, none of the projects will take place.